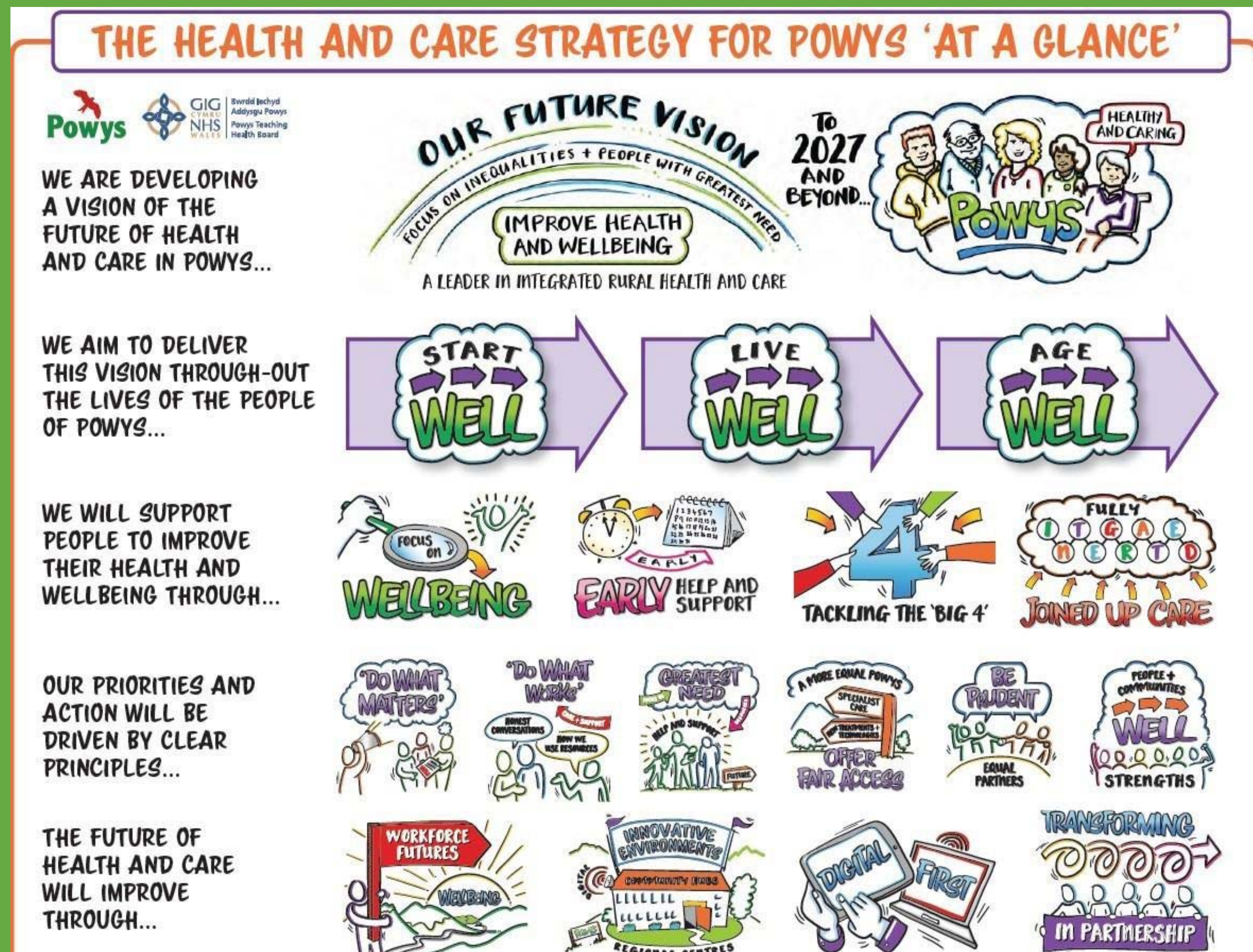
Annual Report

2022/2023



Foreword – Statement of Chief Executive and Chair

We are delighted to bring you our Annual Report for 2022/2023.

This has been a year of continued transition for health services and across our society from the significant challenges experienced during the COVID-19 pandemic, although it was not until shortly after year end in May 2023 that the World Health Organization officially declared the end of global emergency status.

Whereas in 2021/2022 our planning focus was necessarily on our one-year goals for COVID-19 response, essential healthcare, and renewal, as we entered 2022/2023, we were able to re-focus on our medium-to-long term goals set out in our Health and Care Strategy:

Focus on Wellbeing, Early Help and Support, Tackling the Big Four, Joined Up Care; enabled through

Workforce Futures, Digital First, Innovative Environments, Transforming in Partnership

The strength of the health and care workforce response to the pandemic, together with that of the community. was remarkable and humbling. All made enormous collective effort and sacrifice to keep Powys safe, working hand in hand from the initial stages where the focus was on containment measures to the vaccination programme and through into our recovery and renewal. As we continue to move forward it is vital that we build on the collective spirit and action that saw Powys through the pandemic as this will be key to our success in the future.

Whilst global emergency status has ended, the impact and implications of COVID-19 will clearly be felt for many years to come. This includes the ongoing health impact for our communities and the continued work to improve and recover waiting times for our patients.

The response to these challenges across the public sector has also been affected by the socio-economic impact of the conflict between Russia and Ukraine, cost of living and inflationary pressures, and a challenging recruitment & retention environment particularly affecting sectors such as domiciliary care. 2022/2023 also saw the highest level of industrial action in the NHS in several years, with a number of national pay disputes continuing through the year.

This context clearly continues to affect the experience of care for the people of Powys. Whilst our own provider performance for planned and urgent care compares well with Wales averages, patients continue to wait too long for treatment. During 2022/2023 none of our commissioned service providers in either Wales or England met their planned care waiting time targets, with some

patients waiting more than two years in challenged specialties such as orthopaedics. Reducing waiting times continues to be a key focus for this health board and across Wales in the year ahead.

Significantly, the health board did not achieve a key statutory financial duty in 2022/2023 regarding operational in-year financial balance, as we reported a year end deficit of £7.002m.

More information about our progress and performance to deliver our plans in 2022-23 can be found in the Performance Report at Section One of this Annual Report.

More information about our financial performance can be found in the Financial Statements at Section Three of this Annual Report.

There have been a number of changes in Board membership during the year, and we would like to thank the outgoing members and welcome new members. A key development shortly after year end saw the secondment of our substantive Chief Executive Carol Shillabeer to Betsi Cadwaladr University Health Board in May 2023, with Hayley Thomas taking on the interim role.

More information about the Board and our governance arrangements can be found in the Accountability Report at Section Two of this Annual Report.

Whilst this report focuses on 2022/2023, it is important also to focus on the future. It is no overstatement to say that the NHS currently faces its greatest financial challenge since it was founded 75 years ago. The pandemic has led to a more complex picture for the health and care system, with pressures as a result of inflation, the elective care backlog, recruitment and retention of the health and care workforce, the rising cost-of-living and high demand on NHS and social care services, alongside public expectations and reducing confidence. Responding to this context will need an open and frank conversation with our communities about how services are delivered in the future – to make them fit for the NHS 100th birthday. It will also require a joined-up approach across all partners to make best use of our resources and talents.

This is likely to lead us all to reconsider the public's relationship with the NHS, to grasp innovative opportunities to provide services closer to home, to ensure that the way we judge health service performance is focused much more on the quality-based outcomes that matter to patients, to focus on a future workforce with staff wellbeing at its heart, to ensure cross-government action to tackle poverty and inequalities that drive ill health, and to ensure value for money in a financially and environmentally sustainable NHS.

We look forward to continuing this conversation with you and co-producing a health and care service fit for the future.

In this report we see excellent examples that give us hope for that future. Our staff have continued to innovate and improve, our communities have brought their time and skills as volunteers and carers supporting their families and neighbours, our partners have worked with us so that our combined

achievements are so much greater than the sum of their parts, and the people of Powys continue to inspire the passion and pride that makes this such a special county in which to live and work.

Thank you.

Carl Cooper
Chair
Powys Teaching Health Board

Hayley Thomas
Interim Chief Executive
Powys Teaching Health Board

Contents

SECTION ONE: THE PERFORMANCE REPORT 6

SECTION TWO: THE ACCOUNTABILITY REPORT 32

PART A: CORPORATE GOVERNANCE REPORT 36

1. THE DIRECTOR'S REPORT 2022/2023 37

2. STATEMENT OF ACCOUNTABLE OFFICER RESPONSIBILITIES: 2022/2023 43

3. STATEMENT OF EXECUTIVE DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS FOR 2022/2023 45

4. ANNUAL GOVERNANCE STATEMENT 47

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL 67

CAPACITY TO HANDLE RISK AND KEY ASPECTS OF THE CONTROL FRAMEWORK 68

THE RISK MANAGEMENT FRAMEWORK 69

MANAGEMENT OF RISKS DURING 2022/2023 70

EMBEDDING EFFECTIVE RISK MANAGEMENT 71

RISK APPETITE 72

Review of Effectiveness of System of Internal Control 100

Internal Audit 100

Conclusion 106

PART B: REMUNERATION AND STAFF REPORT 119

PART C: SENEDD CYMRU/WELSH PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT 138

SECTION THREE: THE FINANCIAL STATEMENTS 149

SECTION ONE: THE PERFORMANCE REPORT

About Us

Powys Teaching Health Board (PTHB) is responsible for improving the health and well-being of approximately 133,000 people living within Powys which covers a quarter of the landmass of Wales, but with only 5% of the country's population – it is a very sparsely populated and rural county. More than half of the county's residents live in villages and small hamlets.

To gain a greater understanding of the demography that surrounds the requirements of the Health Board during 2022/2023 the Powys Well-being Assessment and the Population Needs assessment have been updated. These key appraisals provide further insight into the demographic and socio-economic factors that are often called the 'wider determinants of health'.

The Health Board's Integrated Medium-Term Plan (IMTP) drew on the key emerging insights for Powys to improve health care for the population.

- Evidence shows that people in the most deprived areas in Powys live more years in poor health compared to people in the least deprived areas. Health inequalities increase when services do not reach those who are most at risk. However, health inequalities can be reduced when services work together with a focus on early intervention, adverse childhood experiences, wellbeing, and independence.
- Evidence shows that the difference in cognitive outcomes between children from the least and most deprived areas continues to grow over 10 years. Across Wales there is also a clear link between levels of deprivation and rates of overweight or obesity. 28.4% of children who live in the most deprived areas are overweight or obese compared to 20.9% in the least deprived.
- Just over 1 in 5 children in Powys are estimated to be living in poverty, after housing costs have been considered. Children who grow up in poverty are more likely to have poor health which can have an effect on the rest of their lives. This is a particular concern in the areas of North Powys that score high on several factors associated with the Welsh Index of Multiple Deprivation (WIMD).
- Unhealthy lifestyles increase demand on health and social care services and reduce people's ability to live a fulfilling life. Although rates of physical activity in Powys are above the Wales average, nearly 6 in 10 adults are overweight or obese and this figure is predicted to rise. Just under 1 in 5 adults smoke and 4 in 10 drink more than the recommended amount.
- Developments in technology are changing how we provide some health and social care services and support. For example, more people can access services in or closer to home.
- Population changes mean there will be more older people and fewer younger people living in Powys in the future. And while people are living longer, these years are not always healthy. New treatments are also being developed which could help more people live for longer, but they are costly and changes in the way services are delivered will be required to meet future demand in a way that is affordable and sustainable.

- The geography makes it hard to provide the same level of services for everyone. Many people tell us that, although they do not want to leave their community, access to services and social isolation is a problem, in particular for those who are older and live in more remote locations.
- Services around the county's borders are changing. Powys residents access healthcare from a complex network of providers in both Wales and England. Every year around 65,000 people travel out of county for day-case and outpatient procedures, more of which could be delivered locally with the right workforce, facilities, and diagnostics.
- COVID-19 has presented an opportunity for care to be delivered differently, including working with volunteers to establish community response teams and maximising technological opportunities to provide care through digital means.

The largest known impact upon health care services within Powys and the wider global health economy is the residual impact of the COVID-19 pandemic. That impact will be felt for many years, with a complex effect on health, well-being, and inequalities.

The World Health Organisation describes increasingly critical areas of risk including serious mental health issues and suicide, increased alcohol consumption, chronic ill-health and further excess morbidity and mortality.

Various sources refer to a 'syndemic' impact, meaning there is a cumulative effect for those with existing health conditions and a clear social gradient in how this is experienced. Research points to particular impacts on children and young people and vulnerable groups. The NHS Wales Planning Framework referred to five harms which encompassed the impact of COVID itself and the impacts of changes in healthcare and wider society.

The Health Board commissioned a report to understand the syndemic impact of the pandemic for the Powys population, high level projections are noted below. The baseline was taken from 2019/20 and the impact was then profiled to 2022/2023:

- The proportion of working-age adults limited a lot by long-standing illness will increase from 18.1% to 24.4%. In Powys this is 4,719 more adults.
- The proportion of working-age adults with musculoskeletal problems will increase from 17.1% to 19.4%. In Powys this is 1,723 more adults.
- The proportion of working-age adults with heart and circulatory problems will increase from 12.8%, to 15.5%. In Powys this is 2,023 more adults.
- The proportion of working-age adults with respiratory problems will increase from 8.2% to 10.6%. In Powys this is 1,797 more adults.
- The proportion of working-age adults with endocrine and metabolic problems will increase from 7.9% to 10.9%. In Powys, this is 2,247 more adults.
- The proportion of working-age adults with mental health problems will increase from 8.8% to 11.9%. In Powys, this is 2,322 more adults.

Introduction

PTHB has responded to the intelligence and evidence set out above in determining the strategic framework and strategies priorities.

The Integrated Medium-Term Plan 2022-2025 (IMTP) marked a return to a three-year cycle of planning and a medium to longer term focus, in response to the NHS Wales Planning Framework 2022-2025 and the evidence on the needs of the Powys population set out above.

PTHB submitted a financially balanced three-year plan for this period which was subsequently given Ministerial approval and it was confirmed that the Health Board remained in routine monitoring status.

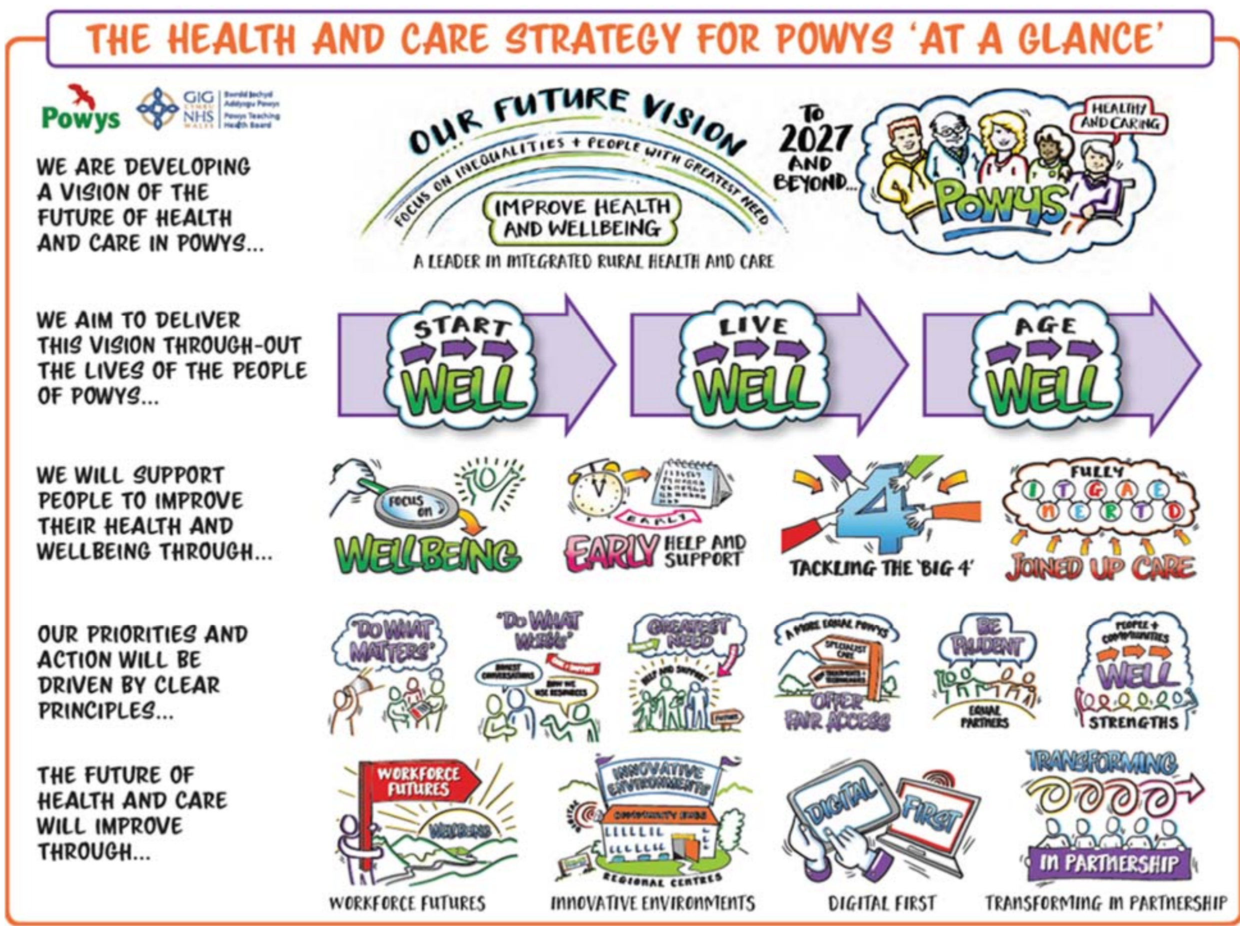
This was the first three-year planning framework issued by Welsh Government since the start of the COVID 19 pandemic and an important look to the future. The previous two years had been dominated by the COVID-19 pandemic and its direct and indirect impact, with the requirement for IMTPs suspended and a requirement for shorter term operational plans in their place.

The NHS Wales Planning Framework published on 9 November 2021 set out the context of the impact of COVID and the balance of risk of different harms, in a time of extreme pressure particularly over what was recognised to be a challenging winter and longer-term period ahead. The Framework stated that "as a country we must continue to respond to the immediate challenges of COVID, whilst turning our attention to longer-term sustainability and improvement of population health".

Returning to a medium and longer-term focus provided an opportunity to reflect on, and recommit to, the collective ambition for 'A Healthy, Caring Powys'. Priorities were set in the IMTP that both responded to the NHS Wales Planning Framework and Ministerial Priorities within that, and to the needs of the Powys population for the 3 years ahead and beyond.

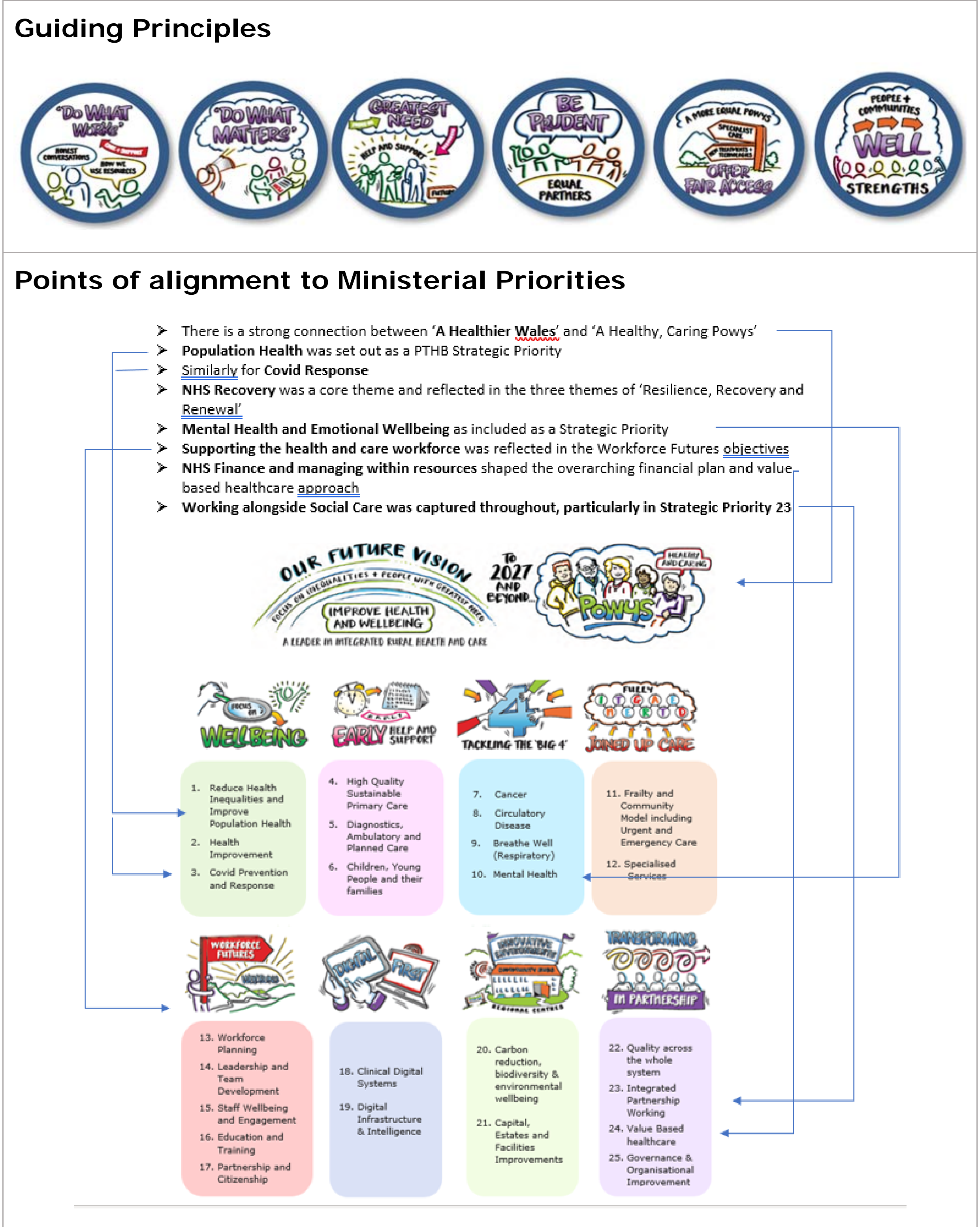
A detailed consideration was carried out, as part of the development of the IMTP to enable priority setting. This included a thorough analysis of the Political, Economic, Social, Technological, Legislative and Environmental factors (PESTLE) and a review of organisational Strengths, Weaknesses, Opportunities and Threats (SWOT).

This methodology was helpful in facilitating collective review, and articulation of, the complex context with a range of stakeholders including PTHB Committees and Board, partner organisations, the Community Health Council, staff, and the public.



Being mid-way through the shared Health and Care Strategy, A Healthy Caring Powys, it had a new importance in this context, as the anchor strategy for health and care in Powys as a region.

The IMTP therefore returned to a strategic framework founded in the key guiding principles developed with the people of Powys, and ensured alignment of Ministerial Priorities:



The IMTP 2022 – 2025 provided an opportunity to reconfirm the Health Board's role as an employer and an anchor in the community as well as a healthcare provider.

There are natural geographic sub-regions in the County which are reflected in the Cluster footprints of North, Mid and South Powys and the plans for these areas were reflected in the overarching IMTP 2022 – 2025.

The Health Board also has a leadership role regionally within the Powys Regional Partnership Board, Public Services Board and Mid Wales Joint

Committee and the IMTP was a whole system plan encompassing this partnership approach.

The IMTP included the key actions being taken to contribute to wider well-being, including decarbonisation, the foundational economy and social partnership. The Ministerial Priorities and measures were taken into account in both the IMTP Strategic Plan and the associated technical templates.

The IMTP was realistic about the likelihood of challenges ahead, and whilst the ambition was high, it was acknowledged that recovery may not be straightforward, and setbacks would need to be navigated.

The complexity and volatility were recognised in the NHS Wales Planning Framework.

A responsive, phased, and cyclical approach was set out in this context. The plan was shaped around three components of 'Resilience, Recovery and Renewal'.

Resilience
Immediate / short term:
- Covid response
- Essential delivery including winter planning, immunisation, service continuity

Recovery
Medium term:
- Recovery planning across planned and elective care

Renewal
Long term:
- Renewal and Transformation
- Flagship partnership programmes

A number of strategic risks were set out by the Health Board for the period of the plan:

- Complexity and uncertainty in the external environment, impacting on the ability to fully respond to population health need;
- Continued uncertainty requiring an agile response which limits the ability to consistently prioritise and impacts on the alignment of limited resources;
- Introduction of significant changes in relation to the COVID response with new services required to be delivered by the Health Board particularly in relation to vaccination and testing;
- Complex and changing requirements for infection prevention and control in line with changing national requirements at UK and NHS Wales level;
- Workforce challenges in relation to supply and sustainability, coupled with the impact of the pandemic on staff wellbeing and the increased workforce planning requirements in relation to new ways of working;
- The increased scale and pace required for recovery and the capacity to deliver, lead, and manage change effectively;
- Variability and inequity of access to treatment for patients
- Complex commissioning arrangements with variances in the quality of care and a number of providers progressing improvement plans in response to regulatory measures;
- Equally complex partnership arrangements with the need to balance sovereign governance and accountability with integrated, whole system approaches;

Very significant events occurred post-production of the organisation's plan, which impacted directly and indirectly on the ability to deliver progress against plan. Notably, these included the emergence of a significant conflict between Russia and the Ukraine, resulting in complex socio-economic consequences particularly in relation to supply chain difficulties for energy and other consumables.

The cost-of-living increases were to some extent prefigured in the PESTLE analysis prior to the plan being published, in relation to 'increasing rates of inflation' and impact on household income. However, the scale of this was not fully revealed until further into the year and was later exacerbated by other environmental factors including adverse weather conditions both in summer and winter periods, impacting both on industrial and domestic supply and costs.

Perhaps most importantly, but again, predicted to some degree, was the extent of the system pressures across health and social care over the past year. It was known that there were challenges to be faced in year however the scale and complexity of the pressures being experienced were unprecedented.

This meant that significant efforts and resource continued to be deployed on immediate, life critical and life essential healthcare to support system resilience. This has impacted on the ability to deliver against the full ambition set out in the IMTP 2022 – 2025.

A review has been carried out to identify those priorities that were not fully achieved, but remained relevant, to ensure they were included in the planning for the coming year, where relevant and appropriate.

The information that follows provides a summary of progress against the Strategic Objectives and Priorities in the IMTP at the end of the year, 31 March 2023.

Strategic Objective	Strategic priority	Behind Schedule	At risk	On track	Complete	Not due yet
Focus on Well being	**Overall**	5	3	0	25	0
	Variance from Q3	3	-1	-14	17	-5
	Take Action to Reduce Health Inequalities and Improve Population Health	0	1	0	6	0
	Deliver Health Improvement Priorities	2	2	0	11	0
	Deliver Covid-19 Prevention and Response and Integrated, Comprehensive Vaccination	3	0	0	8	0

Strategic Objective	Strategic priority	Quarter 4 Behind Schedule	At risk	On track	Complete	Not due yet
Early Help and Support	Overall	17	12	0	23	0
	Variance from Q3	12	4	-17	6	-4
	Improve Access to High Quality Sustainable Primary Care	8	5	0	13	0
	Develop a Whole System Diagnostic, Ambulatory and Planned Care Model	2	6	0	3	0
	Improve Access to High Quality Prevention and Early Intervention Services for Children, Young People and their Families	7	1	0	7	0

Early Help and Support

- Behind Schedule
- At risk
- On track
- Complete

Strategic Objective	Strategic priority	Quarter 4 Behind Schedule	At risk	On track	Complete	Not due yet
Tackling the Big Four	Overall	3	12	0	9	0
	Variance from Q3	-1	4	-12	9	0
	Implement Improvements in Early Diagnosis, Treatment and Outcomes for People with or suspected of having Cancer	0	4	0	3	0
	Implement Improvements in Outcomes, Experience and Value in Circulatory Disease (Stroke, Heart Disease, Diabetes)	0	4	0	3	0
	Develop and Implement the next stage of the Breathe Well Programme	1	1	0	2	0
	Undertake Strategic Review of Mental Health, to improve outcomes from high quality, sustainable services, including specialist services	2	3	0	1	0

Tackling the Big Four

- Behind Schedule
- At risk
- On track
- Complete

Strategic Objective	Strategic priority	Quarter 4 Behind Schedule	At risk	On track	Complete	Not due yet
Joined Up Care	Overall	20	10	0	5	0
	Variance from Q3	2	1	-7	5	-1
	Design and Deliver a Frailty and Community Model including improved access to Urgent and Emergency	18	8	0	2	0
	Support improved access to and outcomes from Specialised Services	2	2	0	3	0

Joined Up Care

- Behind Schedule
- At risk
- On track
- Complete

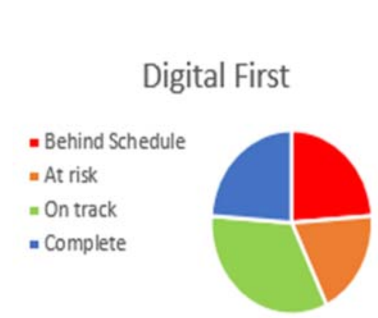
Strategic Objective	Strategic priority	Quarter 4 Behind Schedule	At risk	On track	Complete	Not due yet
Workforce Futures	Overall	4	7	0	11	0
	Variance from Q3	3	7	-11	7	-7
	Designing, develop and implement a comprehensive approach to workforce planning	1	2	0	4	0
	Redesign and implement leadership and team development	0	0	0	2	0
	Deliver improvements to staff wellbeing and engagement	1	2	0	3	0
	Enhance access to high quality education and training	1	1	0	1	0
	Enhance the health boards role in partnership and citizenship	1	2	0	1	0

Workforce Futures

- Behind Schedule
- At risk
- On track
- Complete

Strategic Objective	Strategic priority	Quarter 4 Behind Schedule	At risk	On track	Complete	Not due yet
Digital First	Overall	5	4	7	5	0
	Variance from Q3	2	3	-5	1	0
	Implement Clinical Digital Systems that directly enable improved care	2	1	7	5	0
	Implement key improvements to digital infrastructure and intelligence Undertaking a Digital Service Review for the medium/longer term, aligning to the Renewal Programmes and improving deployment of systems	3	3	0	0	0

Digital First



		Quarter 4				
Strategic Objective	**Strategic priority**	**Behind Schedule**	**At risk**	**On track**	**Complete**	**Not due yet**
Innovative Environments	**Overall**	1	1	0	17	0
	Variance from Q3	0	0	-16	17	-1
	Implement ambitious commitments to carbon reduction, biodiversity enhancement and environmental wellbeing.	0	0	0	10	0
	Implement capital, estate and facilities improvements that directly enhance the provision of services to patients/public and the wellbeing/experience of staff	1	1	0	7	0

Innovative Environments

- Behind Schedule
- At risk
- On track
- Complete

		Quarter 4				
Strategic Objective	**Strategic priority**	**Behind Schedule**	**At risk**	**On track**	**Complete**	**Not due yet**
Transforming in Partnership	**Overall**	5	13	0	24	0
	Variance from Q3	1	2	-17	14	0
	Improve quality (safety, effectiveness and experience) across the whole system; building organisational effectiveness	0	3	0	11	0
	Enhance integrated/partnership system working, both in Wales and England, improving regional approaches to the planning and delivery of key services	0	2	0	4	0
	Implement value-based healthcare, to deliver improved outcomes and experience, including the effective deployment and management of resources	3	4	0	3	0
	Implement key governance and organisational improvement priorities including embedding risk management, effective policies, procedures and guidance; audit and effectiveness; Board effectiveness and systems of accountability and organisational development	2	4	0	6	0

In 2022/2023 there was extensive engagement and communication within Powys regarding the known impacts of COVID-19 and seasonal surges in respiratory based illnesses as well as the additional in year unexpected challenges such as industrial action from various staff groups as well as the increasing costs of individuals and businesses heating their homes and the rising impact of food prices.

A wider programme of communication activity has been able to recommence as the requirements of the COVID-19 pandemic response reduced, but critical activities remained to retain awareness of protective behaviours and continued risk.

Key areas of focus included our winter resilience communications plan. This involved regular engagement with key stakeholders including the Community Health Council, County Council, MSs and MPs, staff, public briefing sessions, PAVO and wider partners to help inform the health board's plans and to support and encourage everyone to play a part in Keeping Powys Safe. This has included a focus on Help Us Help You and promotion of NHS 111 Wales services. Given the increasingly challenging financial context the messaging was also linked with Cost of Living advice including a new cost of living hub on the Health Board website (https://pthb.nhs.wales/news/features/get-help-with-the-cost-of-living/).

With industrial action taking place during the year, the Health Board responded by providing public messaging to help people access the right service at the right time – with the added complexity of different action affecting Powys, neighbouring health boards and services in England in different ways at different times.

IMTP Accountability Conditions

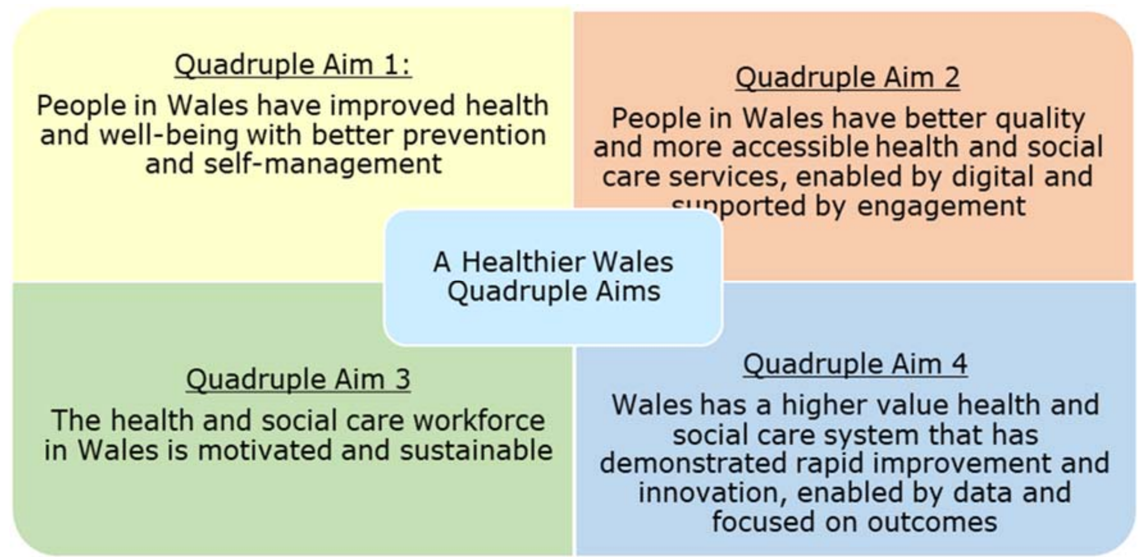
As part of the IMTP sign off process for 2022/2023, the Heath Minister issues a series of 'accountability conditions' to each Health Board if it is felt the plan needs improving in certain areas. Progression towards satisfying the condition and performance improvement is required to be demonstrated across the year. There were 5 accountability conditions for the year. 4 have been fully complied with and the 5th partially met. The final partially met condition in relation to maternity services proposed to be commissioned from Cwm Taf Morgannwg University Health Board. This service has been removed from special measures status. This final condition will be met in 2023/24.

Throughout 2022/2023, the Health Board has remained in 'routine monitoring' status from an NHS regulatory oversight perspective.

Performance Overview

All Health Boards within Wales are required to provide performance and assurance via the NHS Wales Performance Framework. This framework for 2022/2023 was significantly revised with changes to improve focus and timelines of key measures to support national health care objectives with the aim to continue improvement of population health and long-term outcomes. Key to the scrutiny of health performance are the Ministerial priorities where health boards are required to provide improvement trajectories against key planned care targets.

The NHS Performance Framework remains based on four quadruple aims mapped to the A Healthier Wales long term plan for health and social care.



The framework consists of 84 measures. Of the 84 measures, 54 have been identified as ministerial priorities. A further 8 measures are classed as operational and not routinely reported to Welsh Government.

The Health Board has a systematic review process to both manage and review performance. This includes a ward to Board mechanism including formal review at Executive, Delivery and Performance committees and at Board level. In addition, performance is reviewed by Welsh Government and NHS colleagues.

Quality of Data used by the Board

The Health Board continually reviews the quality of data that it is using within the organisation including for decision making and assurance at Board level. Each of the separate data quality strands within the organisation are reviewed frequently that span across the main domains including finance, operational, workforce, quality, and safety data. However, it is a continuous process spanning an array of data systems and datasets including new systems being implemented. The Health Board also receives data quality reports from system suppliers and is subject to a number of external reviews that feature data quality assessments as part of the review.

The annual performance report provides a summary of the key performance measures, and challenges specifically for the Ministerial priorities, but detailed commentary of the issues, actions and mitigations taken in relation to each of the measures within the framework is included in the Integrated Performance Reports to PTHB Board. This information is available on the PTHB Website at https://pthb.nhs.wales/about-us/health-board-performance/ via The Board meeting papers.

Six Goals or Urgent and Emergency Care

Powys Teaching Health Board is wholeheartedly committed to delivery of The Six Goals for Urgent and Emergency Care, recognising the importance of providing the right care, in the right place, and at the right time. Acknowledging the challenges ahead, it remains dedicated to continuous learning, improvement, and sharing best practice as it strives to meet the goals.

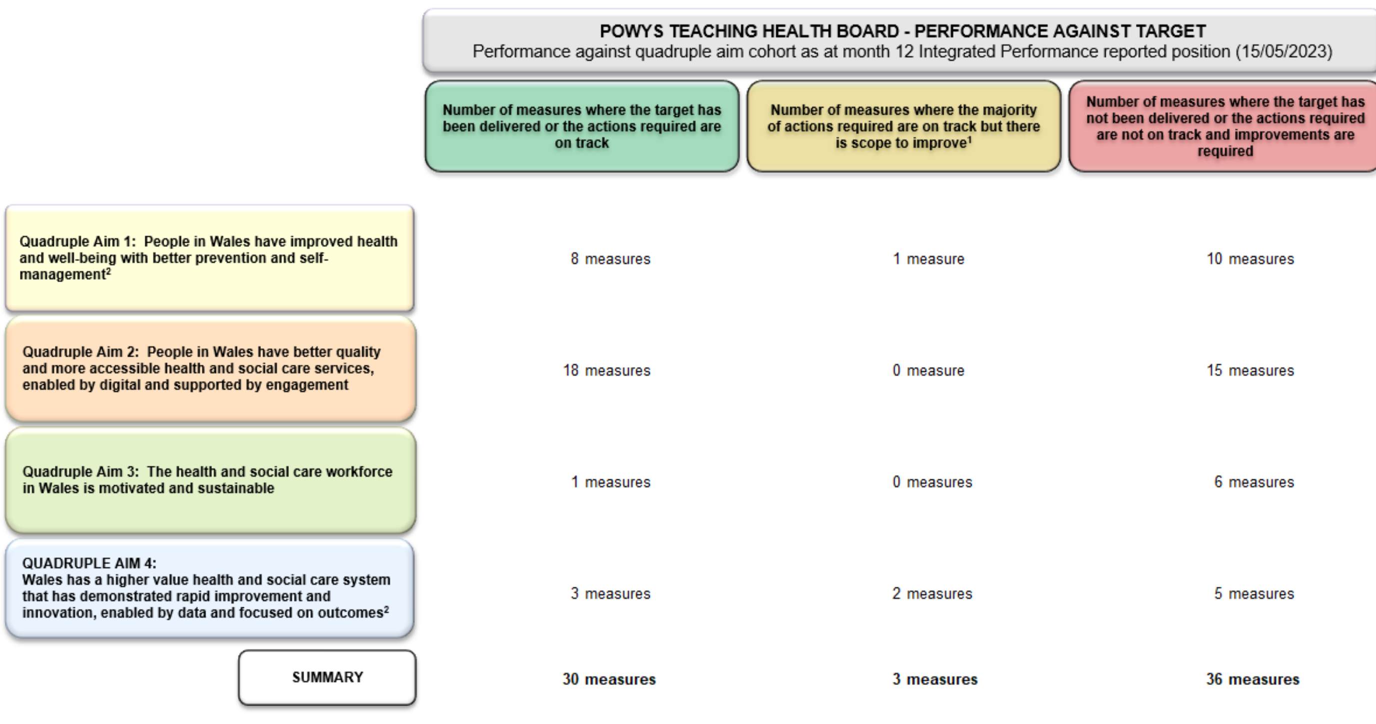
PTHB's focus is on improving access, coordination, and the overall experience of urgent and emergency care services for Powys people, ensuring the provision of safe and timely care for populations at greater risk, and addressing disparities in access for marginalised communities. Effective communication and language accessibility are integral to this, with a commitment to enabling seamless access to services for individuals who choose to communicate in Welsh. The Six Goals funding empowers the health board, working with key partners, to invest in essential resources and workforce training, fostering the development of a resilient and responsive urgent and emergency care system.

Integration and collaboration with other NHS and partnership plans and programs will enable the delivery of streamlined care pathways. Through transparency, accountability, and active engagement with service users, clinical leaders, and partners we will monitor progress and deliver the high-quality care that the Powys community deserves.

PTHB does not run acute consultant-led urgent and emergency care services but does have Minor Injury Units across Powys. The health board is working collaboratively with Powys Clusters and partners including WAST to expand the range of non-acute 24/7 urgent care services. This will increase footfall management and avoid emergency admissions and conveyances. This will also reduce lengths of stay, improve patient flow and care, with a home first ethos and improved access to community therapy.

Powys Teaching Health Board end of year summary scorecard

Table 1



POWYS TEACHING HEALTH BOARD - PERFORMANCE AGAINST TARGET
Performance against quadruple aim cohort as at month 12 Integrated Performance reported position (15/05/2023)

	Number of measures where the target has been delivered or the actions required are on track	Number of measures where the majority of actions required are on track but there is scope to improve[1]	Number of measures where the target has not been delivered or the actions required are not on track and improvements are required
Quadruple Aim 1: People in Wales have improved health and well-being with better prevention and self-management[2]	8 measures	1 measure	10 measures
Quadruple Aim 2: People in Wales have better quality and more accessible health and social care services, enabled by digital and supported by engagement	18 measures	0 measure	15 measures
Quadruple Aim 3: The health and social care workforce in Wales is motivated and sustainable	1 measures	0 measures	6 measures
QUADRUPLE AIM 4: Wales has a higher value health and social care system that has demonstrated rapid improvement and innovation, enabled by data and focused on outcomes[2]	3 measures	2 measures	5 measures
SUMMARY	**30 measures**	**3 measures**	**36 measures**

Please note that the above scorecard is based on the performance available within the year end Integrated Performance Report created 21/06/2023.

The Health Board has reported performance against the measures of the NHS Wales Performance Framework and aligned to the Quadruple Aim with performance during 2022/2023 comprising both things which went well and areas with planned improvement opportunities in 2023/24:

Table 2

<table>
<tr><th>Where we succeeded</th><th>Improvement opportunities</th></tr>
<tr><td colspan="2">Primary Care</td></tr>
<tr><td><u>Dental Access</u>
Helpline implemented (circa 9k calls, 3k queries & concerns, and 1.4k advised to contact 111).
Expanded urgent access pathways.
100% same day urgent access for existing patients.
<u>GP practice</u>
100% of practices have met agreed opening hour requirements.
All practices engaged with All Wales Diabetes Prevention Programme.</td><td><u>Dental</u>
Development of further dental contracts to provide capacity.
<u>GP practice</u>
South Powys dermatology pilot (GPwER) underway with phased plan of rollout to North and Mid Powys.</td></tr>
<tr><td colspan="2">Urgent Emergency Care</td></tr>
<tr><td><u>Minor Injuries</u>
PTHB Minor Injury Unit's (MIU) fully achieved compliance with all national targets in 2022/2023 (zero 12 hr breaches and +99% 4hr compliance.</td><td><u>111 assessments</u>
Integration of new 111 system for 2023/24 to improve service efficiency resulting in a better patient experience.
<u>WAST response (red calls)</u>
Engagement with the Ambulance Service to develop actions to reduce handover delays (ICAP), including enhancement of current in-county pathways to reduce admissions, and accelerated step down of patients to clear beds in acute care centres.</td></tr>
<tr><td colspan="2">Planned Care</td></tr>
<tr><td><u>PTHB provided planned care.</u>
Powys is the best performing (ranked 1st in Wales), and most improved health board for planned care (for the pathways provided in a non-acute health board)
No patients waited over 104 weeks on a provider pathway in 2022/2023 financial year.</td><td><u>PTHB provided planned care.</u>
Improvement in line with Get It Right First Time (GIRFT) reviews for 2023/24.
Ongoing engagement with National outpatient transformation & Regional workstreams (to provide additional capacity)</td></tr>
</table>

Where we succeeded	Improvement opportunities
• Excellent < 26 week performance (94.3% in Mar-23). • Lowest number of diagnostic breaches in Wales (161 in Mar-23). • PTHB first clinical endoscopist trainee post has completed training in Jan-2023, this post provides additional JAG accredited endoscopy capacity for gastroscopy. PTHB commissioned care. • Two of three main English acute care providers have eradicated over 104 week waits (Mar-23) • Access to rapid diagnostic clinics in key commissioned providers.	• Implementation of Transnasal diagnostic Endoscopy. • Follow-up challenge (data quality) to be addressed and result in improved tool for demand and capacity planning for services and better patient outcomes utilising see on symptoms and patient-initiated follow-ups. PTHB commissioned services. • Repatriation opportunities, looking at high volume or long wait low complexity pathways and procedures to support commissioned pathways. • Work with Welsh Health Specialised Services Committee (WHSSC) to improve value including agreed pathway improvements and improve management of complex cross border pathways.
Mental Health	
• Robust compliance for CAMHS, and under 18 assessments and interventions through 2022/2023 financial year. • Positive feedback from Welsh Government policy lead on developing PTHB whole school approach to CAMHS in reach services "Wellbeing support". • Ongoing positive use of Silvercloud to enable self-help and other 3rd sector interventions. • Implementation of 111 press 2 for mental health.	• Key mental work around accessing national funds and grants to strengthen capacity, and ongoing pathway design and development as part of the health boards aim to tackle one of the big four causes of ill health.
Cancer	

Where we succeeded	Improvement opportunities
• Established Cancer Harm Review process to provide increased oversight on identifying and managing harm. • All general practices can access symptomatic Faecal Immunochemical Test services. • Cytosponge implementation – successful proposal submitted to Moondance Cancer Initiative to join the Welsh Cytosponge implementation pilot being led by BCUHB. PTHB Commissioned services. • Powys residents can access Rapid Diagnostic Clinics (RDC) in Aneurin Bevan University Health Board (ABUHB), Betsi Cadwaladr University Health Board (BCUHB) and Swansea Bay University Health Board (SBUHB).	• Deliver Cancer Improvement (in line with NHS Wales Cancer Improvement Plan). • To implement Transnasal endoscopy (TNE) to improve capacity and patient outcomes (comfort of procedure) when compared to traditional gastroscopy. PTHB commissioned services. • Ongoing work to explore capacity within BCUHB to accommodate Mid Powys residents in their Rapid Diagnostic Centre. • Options being explored in close collaboration with commissioned service providers to increase diagnostic provision for Powys patients.

Our Performance Report

At the close of the 2022/2023 financial year, the Health Board reports that the key areas of challenge remain across planned and unscheduled care access in both provider and especially commissioned service providers. Although performance has remained robust across planned care access when compared to other Welsh and English providers, RTT and diagnostics have failed to meet PTHB ambitious trajectories set for Ministerial priority access measures. Mental Health care in the provider remains robust with almost pre COVID-19 waiting list access times except for adult interventions within 28 days, and even where this target has been missed the provider performs well against the All-Wales position.

Key challenges remain in Commissioned services for Powys resident access and their treatment within acute care pathways although overall waiting times have seen improvement over 2022/2023 challenge remains for timely care. Key themes of challenge and recovery across planned care in England and Wales include ongoing recovery from the COVID-19 pandemic created backlog, industrial actions by nursing and ambulance staff, staffing pressures due to

sickness or vacancy (challenging recruitment), diagnostic pressures, theatre capacity, and bed flow (linked to social care provision). For Powys residents specifically there is a challenge of equity to access by their geographical location in the county. Powys residents wait on average longer in Wales, with potential waits being reported up to and beyond 12 months longer than those equivalent specialties that flow via cross border services into English acute care.

Unscheduled care in Powys as a provider performs well with minor injury units exceeding national targets for wait times consistently. Patients that require A&E access in both England and Wales, or an emergency ambulance are unfortunately still waiting a significant time and beyond national targets to receive care although waiting times are showing improvement from the end of quarter 3. For unscheduled care key challenges are like those for planned care including increased demand, and acute site patient flow bottlenecks resulting in long ambulance handover times. Further rurality, and ability to access points of care impacts on patient access/response times and outcomes.

Throughout 2022/2023 the Health Board has continued to work closely with its neighbouring NHS Health Boards, Trusts, and private insource providers to focus not only on the performance of key targets of care but provide quality outcomes of care across its provided and commissioned services.

Quadruple Aim 1: People in Wales have improved health and wellbeing with better prevention and self-management.

Table 3

No.	Abbreviated Measure Name	Ministerial Priority	Target	Latest Available	12month Previous	Previous Period	Current	Ranking	All Wales
2	Qualitative report detailing progress against the Health Boards' plans to deliver the NHS Wales Weight Management Pathway	✓	Evidence of Improvement	Mar-23			Red	N/A	
3	% Babies breastfed 10 days old	✓	Annual Improvement	2021/22	52.0%		56.5%	1st	36.7%
4	% of adults that smoke daily or occasionally	✓	Annual reduction towards 5% prevalence 2030	2021/22	13.0%		10.7%	1st	13.0%
5	% Attempted to quit smoking	✓	5% annual target	Q3 2022/23	2.43%		2.26%	6th	2.89%
6	Qualitative report - Implementing Help Me Quit in Hospital smoking cessation services and to reduce smoking during pregnancy	✓	Evidence of Improvement	Mar-23			Amber	N/A	
7	% diabetics who receive 8 NICE care processes	✓	>=35.2%	Q3 2022/23	35.0%	46.8%	47.9%	1st	39.1%
8	% Diabetics achieving 3 treatment targets	✓	1% annual increase from 2020-21 baseline (27.2%)	2021/22	26.2%		27.2%	4th	27.6%
9	Standardised rate of alcohol attributed hospital admissions	✓	4 quarter reduction trend	Q3 2022/23	437.2	405.7	447.7	6th	423.6
10	Percentage of people who have been referred to health board services who have completed treatment for alcohol misuse	✓	4 quarter improvement trend	Q4 2022/23	51.7%	60.7%	65.4%	5th	74.1%
11	'6 in 1' vaccine by age 1		95%	Q4 2022/23	93.8%	95.2%	95.8%	2nd	94.7%
12	2 doses of the MMR vaccine by age 5		95%	Q4 2022/23	94.4%	97.7%	89.6%	4th	89.4%
13	Autumn 2022 COVID-19 Booster	✓	75%	Mar-23		70.7%	71.3%	1st	66.1%
14a	Flu Vaccines - 65+		75%	2021/22	73.5%		75.3%	7th	78.0%
14b	Flu Vaccines - under 65 in risk groups		55%	2021/22	52.2%		50.9%	3rd	48.2%
14c	Flu Vaccines - Pregnant Women		75%	2021/22	92.3%		66.7%	6th	78.5%
14d	Flu Vaccines - Health Care Workers		60%	2021/22	56.5%		52.1%	6th	55.6%
15a	Coverage of cancer screening for: cervical		80%	2020/21	76.1%		72.7%	1st	69.5%
15b	Coverage of cancer screening for: bowel		60%	2020/21	56.4%		68.3%	1st	67.1%
15c	Coverage of cancer screening for: breast		70%	2021/22 (May)	74.6%		75.8%	1st	72.3%

PTHB compliance against the NHS Delivery Framework measures in Quadruple Aim 1 is:

Headline performance:

- Uptake of complete three dose '6 in 1' and 2 doses by first birthday met the target for Q4 and above Wales average.
- Autumn COVID booster programme target did not meet target for vaccination of Public Health Wales reported cohort requirement but did treat 84% of the eligible Powys Health Board cohort.

Exception and escalation measures

- % attempted to quit smoking – target not met at Q3 2022/2023.
- Uptake of 2 doses of MMR has decreased in last two reported quarters and fallen below the Wales average.
- Influenza vaccination data for 2022/2023 is not available currently, the health board was not compliant for any metric apart from the 65+ cohort in 2021/2022.

Quadruple Aim 2: People in Wales have better quality and more accessible health and social care services

Table 4

No.	Abbreviated Measure Name	Ministerial Priority	Target	Latest Available	12month Previous	Previous Period	Current	Ranking	All Wales
16	% of GP practices that have achieved all standards set out in the National Access Standards for In-hours GMS		100%	2022/23	100.0%		100.0%	1st*	88.6%
18	Number of new patients (children aged under 18 years) accessing NHS dental services	✓	4 quarter improvement trend	Q4 2022/23	Not available, new measure	473	653	7th	18,345
19	Number of new patients (adults aged 18 years and over) accessing NHS dental services	✓	4 quarter improvement trend	Q4 2022/23		658	902	7th	32,506
20	Number of existing patients accessing NHS dental services	✓	4 quarter improvement trend	Q4 2022/23		7146	6503	7th	164,013
21	% 111 patients prioritised as P1CHC that started their definitive clinical assessment within 1 hour of their initial call being completed		90%	Mar-23	63.2%	88.5%	89.7%	5th	86.7%
22	Percentage of total conveyances taken to a service other than a Type One Emergency Department	✓	4 quarter improvement trend	Q4 2022/23	8.8%	7.9%	9.2%	4th	10.6%
25	MIU % patients who waited <4hr		95%	Mar-23	100.0%	99.9%	100.0%	1st	71.6%
26	MIU patients who waited +12hrs		0	Mar-23	0	0	0	1st	8,036
31	Percentage of emergency responses to red calls arriving within (up to and including) 8 minutes		65%	Mar-23	48.7%	42.2%	42.9%	6th	47.5%
33	Number of people admitted as an emergency who remain in an acute or community hospital over 21 days since admission	✓	12 month reduction trend	Mar-23	37	55	53	2nd	4,590
34	Percentage of total emergency bed days accrued by people with a length of stay over 21 days	✓	12 month reduction trend	Mar-23	71.6%	79.6%	76.7%	8th	52.20%
39	Number of diagnostic endoscopy breaches 8+ weeks	✓	Improvement trajectory towards a national target of 0 by Spring 2024	Mar-23	9	17	11	1st	15,637
40	Number of diagnostic breaches 8+ weeks		Trajectory target of 160 or less (April 23)	Mar-23	81	132	161	1st	43,325
41	Number of therapy breaches 14+ weeks		12 month reduction trend towards 0 by Spring 2024	Mar-23	49	193	190	1st	7,089
42	Number of patients waiting >52 weeks for a new outpatient appointment	✓	Improvement trajectory towards a national target of 0 by	Mar-23	0	1	1	1st	52,925
43	Number of patient follow-up outpatient appointment delayed by over 100% (unbooked & booked FUPs over 100%)	✓	PTHB trajectory target of 2500 or less	Mar-23	7540	4743	4755		233,766
44	Percentage of ophthalmology R1 patients who attended within their clinical target date (+25%)		95%	Mar-23	47.5%	66.6%	65.6%	2nd	61.4%
45	RTT patients waiting more than 104 weeks	✓	Improvement trajectory towards a national target of 0 by	Mar-23	0	0	0	1st	31,726
46	RTT patients waiting more than 36 weeks	✓	Improvement trajectory towards a national target of 0 by 2024	Mar-23	41	108	110	1st	227,967
47	RTT patients waiting less than 26 weeks	✓	Improvement trajectory towards a national target of 95% by 2026	Mar-23	96.0%	93.7%	94.3%	1st	58.5%
LM2	Commissioned RTT patients waiting more than 104 weeks (English & Welsh Providers)		Individual Targets	Mar-23	821	478	429		
LM3	Commissioned RTT patients waiting more than 52 weeks (English & Welsh Providers)		Individual Targets	Mar-23	2,614	2,348	2,259		
LM4	Commissioned RTT patients waiting more than 36 weeks (English & Welsh Providers)		Individual Targets	Mar-23	4,891	4,790	4,693		
LM5	Commissioned RTT patients waiting less than 26 weeks (English & Welsh Providers)		Individual Targets	Mar-23	60.3%	61.4%	62.6%		
48	Rate of hospital admissions with any mention of self-harm from children and young people per 1k	✓	Annual Reduction	2021/22	2.42		2.09	1st	3.95
49	CAMHS % waiting <28 days for first appointment	✓	80%	Mar-23	91.3%	100.0%	100.0%	1st	93.2%
50	Assessments <28 days <18	✓	80%	Mar-23	100.0%	100.0%	94.8%	1st	67.9%
51	Interventions <28 days <18	✓	80%	Mar-23	97.8%	93.3%	87.2%	1st	41.8%
52	% residents with CTP <18	✓	90%	Mar-23	75.8%	93.0%	86.4%	6th	90.9%
53	Children/Young People neurodevelopmental waits	✓	80%	Mar-23	90.6%	68.6%	72.7%	1st	31.9%
54	Qualitative report detailing progress to develop a whole school approach to CAMHS in reach services	✓	Evidence Improvement	Mar-23			Green	N/A	
55	% adults admitted to a psychiatric hospital 9am-9pm that have a CRHT gate keeping assessment prior to admission	✓	95%	Mar-23	100%	100%	100%	1st	97.6%
56	% adults admitted to a psychiatric hospital who have not received a CRHT gate keeping assessment that have received a follow up assessment by CRHT within 24 hours of admission	✓	100%	Mar-23	100%	75%	100%	1st	85.7%
57	Assessments <28 days 18+	✓	80%	Mar-23	76.3%	86.0%	90.3%	4th	86.4%
58	Interventions <28 days 18+	✓	80%	Mar-23	23.4%	49.0%	52.0%	6th	75.5%
59	Adult psychological therapy waiting < 26 weeks	✓	80%	Mar-23	90.4%	82.3%	82.8%	3rd	65.7%
60	% residents with CTP 18+	✓	90%	Mar-23	71.9%	83.0%	85.3%	4th	83.4%
61	Qualitative report detailing progress to improve dementia care	✓	Evidence Improvement	Mar-23			Amber	N/A	
62	Qualitative report detailing progress against the priority areas to improve the lives of people with learning disabilities	✓	Evidence Improvement	Mar-23			Green	N/A	
63	HCAI - Klebsiella sp and Aeruginosa cumulative number	✓	Local	Mar-23			2 cases	PTHB is not nationally benchmarked for infection rates	
64	HCAI - E.coli, S.aureus bacteraemia's (MRSA and MSSA) and C.difficile	✓		Mar-23			13 cases		

PTHB compliance against the NHS Delivery Framework measures in Quadruple Aim 2 is:

Headline performance:

- Urgent and Emergency Care: PTHB Provider MIU over 99% of patients seen within 4 hours with zero waiting > 12 hours.
- Access to Planned Care: Powys is the best performing (ranked 1st in Wales), most improved health board post pandemic for planned care (for the pathways provided in a non-acute health board). No patients have waited over 104 weeks for treatment, and only one patient breached 52 weeks for a new outpatient pathway in March. Compliance for planned care has been challenging but very ambitious end of year targets were set for Ministerial priority compliance and non-predictable challenge such as industrial action impacted on service.
- Mental Health: Compliance for CAMHS, < 18 assessment, < 18 interventions, + 18 assessments, and adult psychological therapy access targets have all had robust performance through 2022/2023 and were compliant in March.

Exception and escalation measures

Urgent and Emergency Care

- % of 111 patients prioritised as P1CHC that started definitive clinical assessment within 1 hour of call being completed. Reported 89.7% uptake against 90% target in March, this service was disrupted by a significant cyber-attack in Q2 2022/2023 although performance where reported remained robust.

Access to Planned Care

- PTHB Provider: Performance trajectories for patients waiting < 26 weeks and > 36 weeks were not met in 2022/2023 primarily because of ambitious end of year Powys set targets.
- PTHB Commissioned Services: No commissioned service provider in Wales or England met their respective targets during 2022/2023. Powys responsible patients wait a significant period for care, sometimes more than 2 years in challenging specialties such as orthopaedics. Equity of care also remains challenging with significantly fewer long waits in English commissioned providers that those in Wales.
- Follow Up Outpatients delayed over 100%: The Health Board has been unable to report performance for this measure accurately during 2022/2023 following a significant data quality challenge at the end of 2021/22. This challenge has been raised with Welsh Government, internally escalation and resolution are led by key Executives, further validation and patient administration system work will be completed in by Q2 2023/24.

Cancer

- Powys responsible patients have cancer treatment within commissioned acute service providers and specialist trusts in England and Wales. As a provider of care the health board accepts urgent suspected cancer referrals for key outpatients and diagnostics (ultrasound and endoscopy) predominately in South Powys. However, the health board does not

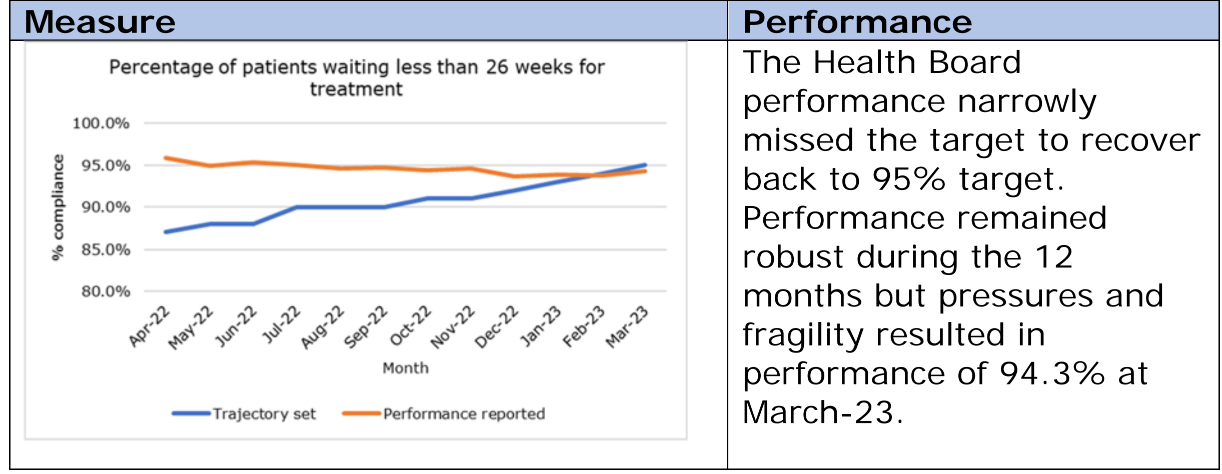
provide treatment except for palliative support within community hospital beds, hospice beds or the home. Performance in English and Welsh commissioned services have been particularly challenging with no provider meeting their respective targets (English 2-week, 31 day or 62-day rules, or the Welsh 62 day Single Cancer Pathway). The key challenge is overall capacity both outpatient, diagnostic, and surgical with rising post covid demand.

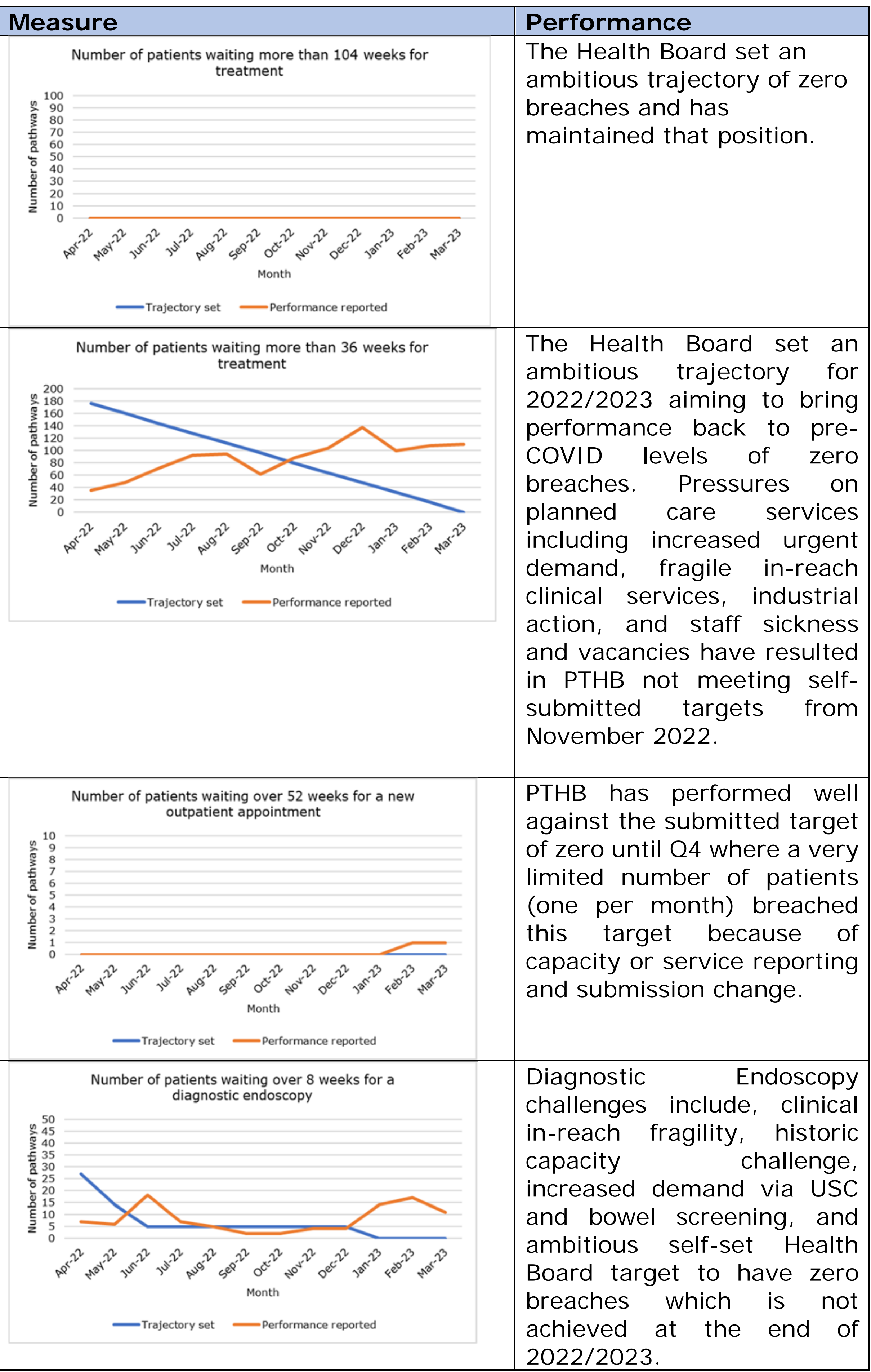
Mental Health

- Mental health care and treatment plans in <18s missed the target at the end of year, this is an isolated instance of noncompliance following a robust year of achievement.
- Neuro-developmental assessments in children and young people under 26 weeks wait target has not been achieved since August 2022 but has shown improvement during Q4. Key mitigations to improve performance in 2023/24 include extension of temporary contracts to the end of Q1 and the use of business cases and grant funding applications to provide recurrent monies for essential capacity.
- Interventions <28 days for patients 18+ target not achieved as a result of ongoing capacity challenges and increasing demand and complexity. Actions and mitigations include work to promote Silvercloud which enables self-help as well as services available through the third sector; and further development of the Local Primary Mental Health Service model.
- % residents 18+ with Care and Treatment Plan target not achieved and is challenged by staffing capacity with Powys County Council Social Services provision. Work ongoing to prioritise caseloads and recruitment to vacant posts within the service.

At the start of 2022/2023 the health board had to provide trajectories for key Ministerial priorities that would measure our recovery and performance throughout the financial year. Powys as a provider set key and ambitious targets to challenge the health board with the aim to fully comply by March. The below table 5 provides the detail of target and performance by priority measure.

Table 5

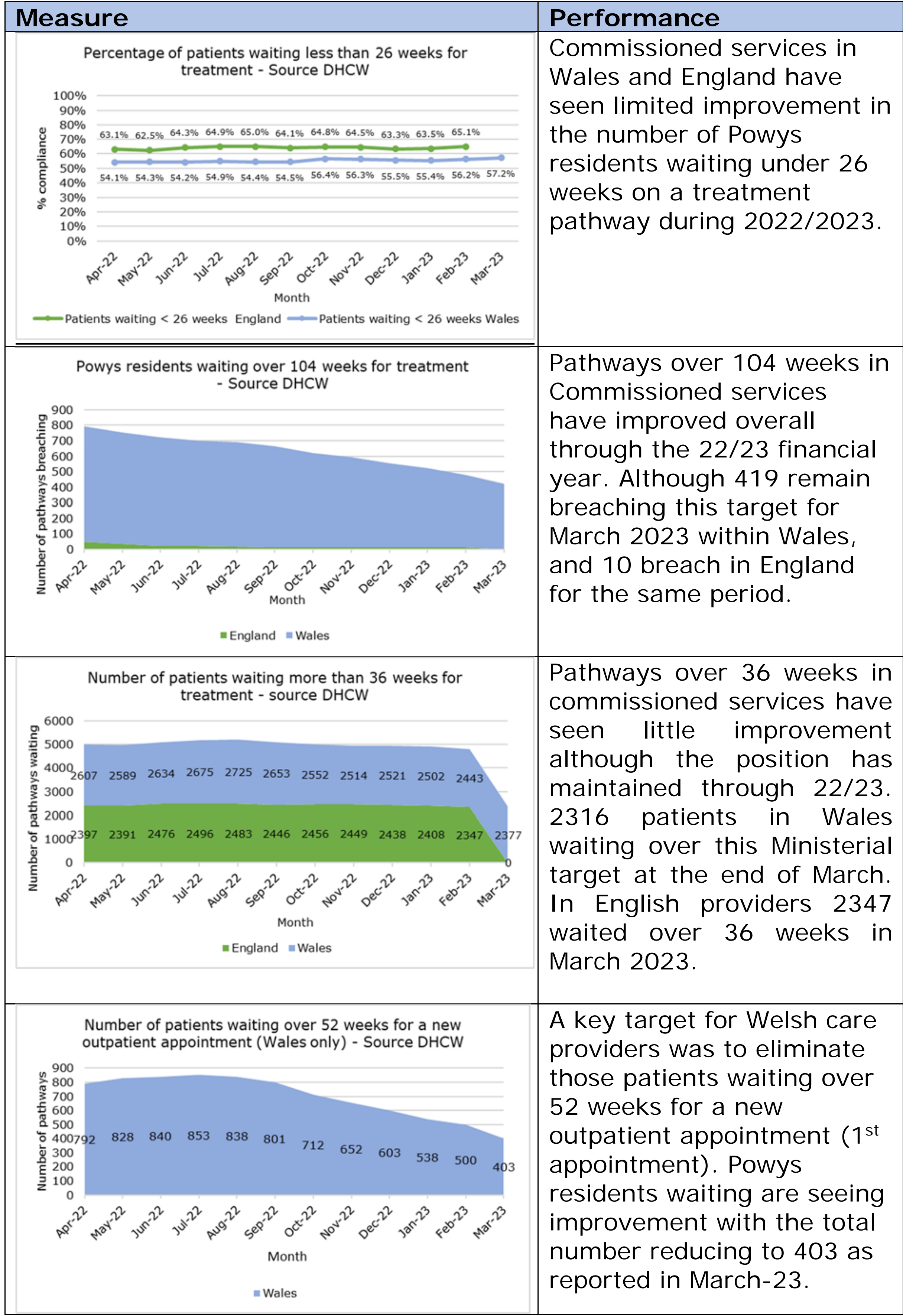
Measure	Performance
	The Health Board performance narrowly missed the target to recover back to 95% target. Performance remained robust during the 12 months but pressures and fragility resulted in performance of 94.3% at March-23.



Measure	Performance
Number of patients waiting more than 104 weeks for treatment	The Health Board set an ambitious trajectory of zero breaches and has maintained that position.
Number of patients waiting more than 36 weeks for treatment	The Health Board set an ambitious trajectory for 2022/2023 aiming to bring performance back to pre-COVID levels of zero breaches. Pressures on planned care services including increased urgent demand, fragile in-reach clinical services, industrial action, and staff sickness and vacancies have resulted in PTHB not meeting self-submitted targets from November 2022.
Number of patients waiting over 52 weeks for a new outpatient appointment	PTHB has performed well against the submitted target of zero until Q4 where a very limited number of patients (one per month) breached this target because of capacity or service reporting and submission change.
Number of patients waiting over 8 weeks for a diagnostic endoscopy	Diagnostic Endoscopy challenges include, clinical in-reach fragility, historic capacity challenge, increased demand via USC and bowel screening, and ambitious self-set Health Board target to have zero breaches which is not achieved at the end of 2022/2023.

PTHB Commissioned planned care aggregated access performance, Wales, and England (performance against Ministerial priority trajectories)

Table 6



Measure	Performance
Percentage of patients waiting less than 26 weeks for treatment - Source DHCW	Commissioned services in Wales and England have seen limited improvement in the number of Powys residents waiting under 26 weeks on a treatment pathway during 2022/2023.
Powys residents waiting over 104 weeks for treatment - Source DHCW	Pathways over 104 weeks in Commissioned services have improved overall through the 22/23 financial year. Although 419 remain breaching this target for March 2023 within Wales, and 10 breach in England for the same period.
Number of patients waiting more than 36 weeks for treatment - source DHCW	Pathways over 36 weeks in commissioned services have seen little improvement although the position has maintained through 22/23. 2316 patients in Wales waiting over this Ministerial target at the end of March. In English providers 2347 waited over 36 weeks in March 2023.
Number of patients waiting over 52 weeks for a new outpatient appointment (Wales only) - Source DHCW	A key target for Welsh care providers was to eliminate those patients waiting over 52 weeks for a new outpatient appointment (1st appointment). Powys residents waiting are seeing improvement with the total number reducing to 403 as reported in March-23.

Quadruple Aim 3: The health and social care workforce in Wales is motivated and sustainable.

Table 7

No.	Abbreviated Measure Name	Ministerial Priority	Target	Latest Available	12month Previous	Previous Period	Current	Ranking	All Wales
67	Agency spend as a percentage of the total pay bill	✓	PTHB set trajectory target 8.4% Mar-23	Mar-23	10.4%	9.1%	8.9%	12th	6.7%
68	(R12) Sickness Absence	✓	PTHB set trajectory target 5.1% Mar-23	Mar-23	5.7%	6.0%	5.8%	4th	6.83%
69	% staff Welsh language listening/speaking skills level 2 (foundational level) and above	✓	Bi-annual improvement	6 months ending Sep-22	15.8%	16.1%	16.9%	5th	15.9%
70	Core Skills Mandatory Training	✓	85%	Mar-23	82.0%	81.0%	83.0%	3rd	83.6%
71	Performance Appraisals (PADR)	✓	85%	Mar-23	73.3%	73.0%	74.0%	5th	68.1%
72	Staff Engagement Score	✓	Annual Improvement	2020	79% (2018)		78.0%	1st	75%
73	% staff reporting their line manager takes a positive interest in their health & wellbeing	✓	Annual Improvement	2020	77% (2018)		75.5%	2nd	65.9%

PTHB compliance against the NHS Delivery Framework measures in Quadruple Aim 3 is:

Headline performance:

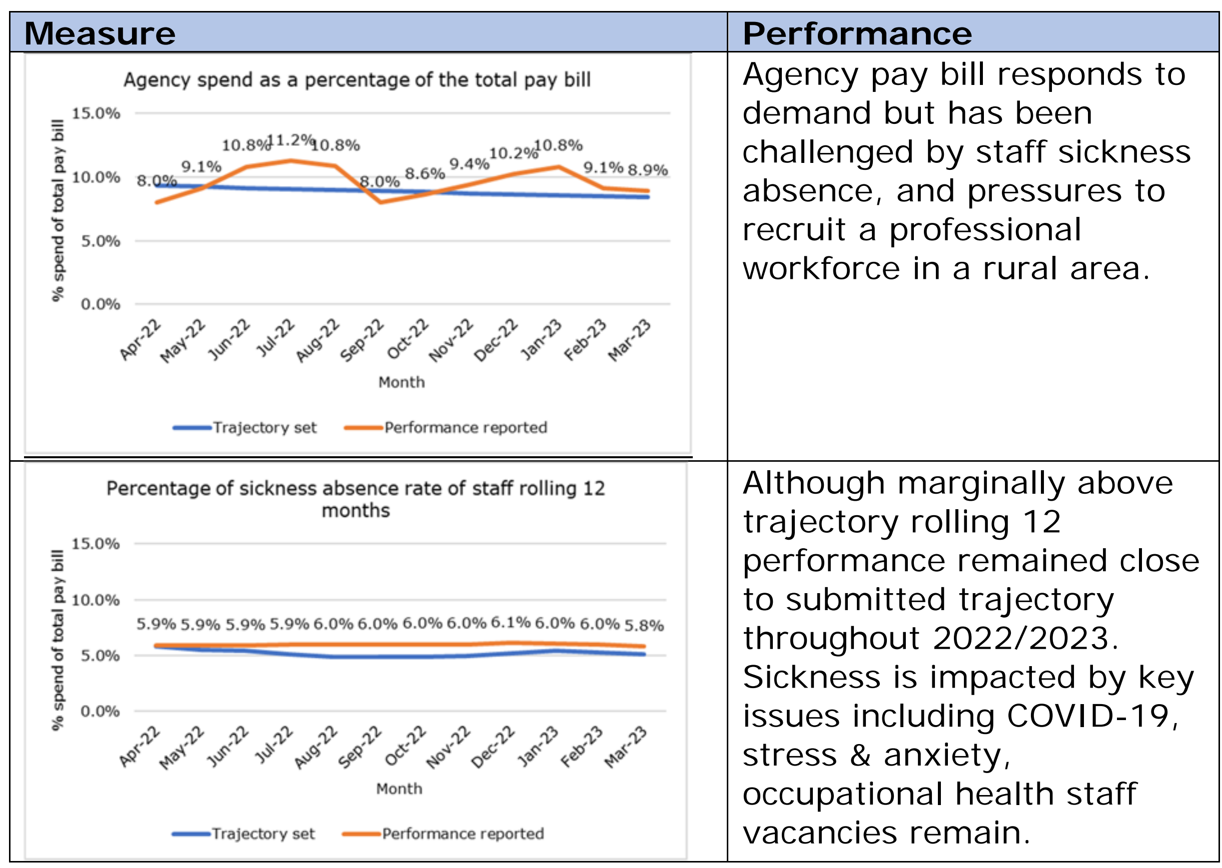
Welsh language is compliant with target for the 6 months ending September 2022/2023, 16.9% of PTHB employees had recorded Welsh language speaking and listening skills at foundational level or above on electronic staff record (ESR), this is above the national average of 15.9%.

Exception and escalation measures:

- Agency spend has responded to demand and been challenged by staff sickness absence and recruitment challenges. Work ongoing to address improved roster compliance, targeted recruitment campaigns, increased use of bank over agency.
- Mandatory training compliance adversely impacted by increased service pressures and staff sickness absence. Work ongoing across PTHB Corporate and Operational Directorates to ensure prioritisation of mandatory training across all staff groups.
- Performance Appraisals compliance has remained below target due to staff absence, increased service demand and vacancies. PTHB Corporate and Operational Directorates are developing trajectories for improvement with ongoing performance addressed through series of directorate performance review meetings in 2023/24.

Ministerial priorities for workforce in Wales, trajectories vs target

Table 8



Measure	Performance
Agency spend as a percentage of the total pay bill	Agency pay bill responds to demand but has been challenged by staff sickness absence, and pressures to recruit a professional workforce in a rural area.
Percentage of sickness absence rate of staff rolling 12 months	Although marginally above trajectory rolling 12 performance remained close to submitted trajectory throughout 2022/2023. Sickness is impacted by key issues including COVID-19, stress & anxiety, occupational health staff vacancies remain.

Quadruple Aim 4: Wales has a higher value health and social care system that has demonstrated rapid improvement and innovation

Table 9

No.	Abbreviated Measure Name	Ministerial Priority	Target	Latest Available	12month Previous	Previous Period	Current	Ranking	All Wales
74	Emissions reported in line with the Welsh Public Sector Net Zero Carbon Reporting Approach	✓	16% Reduction by 2025 Against 2018/19 NHS Wales Baseline	2020/21	17,021		24,120	N/A	
75	Qualitative report detailing the progress of NHS Wales' contribution to decarbonisation as outlined in the organisation's plan	✓	Evidence Improvement	Mar-23			Amber	N/A	
76	Qualitative report detailing evidence of NHS Wales advancing its understanding and role within the foundational economy via the delivery of the Foundational Economy in Health and Social Services 2021-22 Programme	✓	Delivery of Foundational Economy initiatives and/or evidence of improvements in	Mar-23			Green	N/A	
77	Qualitative report detailing evidence of NHS Wales embedding Value Based Health and Care within organisational strategic plans and decision making processes	✓	Evidence of activity undertaken to embed a Value Based Health Care approach (as described in the	Mar-23			Amber	N/A	
78	Number of risk assessments completed on the Welsh Nursing Clinical Record	✓	4 quarter improvement trend	Q4 2022/23	22473	32,716	36,646	6th	1,701,718
79	Number of wards using the Welsh Nursing Clinical Record	✓	4 quarter improvement trend	Q4 2022/23	7	8	8	6th	260
80	Percentage of episodes clinically coded within one month post discharge end date		Maintain 95% target or demonstrate an improvement trend over 12 months	Mar-23	100.0%	100.0%	100%	1st	70.0%
81	Total antibacterial items per 1,000 STAR-PUs	✓	A quarterly reduction of 5% against a baseline of 2019-20	Q3 2022/23	260	237.6	333.2	2nd	358.7
83	Number of patients 65+ years prescribed an antipsychotic		Quarter on quarter reduction	Q3 2022/23	479	485	502	1st	10,342
84	Opioid average daily quantities per 1,000 patients	✓	4 quarter reduction trend	Q3 2022/23	4222.1	4218.2	4261.3	2nd	4,442.2

PTHB compliance against the NHS Delivery Framework measures in Quadruple Aim 4 is:

Headline performance:

- Number of PTHB wards using Welsh Nursing Clinical record has met the national target of 4 quarter trend improvement.
- Percentage of episodes clinically coded within one reporting month post episode discharge end date. PTHB continues to report 100% performance compliance since May 2022.

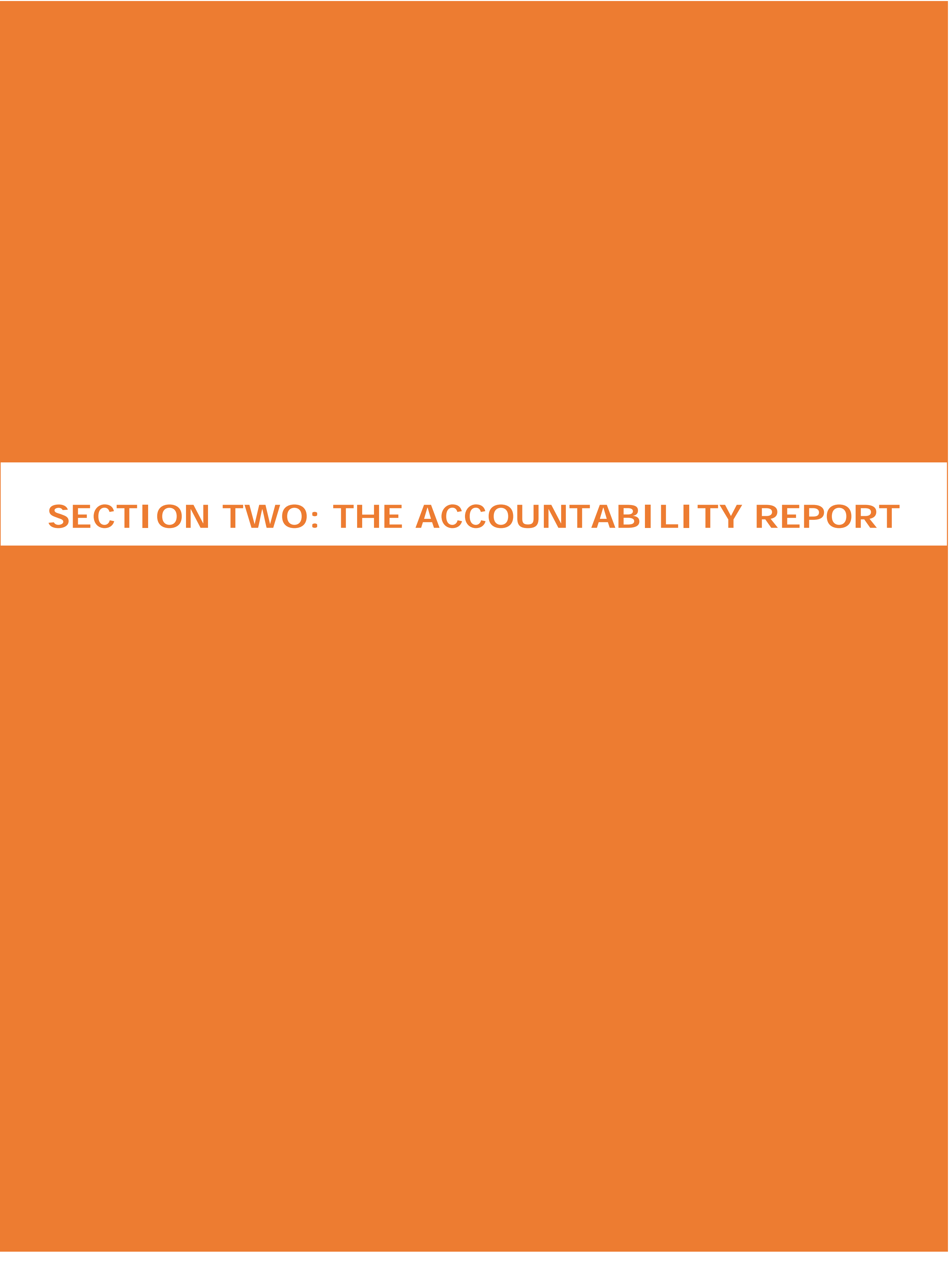
Exception and escalation measures:

- Increase in anti-microbial prescribing from Q2 to Q3 because of Strep A. Antimicrobial stewardship improvement plan in place.
- PTHB has lowest % of people aged 65 and over prescribed an anti-psychotic but reported an increase in Q3.
- PTHB has the second lowest level of opioid burden however has seen a steep increase in prescribing since Q4 2021/22. Ongoing work to raise awareness of the issues associated with opioid prescribing and variation in prescribing practice and inclusion of opioid prescribing in the Medicines Management Incentive Scheme.

Conclusion and forward look

The Health Board and the wider NHS continues to recover from the COVID-19 pandemic. The NHS's 75th anniversary provides an additional opportunity to reflect on performance and delivery. There are however a number of performance and financial challenges ahead.

The Health Board has prepared recovery plans to optimise delivery for those services that it provides. These include a transformational approach within their implementation and delivery. For commissioned services plans are being constructed with partner organisations to improve upon pre-pandemic levels of activity to both reduce waiting times and improve access times.


SECTION TWO: THE ACCOUNTABILITY REPORT

THE ACCOUNTABILITY REPORT 2022/2023

SIGNED BY: **DATE: 25 JULY 2023**

HAYLEY THOMAS
[INTERIM CHIEF EXECUTIVE]

INTRODUCTION TO THE ACCOUNTABILITY REPORT

Powys Teaching Health Board is required, as are all Welsh NHS bodies, to publish an Annual Report and Accounts. Copies of previous years reports are accessible from the Health Board's website.

A key part of the Annual Report is the Accountability Report. The requirements of the Accountability Report are based on the matters required to be dealt with in a Director's Report, as set out in Chapter 5 of Part 15 of the Companies Act 2006 and Schedule 7 of SI 2008 No 410, and in a Remuneration Report, as set out in Chapter 6 of the Companies Act 2006 and Schedule 8 of SI 2008 No 410.

The requirements of the Companies Act 2006 have been adapted for the public sector context and only need to be followed by entities which are not companies, to the extent that they are incorporated into the Treasury's Government Financial Reporting Manual (FReM) and set out in the 2022/2023 Manual for Accounts for NHS Wales, issued by the Welsh Government.

The Accountability Report is required to have three sections:

- A Corporate Governance Report
- A Remuneration and Staff Report
- A Parliamentary Accountability and Audit Report.

An overview of the content of each of these three sections is provided below:

The Corporate Governance Report

This section of the Accountability Report provides an overview of the governance arrangements and structures that were in place across Powys Teaching Health Board during 2022/2023. It also explains how these governance arrangements supported the achievement of the Health Board's objectives.

The Director of Corporate Governance / Board Secretary has compiled the report, the main document being the Annual Governance Statement. This section of the report has been informed by a review of the work taken forward by the Board and its Committees over the last 12 months and has had input from the Chief Executive, as Accountable Officer, Board Members and the Audit, Risk and Assurance Committee.

In line with requirements set out in the Companies Act 2006, the Corporate Governance report includes:

- The Director's Report;
- A Statement of Accountable Officer Responsibilities;
- The Annual Governance Statement.

Remuneration and Staff Report

This report contains information about the remuneration of senior management, fair pay ratios and sickness absence rates and has been compiled by the Director of Workforce and Organisational Development, the Director of Finance, IT and Information Services and the Director of Corporate Governance / Board Secretary.

Senedd Cymru/Welsh Parliamentary Accountability and Audit Report

This report contains a range of disclosures on the regularity of expenditure, fees and charges, compliance with the cost allocation and charging requirements set out in HM Treasury guidance, material remote contingent liabilities, and the audit certificate and Auditor General for Wales Report.

PART A: CORPORATE GOVERNANCE REPORT

This section of the Accountability Report provides an overview of the governance arrangements and structures that were in place across Powys Teaching Health Board during 2022/2023. It includes:

- A Director's Report
- A Statement of Accountable Officer Responsibilities
- A Statement of Executive Directors' Responsibilities in Respect of the Accounts
- The Annual Governance Statement

1. THE DIRECTOR'S REPORT 2022/2023

THE COMPOSITION OF THE BOARD AND MEMBERSHIP

Part 2 of The Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009 sets out the required membership of the Boards of Local Health Boards, the appointment and eligibility requirements of members, the term of office of non-officer members and associate members. In line with these Regulations the Board of Powys Teaching Health Board comprises:

- a chair;
- a vice-chair;
- officer members; and
- non-officer members.

The members of the Board are collectively known as "the Board" or "Board members"; the officer and non-officer members (which includes the Chair) are referred to as Executive Directors and Independent Members respectively. All members have full voting rights. In addition, the Director of Environment and Director of Corporate Governance positions are non-voting Board level posts.

Additionally, Welsh Ministers may appoint up to three associate members. Associate members have no voting rights.

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

The Regulations can be accessed via the Government's legislation website: http://www.legislation.gov.uk/wsi/2009/779/contents/made

VOTING MEMBERS OF THE BOARD DURING 2022/2023

During 2022/2023, the following individuals were voting members of the Board of Powys Teaching Health Board:

Independent Members (IM)		
Vivienne Harpwood	Chair	To 16/09/2022
Carl Cooper	Chair	From 17/09/2022
Kirsty Williams	Vice-Chair	Full Year
Anthony Thomas	IM (Finance)	Full Year
Matthew Dorrance	IM (Local Authority)	To 30/06/2022
Chris Walsh	IM (Local Authority)	From 01/11/2022
Jennifer Owen Adams	IM (Third Sector)	From 30/08/2022
Frances Gerrard	IM (University)	To 30/06/2022
Simon Wright	IM (University)	From 08/08/2022
Ian Phillips	IM (ICT)	Full Year
Cathie Poynton	IM (Trade Union)	Full Year
Mark Taylor	IM (Capital & Estates)	Full Year

Rhobert Lewis	IM (General)	Full Year
Ronnie Alexander	IM (General)	Full Year
Executive Directors		
Carol Shillabeer	Chief Executive	Full Year
Julie Rowles	Executive Director of Workforce and OD	To 03/02/2023 (in post but absent from work resulting in interim cover arrangements as outlined below)
Debra Wood-Lawson	Interim Executive Director of Workforce and Organisational Development	From 03/10/2022
Pete Hopgood	Executive Director of Finance, Information, and IT Services	Full Year
Hayley Thomas	Deputy Chief Executive and Interim Executive Director of Primary, Community Care and Mental Health	Full Year
Kate Wright	Executive Medical Director	Full Year
Claire Roche	Executive Director of Nursing and Midwifery	Full Year
Claire Madsen	Executive Director of Therapies and Health Sciences	Full Year
Mererid Bowley	Interim Executive Director of Public Health	From 27/06/2022
Stephen Powell	Interim Executive Director of Planning and Performance	Full Year

During 2022/2023, vacancies in the Board consisted of:

Independent Member	Executive Director
• Independent Member (Local Authority) from 01/07/2022 to 31/10/2022 • Independent Member (Third Sector) from 01/04/2022 to 29/08/2022 • Independent Member (University) from 01/07/2022 to 07/08/2022	• Executive Director of Public Health from 01/04/2022 to 26/06/2022

Whilst a small number of roles on the Board were vacant for short periods, responsibilities were covered by other Board members to ensure continuity of business and effective governance arrangements. Independent Members attended Board Committee meetings where necessary to ensure meetings remained quorate and the Board's duties could be discharged.

The Deputy Director of Workforce and Organisational Development deputised for the Executive Director of Workforce and Organisational Development until the appointment of an Interim Director of Workforce and Organisational Development.

NON-VOTING MEMBERS OF THE BOARD DURING 2022/2023

Jamie Marchant was the Director of Environment (a member of the Executive team and non-voting attendee at Board meetings).

Helen Bushell was appointed to the post of Director of Corporate Governance / Board Secretary on 9 January 2023, (a member of the Executive team and non-voting attendee at Board meetings).

Nina Davies, Interim Director of Social Services, Powys County Council was appointed, by the Minister for Health and Social Services, to the role of Associate Member (non-voting member of the Board) on 1 January 2023.

Further details in relation to role and composition of the Board can be found within the Annual Governance Statement. The Annual Governance Statement also contains further information in respect of the Board and Committee Activity.

AUDIT, RISK AND ASSURANCE COMMITTEE

During 2022/2023, the following individuals were members of the Audit, Risk and Assurance Committee:

Independent Members (IM)		
Anthony Thomas	Committee Chair – IM (Finance) Vice Chair – IM (Finance)	From 01/04/2022 to 18/07/2022 From 19/07/2022
Mark Taylor	Committee Vice-Chair – IM (Capital & Estates)	From 01/04/2022 to 18/07/2022

	Committee Chair – IM (Capital & Estates)	From 19/07/2022
Matthew Dorrance	IM (Local Authority)	From 01/04/2022 to 30/06/2022
Rhobert Lewis	IM (General)	Full Year
Ronnie Alexander	IM (General)	Full Year
Executive Team Officers by Attendance Only		
Carol Shillabeer	Chief Executive	Full Year
Pete Hopgood	Executive Director of Finance and IT	Full Year
James Quance	Interim Board Secretary	From 01/04/2022 to 31/12/2022
Helen Bushell	Director of Corporate Governance / Board Secretary	From 09/01/2023

DECLARATION OF INTERESTS

Details of company Directorships and other significant interests held by members and attendees of the Board which may conflict with their responsibilities are maintained and updated on a regular basis. A register of Interests is available on the Health Board's website, or a hard copy can be obtained from the Director of Corporate Governance / Board Secretary.

PERSONAL DATA RELATED INCIDENTS

Information on personal data related incidents formally reported to the Information Commissioner's office and "serious untoward incidents" involving data loss or confidentiality breaches are detailed within the Annual Governance Statement on page 49.

ENVIRONMENTAL, SOCIAL AND COMMUNITY ISSUES

Social and community involvement has been integral to capital project developments such as the reconfiguration of Bro Ddyfi hospital with a range of measures related to Community Benefits captured and reported to Welsh Government with the principles of sustainable development embodied in the approach. This has also recognised the importance of 'art in health', sensory garden space for community and therapy use, and the provision of several community accessible rooms within the hospital.

A statement regarding the Health Board's actions in relation to environmental issues is provided on page 97 of the Accountability Report. Reference to social

and community issues can be found on page 7 of the Performance Report in relation to the North Powys Wellbeing Programme.

STATEMENT OF PUBLIC SECTOR INFORMATION HOLDERS

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

Please note Carol Shillabeer was seconded to Betsi Cadwaladr University Health Board from the 3 May 2023 so whilst Carol was the Chief Executive Officer (and Accountable Officer) for the 2022/2023 year, at the time of submitting and then signing these statements, Hayley Thomas was the Chief Executive Officer.

SIGNED BY: **DATE: 25 JULY 2023**

HAYLEY THOMAS

[INTERIM CHIEF EXECUTIVE]

2. STATEMENT OF ACCOUNTABLE OFFICER RESPONSIBILITIES: 2022/2023

STATEMENT OF MY CHIEF EXECUTIVE RESPONSIBILITIES AS ACCOUNTABLE OFFICER OF POWYS TEACHING HEALTH BOARD

The Welsh Ministers have directed that the Chief Executive, should be the Accountable Officer of Powys Teaching Health Board.

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

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

I also confirm that:

- As far as I am aware, there is no relevant audit information of which Powys Teaching Health Board's auditors are unaware. I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that Powys Teaching Health Board's auditors are aware of that information;
- Powys Teaching Health Board's Annual Report and Accounts as a whole is fair, balanced, and understandable. I take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced, and understandable;
- I am responsible for authorising the issue of the financial statements on the date they were certified by the Auditor General for Wales.

SIGNED BY: **DATE: 25 JULY 2023**

HAYLEY THOMAS
[INTERIM CHIEF EXECUTIVE]

3. STATEMENT OF EXECUTIVE DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS FOR 2022/2023

STATEMENT OF EXECUTIVE DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS FOR 2022/2023

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

In preparing those accounts the Executive Directors are required to:

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

On behalf of the Executive Directors of Powys Teaching Health Board we confirm:

- that we have complied with the above requirements in preparing the 2022/2023 accounts: and
- that we are clear of our responsibilities in relation to keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the authority, and to enable them to ensure that the accounts comply with requirements outlined in the above- mentioned direction by the Welsh Ministers.

By order of the Board

SIGNED BY: **DATE: 25 JULY 2023**

CARL COOPER [CHAIR]

SIGNED BY: **DATE: 25 JULY 2023**

HAYLEY THOMAS [INTERIM CHIEF EXECUTIVE]

SIGNED BY: **DATE: 25 JULY 2023**

PETE HOPGOOD [INTERIM DEPUTY CHIEF EXECUTIVE / EXECUTIVE DIRECTOR OF FINANCE, IT, AND INFORMATION SERVICES]

4. ANNUAL GOVERNANCE STATEMENT

Scope of Responsibility

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

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

I am held to account for my performance by the Chair of the Board and the Chief Executive and Accounting Officer for the NHS in Wales. I have formal performance meetings with both the Chair and the Chief Executive of NHS Wales. Further, the Executive Team of the Health Board meet with the senior leaders of the Department of Health and Social Services on a regular basis.

During 2022/2023, the Health Board and the NHS in Wales continued to face substantial pressure in planning and responding to COVID-19 as well as recovering from the impacts of the pandemic. 2022/2023 was seen as a period to transition from COVID-19 arrangements to business as usual. Internal escalated governance arrangements were put in place between 7 December 2022 and 1 March 2023 in response to winter system resilience including industrial workforce action. Outside formal meetings Board Members remained fully informed receiving briefings at Board Development or Board briefing sessions. Further detail on maintaining good governance during 2022/2023 is provided within this Annual Governance Statement.

FUNCTIONS HOSTED BY POWYS TEACHING HEALTH BOARD

In compliance with requests made by the Welsh Ministers, the Health Board hosts the following functions:

- **The seven Community Health Councils that operate across Wales and the Board of Community Health Councils in Wales:** The Community Health Councils operate across Wales and provide help and advice if citizens have problems with, or complaints about, NHS services. They ensure that citizens' views and needs influence the policies and plans put in place by health providers in their area. They monitor the quality of NHS services from a citizen's perspective and provide

information about access to the NHS. The Board of Community Health Councils in Wales was established in April 2004 with the aim to advise, assist and monitor the Community Health Councils with respect to the performance of their functions, and to represent their collective views and interests to the Welsh Ministers.

In 2015, the regulations were revised, and it was clearly stated that the Board had responsibility of setting standards and to monitor the performance of the Community Health Councils, the conduct of members and performance of officers as well as operating a Complaints Procedure.

Under the Health and Social Care (Quality and Engagement Act) (Wales) 2020, a new all Wales body, the Citizen's Voice Body, known as Llais, will replace the CHCs as of 1 April 2023. This therefore means the Health Board will no longer host the CHCs (or the new Citizens Voice Body) with effect from 1 April 2023.

- **Health and Care Research Wales (HCRW):** HCRW is a national, multi-faceted, virtual organisation funded and overseen by the Welsh Government's Division for Social Care and Health Research. It provides an infrastructure to support and increase capacity in research and development, runs a number of funding schemes, and manages the NHS research and development funding allocation in Wales. Its aim is to generate and support excellent research to improve the health and care of people in Wales across a range of conditions and settings.

The Board of PTHB is not responsible for the delivery of the objectives of these functions, or their day-to-day management. However, it is responsible for ensuring that the functions are staffed using appropriate recruitment mechanisms, and that PTHB's Standing Financial Instructions and Workforce and Organisational Development policies are complied with.

The Health Board has nominated its Executive Director of Workforce and Organisational Development as the Lead Executive Director for these functions. Key officers from Finance, IT, Governance and Workforce teams have been identified to provide support to the functions, as appropriate.

During 2022/2023 we continued to work with Welsh Government to strengthen the governance and accountability arrangements for the functions that we host, and on the transfer of the CHC to the Citizens Voice Body.

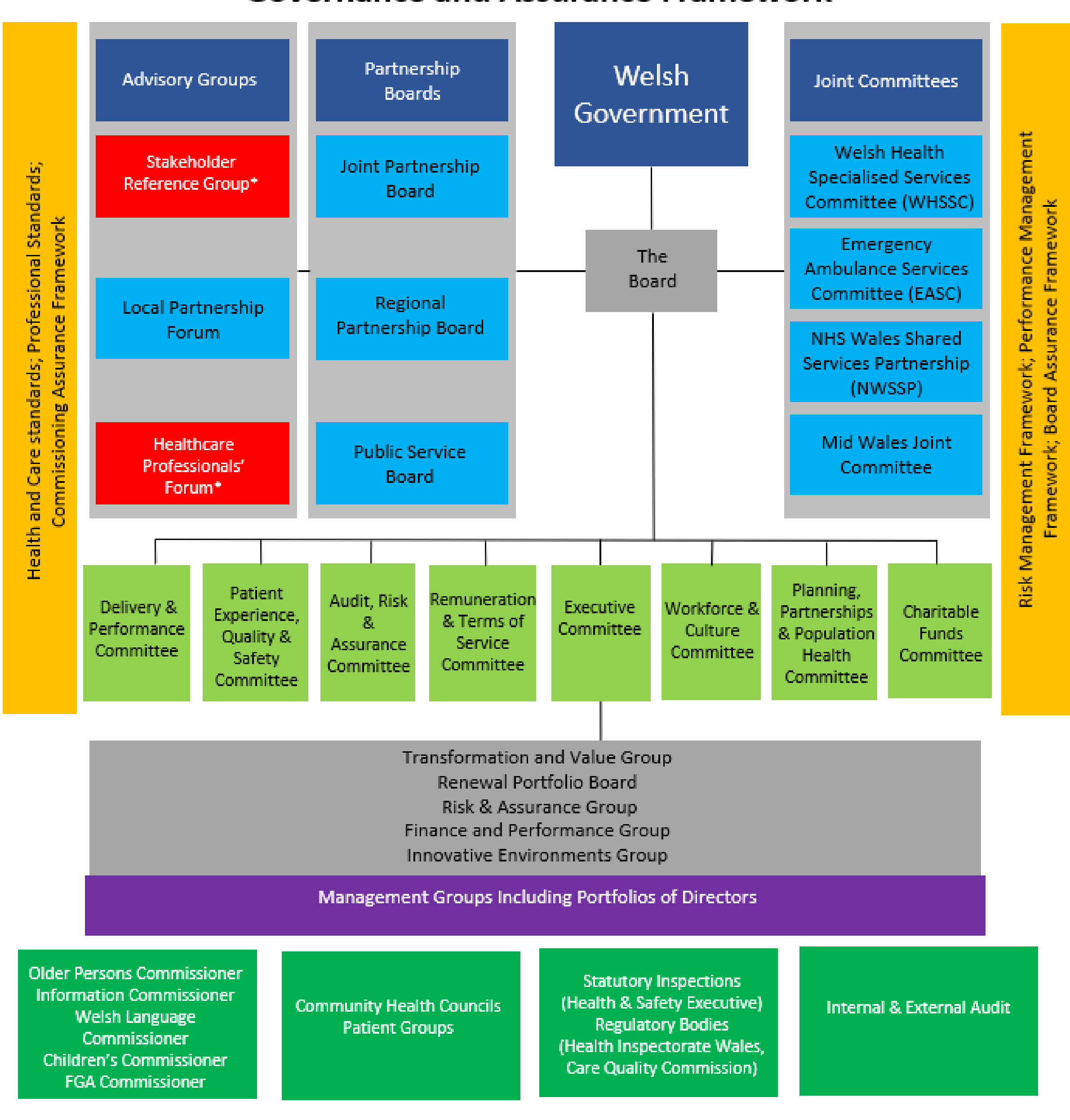
OUR GOVERNANCE AND ASSURANCE FRAMEWORKS

Powys Teaching Health Board has a clear purpose from which its strategic aims and objectives have been developed. Our vision is to enable a 'Healthy Caring Powys'. The Board is accountable for setting the organisation's strategic direction, ensuring that effective governance and risk management arrangements are in place and holding Executive Directors to account for the effective delivery of its three year Integrated Medium Term Plan (IMTP) and Annual Delivery Plan. The Integrated Medium-Term Plan was approved by Board

on 30 March 2022. A copy of our Integrated Medium-Term Plan for 2022-2025 can be found on the Health Board website.

The Board keeps its governance and assurance frameworks under review. Current arrangements have been in place since July 2021.

Figure 1 on the page that follows provides an overview of the governance frameworks that were in operation during 2022/2023:



THE BOARD

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

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

- sets the strategic direction of the organisation within the overall policies and priorities of the Welsh Government and the NHS in Wales;
- establishes and maintains high standards of Corporate Governance;
- sets the risk appetite for the organisation and provides oversight of strategic risks;
- ensures the delivery of the aims and objectives of the organisation through effective challenge and scrutiny of performance across all areas of responsibility;
- monitors progress against the delivery of strategic and annual objectives; and
- ensures effective financial stewardship by effective administration and economic use of resources.

STANDARDS OF BEHAVIOUR

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

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

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

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

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

STANDING ORDERS AND SCHEME OF RESERVATION AND DELEGATION

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

The Board has approved Standing Orders for the regulation of proceedings and business. They are designed to translate the statutory requirements set out in the Local Health Board (Constitution, Membership and Procedures) (Wales) Regulations 2009 into day-to-day operating practice. Together with the adoption of a scheme of matters reserved for the Board, a detailed scheme of delegation to officers and Standing Financial conduct of the Health Board and define "its ways of working". The Standing Orders in place during 2022/2023 were adopted by the Board on 27 November 2019, with minor amendments adopted at Board on 28 July 2021 and 25 May 2022, and are available on the Health Board's website.

The Board, subject to any directions that may be made by the Welsh Ministers, is required to make appropriate arrangements for certain functions to be carried out on its behalf This enables the day-to-day business of the Health Board may be carried out effectively, and in a manner that secures the achievement of the organisation's aims and objectives. The Committee structure is outlined in the following section and the Terms of Reference are available on the Health Board's website.

COMMITTEES OF THE BOARD

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

In line with these requirements the Board has established a standing Committee structure, which it has determined best meets the needs of the Health Board, while taking account of any regulatory or Welsh Government requirements. Each Committee is chaired by an Independent Member of the Board, with the exception of the Executive Committee which is chaired by the Chief Executive as Accountable Officer and is constituted to comply with Welsh

Government's Good Practice Guide – Effective Board Committees. All Committees regularly review their Terms of Reference and Work Plans to support the Board's business. Committees also work together on behalf of the Board to ensure that work is planned cohesively and focusses on matters of greatest risk that would prevent the Health Board from meeting its vision, aims and objectives.

As part of the regular review of Board arrangements changes to the Committee structure were agreed at Board on 28 July 2021 and Terms of Reference for each Committee were agreed at Board on 29 September 2021. The following Committee structure is in place:

- Audit, Risk and Assurance Committee;
- Charitable Funds Committee;
- Delivery and Performance Committee;
- Executive Committee;
- Patient Experience, Quality and Safety Committee;
- Planning, Partnerships and Population Health Committee;
- Remuneration and Terms of Service Committee;
- Workforce and Culture Committee.

The detailed Terms of Reference, agendas, and papers for each of the current Committees can be found on the Health Board's Website.

The Chair of each Committee reports the business of each meeting to the Board on the committee's activities and any matters of concern or escalation to be brought to the attention of the Board, through a Chair's report. This contributes to the Board's assessment of risk, level of assurance and scrutiny against the delivery of objectives. Annual reports will be prepared for individual committees after year-end.

The Board and Committee Effectiveness review was undertaken in a Board Development session. The review involved a survey of all Board members and the Board considered arrangements to be appropriate. Decision logs for Board and committees are maintained and used to inform the summary of Board and committee business. Decisions are recorded within minutes which are reported at the following Board or committee meeting.

With the limitations on public gatherings introduced early in the pandemic the Health Board moved to holding Board and Committee meetings virtually, via electronic means. This is not in accordance with the Public Bodies (Admissions to Meetings) Act 1960 whereby the organisation is required to hold its meetings in public. The Health Board is committed to openness and transparency and conducts as much of its Board and Committee business as possible in a session that members of the public are normally welcome to attend and observe. This is either via a livestream (Board meetings), or by inviting members of the public to contact the Director of Corporate Governance to request arrangements be made for an opportunity to observe Committee meetings which are not livestreamed. The following notice is included in each Committee agenda:

Powys Teaching Health Board is committed to openness and transparency and conducts as much of its business as possible in a session that members of the public are normally welcome to attend and observe.

However, considering the current advice and guidance in relation to Coronavirus (COVID-19), the Board has agreed to run meetings virtually by electronic means as opposed to in a physical location, for the foreseeable future. This will unfortunately mean that members of the public will not be able attend in person. The Board has taken this decision in the best interests of protecting the public, our staff and Board members.

The Board is considering plans to enable its committee meetings to be made available to the public via live streaming. In the meantime, should you wish to observe a virtual meeting of a committee, please contact the Director of Corporate Governance/Board Secretary in advance of the meeting in order that your request can be considered on an individual basis (please contact Helen Bushell, Director of Corporate Governance/Board Secretary, helen.bushell2@wales.nhs.uk).

These arrangements have continued in relation to Health Board committee meetings throughout the year. It is acknowledged that Standing Orders have not been fully complied with in terms of access to Board Committee meetings. However, the arrangements outlined above have been put in place to mitigate for this and are in the public interest.

The format and method of holding Board meetings continues to be under frequent review.

Figures 2 below provide an overview of the role and responsibilities of the Board's Committees, as set out within respective Terms of Reference.

Figure 3 below provides an overview of Board and Committee meetings held during 2022/2023.

FIGURE 2: ROLES AND RESPONSIBILITIES OF COMMITTEES OF THE BOARD FROM APRIL 2022 – MARCH 2023

Board

Audit, Risk and Assurance Committee

- Corporate Governance
- Risk Management
- Audit Recommendations
- Counter Fraud
- Post Payment
- Verification
- Anti-Fraud Policies
- Internal Audit
- External Audit
- Probity
- Annual Accountability
- Report
- Accounting Policies
- Board Assurance Framework
- Regulatory Compliance

Charitable Funds Committee

- Charitable Funds Income and Expenditure
- Charitable Funds
- Applications
- Probity Regulatory Compliance

Delivery and Performance Committee

- Performance
- Management Framework Commissioning
- Assurance Framework
- Digital First
- Innovative Environments
- Financial management
- And finance performance
- Strategic priorities
- Directly provided and commissioned services
- Capital Programme
- Estate's compliance
- Health and Safety
- Fire Safety
- Information Governance
- Services delivered by NWSSP

Workforce and Culture Committee

- Organisational Development Framework
- Workforce Futures
- Strategic Equality Plan
- Staff engagement and voice
- Compassionate leadership
- Learning
- Equality and Diversity
- Welsh Language
- Staff Wellbeing
- Staff raising concerns/whistleblowing.
- Dignity at work
- Respect and resolution
- Recruitment and retention
- Talent management
- Succession planning
- Powys Health and care Academy

Planning, Partnerships and Public Health Committee

- Health and Care Strategy
- Strategic Commissioning Framework
- Enabling Strategic Frameworks
- Monitor and scrutinise major plans including capital schemes.
- Business Continuity Plans
- Powys Public Service Board
- Powys Regional Partnership Board
- Collaborative Working
- Population/wellbeing Assessments
- Plans for promoting.
- Health and Wellbeing

Patient Experience, Quality and Safety Committee

- Clinical Leadership
- Putting Things Right
- Serious Incidents and Concerns
- Patient Safety Notices and Alerts
- Infection Prevention and Control
- Patient Experience Strategy
- Patient Feedback
- Clinical Audit
- Improvement Programme
- Quality Performance
- Measures Reporting
- Mental Health
- Safeguarding
- Medical Devices
- Point of Care testing
- Inspection and Regulation

Remuneration and Terms of Service Committee

- Pay, Terms and Conditions of Services for Chief Executive, Executive Directors and very senior members of staff not covered by Agenda for change.
- Objectives and performance monitoring and Executive Directors Performance management system for those mentioned above and its application.
- Approvals of applications under Voluntary Release
- Scheme and redundancies
- Additional Payments to consultants
- Corporate policies related to remuneration and terms of service.

FIGURE 3: BOARD AND COMMITTEE MEETINGS HELD DURING 2022/2023

Board/ Committee	Dates											
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Board	28	25 & 31	14	27		28		30		25		29
Audit Risk and Assurance	26	17	13	18		27		15		31		21
Charitable Funds	26		14			23			07	16		01
Delivery and Performance		03	23			12		11			28	
Patient Experience Quality and Safety		12		07		13		24			23	
Planning, Partnerships and Population Health	07			14			20			19		
Remuneration and Terms of service		12		28		26			05	31		06 & 29
Workforce and Culture		31				20			13			~~14~~*

*It should be noted that it was necessary to cancel the March meeting of Workforce and Culture Committee in 2022/2023 at short notice, it was not possible to rearrange the meeting before the end of the corporate year. The Workforce and Culture Committee have thus not complied with the requirement to meet quarterly during this period. To avoid a long gap between meetings of the Committee, the first meeting of the Committee in 2023/2024 has been brought forward by a month whereafter the normal quarterly cycle will resume.

Details of Board Members and their attendance at the Board can be found at **Appendix 1** on page 110.

ITEMS CONSIDERED BY THE BOARD IN 2022/2023

During 2022/2023 the Board held:

- eight public meetings, all virtual, livestreamed, and video uploaded after the meeting;
- five In-Committee (private) meetings;
- an Annual General Meeting;
- one Chair's Action;
- two Board Briefings; and
- nine Board development sessions.

All meetings of the Board held in 2022/2023 were appropriately constituted with the required quorum.

Board Activity:

During the year, the Board considered a number of key issues and took action where appropriate, these are summarised below:

Standing Items:

- Experience Stories (patient and staff)
- Report of Chair
- Report of Vice-Chair
- Report of CEO
- Minutes from previous meetings
- Performance Reports on:
  - the three year Integrated Medium Term Plan
  - the one-year Delivery Plan; and
  - Financial Performance
- Corporate Risk Register
- Assurance Reports from:
  - Board Committees
  - Joint Committees
  - Partnerships
  - Advisory Group
- Report from Chief Officer of Community Health Council

Board approved the following items:

- Charitable Funds Annual Report and Accounts 2020/2021
- General Medical Services Out of Hours
- Scheme of Delegation and Reservation of Powers
- Annual Accountability Report
- Letter of Representation
- Welsh Language Standards Annual Monitoring Report 2021/2022
- Equality, Diversity, and Inclusion Annual Report 2021/2022

- Annual Report on Civil Contingencies
- Integrated Performance Framework
- Section 28A agreements
- Covid-19 Public Inquiry (module roles)
- Charitable Funds Strategy
- Management of Policies, Procedures and Written Control Documents
- Risk Management Framework and Risk Appetite Statement
- Winter Resilience Report
- Charitable Funds Annual Report and Annual Accounts 2022/2023
- Integrated Plan 2023-2026
- New Velindre Cancer Centre Full Business Case

Board noted the following items:

- Wellbeing Assessments
- Population Needs Assessment
- Report of sealed documents
- Annual Financial Statements
- Winter Planning

Board considered the following items:

- Renewal Priority – Breathe Well
- Health Wales Whole System Approach to Obesity Prevention
- Renewal Priority – Cancer Programme
- Health Inequalities Report
- Digital First Overview Report

ITEMS CONSIDERED BY COMMITTEES OF THE BOARD

During 2022/2023, Board Committees considered and scrutinised a range of reports and issues relevant to the matters delegated to them by the Board. Reports considered by the Committees included a range of internal audit reports, external audit reports and reports from other review and regulatory bodies, such as Healthcare Inspectorate Wales and the Health and Safety Executive.

As was the case in previous years, the Committees' consideration and analysis of such information has played a key role in my assessment of the effectiveness of internal controls, risk management arrangements and assurance mechanisms.

The Committees also considered and advised on areas of local and national strategic developments and new policy areas. Board Members are also involved in a range of other activities on behalf of the Board, such as Board Development sessions, attending partnership meetings, shadowing, and a range of other internal and external meetings.

An overview of the key areas of business of the Board committees is set out in **Figure 4**:

Figure 4: Key Areas of Focus of Committees of the Board (in summary)

Audit, Risk and Assurance Committee	▪ ratified approval of Single Tender Waivers; ▪ received the Internal Audit Annual Report and Opinion; ▪ approved the Annual Internal Audit Plan; ▪ received Internal and External Audit Reports and tracked implementation of audit recommendations; ▪ received Counter Fraud updates and reports; ▪ tracked implementation of Welsh Health Circulars; ▪ kept under review the Health Board's arrangements for risk management and assurance; ▪ reviewed and sought assurance on the accuracy of the Annual accounts and Annual accountability statement; ▪ reviewed and sought assurance on the Charitable Funds Annual report and accounts; ▪ reviewed and sought assurance on the accuracy of annual reports; ▪ received Annual Register of Interests; ▪ reviewed and sought assurance on the Annual Governance Programme; and ▪ reviewed and sought assurance on losses and special payments.
Executive Committee	▪ provided advice to the Board in relation to the development of the Integrated Plan for 2023-2026; ▪ reviewed and provided advice to the Board in relation to the identification and management of corporate risks; ▪ reviewed and sought assurance in relation to limited and no assurance internal and external audit reports; ▪ received various service-based business cases, service, and improvement plans, making decisions relevant to operational delivery of the Boards strategy and in-year plan; ▪ took forward actions arising from the Integrated Performance Report and performance managing the delivery of those action plans; ▪ kept the operational effectiveness of policies and procedures under review;

	▪ scrutinised key reports and strategies prior to their submission to other Committees of the Board and/or the Board to ensure their accuracy and quality; ▪ provided a strategic view of issues of concern ensuring co-ordination between Executive Directorates; ▪ provided advice to the Committees of the Board and/or the Board on matters related to quality, safety, planning, commissioning, service level agreements and change management initiatives; ▪ ensured staff are kept up to date on Health Board wide issues; and ▪ acted as the forum in which Executive Directors and senior managers can formally raise concerns and issues for discussion, making decisions on these issues.
Charitable Funds Committee	▪ scrutinised applications for charitable funds; ▪ kept an overview of charitable funds income and expenditure; and ▪ reviewed and recommended to the Board the Charity's Annual report and Annual accounts.
Delivery and Performance Committee	▪ sought assurance on performance on the Integrated Medium-Term Plan and Delivery Plan; ▪ reviewed the Performance section of the Annual Report; ▪ sought assurance on financial performance, closely scrutinising areas of cost pressure and savings plans; ▪ scrutinised primary care performance (General Medical Services, General Dental Services, Community Pharmacy and Out of Hours); ▪ reviewed Digital First Updates; ▪ reviewed Innovative Environments updates, including seeking assurance on Health and Safety matters; ▪ sought assurance on the Information Governance and Records Management Improvement plans; ▪ reviewed Strategic Renewal Portfolio priorities including Value Based Healthcare, Children and Young People, Urgent and Emergency Care and Community Model; and ▪ sought assurance on the Committee based Corporate Risk Register.
Patient Experience, Quality and	▪ scrutinised the Integrated Quality Report including:

Safety Committee	o implementation of the Quality and Engagement Act o scrutinise Commissioning Escalation Report o monitor Incidents and Concerns o monitor the Inspections and External Bodies Report and Action Tracking o sought assurance on patient experience o sought assurance on Infection, Prevention and Control including nosocomial updates. ▪ monitored Maternity Services Assurance reports including local escalation and de-escalation of Maternity Services; ▪ received the Annual Reports of the Accountable Officer Controlled Drugs; ▪ monitored compliance with Mental Health legislation; ▪ scrutinised the Board's Clinical Quality Framework; and ▪ sought assurance on the Committee based Corporate Risk Register.
Planning, Partnerships and Population Health Committee	▪ reviewed the strategic change report; ▪ reviewed development of the Integrated Plan ▪ sought assurance on the Regional Partnership Board programmes ; ▪ sought assurance on the Wellbeing Assessment and Population Assessment; ▪ monitored primary care cluster planning; ▪ sought assurance on Smoke Free Premises and Vehicles compliance; ▪ sought assurance on the Covid-19 Vaccination Programme 2022/2023; ▪ sought assurance on the delivery of Multi-Agency Plan for ALN and Education Tribunal (Wales) Act 2018; ▪ sought assurance on the Tobacco control Delivery Plan; ▪ sought assurance on the Healthy Schools and Healthy Preschools schemes; ▪ approved the Healthy Wales Whole System Approach to Obesity Prevention; and ▪ sought assurance on the Committee based Corporate Risk Register.
Workforce and Culture Committee	▪ scrutinised the Workforce Performance Reports; ▪ scrutinised the Equality, Diversity, and Inclusion monitoring report; ▪ sought assurance on Workforce Futures: o Carers and Volunteers) o Workforce and Planning

	o Education and Training o Leadership and Team Development o Intensive Learning Academy ▪ sought assurance and on the Communications and Engagement six-month report; ▪ reviewed the implementation of agile working and new ways of working; ▪ sought assurance on staff wellbeing; ▪ received the Welsh Language Standards Annual Report 2020/2021; ▪ considered Staff Wellbeing including regulatory report and management response (Caring for the Carers); ▪ received the Medical Job Planning Annual Report; ▪ received the Communications and Engagement Situation Report; and ▪ sought assurance on the Committee based Corporate Risk Register

BOARD DEVELOPMENT

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

- Board and Committee Effectiveness (2021/2022);
- Discussion on learning from significant reviews;
- Climate and carbon;
- Procurement Training;
- Charities Governance and Strategy;
- Development of The Board;
- Risk identification and Risk Registers;
- Review of Board level frameworks;
- Integrated Medium Term Planning;
- Financial Planning;
- Accelerated Sustainable Model development;
- Duty of Quality and Duty of Candour.

The Board has scheduled its annual self-assessment and reflection for 2022/2023 to take place in quarter 1 of 2023 (to include consideration of the effectiveness of its committees).

ADVISORY GROUPS

PTHB's Standing Orders require the Board to have three advisory groups in place. When active, these allow the Board to seek advice from and consult with staff and key stakeholders. They are:

- a Stakeholder Reference Group;
- a Local Partnership Forum; and

- a Healthcare Professionals' Forum.

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

The Local Partnership Forum (LPF) is well established. Work has continued during 2022/2023 to strengthen the Forum's operating arrangements and maximise its role in providing advice to the Board. The Forum has considered the Integrated Medium-Term Plan, reviewed the Terms of Reference, received regular updates on the financial position, workforce analysis and a summary report from the Director of Workforce and OD. Other areas considered include agile working, staff facilities, services at Knighton and Crug Ward, Brecon, winter preparedness, industrial action, carparking across the estate and support mechanisms for wellbeing. All reports have a staffside focus.

The Standing Orders require the Health Board to constitute a Stakeholder Reference Group and Healthcare Professionals Forum. System pressures have meant that progress was not made to constitute these groups during 2022/2023. The Health Board therefore declares a non-compliance with our Standing Orders in so far as these two forums are concerned.

In the absence of the Healthcare Professionals Forum, the Board engages clinical professionals through its clinical Executive Directors (Medical, Nursing and Midwifery, Therapies and Health Sciences and Public Health), and existing management groups such as the Heads of Nursing and Midwifery Group and the Heads of Therapies. The Health Board also engages with GPs through its cluster arrangements, other primary care contractors through established forums and with many representative and regulatory bodies.

The Health Board has determined that it considers it has more effective mechanisms to engage with partners and stakeholders through robust local partnership arrangements which make best use of the coterminous relationship between the Health Board, Local Authority and third sector umbrella body, PAVO. This includes the Powys Public Service Board, Powys Joint Partnership Board (Health Board and Local Authority) and Powys Regional Partnership Board.

The Regional Partnership Board has well established engagement mechanisms to inform an integrated health and care agenda, with user voice and stakeholder engagement networks in place. The RPB's Engagement and Insight Network also brings together engagement officers from across partner organisations to ensure a co-ordinated and collaborative approach to community engagement. This puts the citizen at its heart, as evidence through a joined-up engagement approach to inform the develop of well-being and population assessments, and the area plan and well-being plan. Constructive relationships have also been in place during the year with the Powys Community Health Council at both County and Local Committee level. Work is under way to transition these relationships into Llais, the new Citizen Voice Body for health and care, so that we can work

together on co-productive community engagement to shape the future of health and care.

Given the complex geography of Powys and our dependence on care pathways to multiple acute and tertiary providers outside our borders, we also need to take a bespoke and localised approach to service engagement that works closely with the most relevant stakeholders. For example, focused activity across North Powys as part of our North Powys Wellbeing partnership programme, hyperlocal activity on the Monmouthshire border following an application to close a cross-border branch surgery, and localised activity in mid-west Powys relation to hospital reconfiguration in Hywel Dda.

It is intended to make arrangements to convene the Healthcare Professional's Forum in 2023/2024.

JOINT COMMITTEES

Regular reports on the work of the Joint Committees are provided by the Chief Executive to the Board at each meeting and can be viewed on the Health Board's website.

WELSH HEALTH SPECIALISED SERVICES COMMITTEE (WHSSC) & EMERGENCY AMBULANCE SERVICES COMMITTEE (EASC)

The Welsh Health Specialised Services Committee and the Emergency Ambulance Services Committee are joint committees of Welsh Health Boards, established under the Welsh Health Specialised Services Committee (Wales) Directions 2009 (2009/35) and 2014 (2014/9 (w.9)) (the WHSSC Directions) and the Emergency Ambulance Services Committees (Wales) Directions 2014 (2014/8 (W.8)) (the EASC Directions).

Update and assurance reports from WHSSC and EASC meetings are reported to the Board; relevant decisions required from WHSSC and EASC that are owned by the Health Board are referred to the Board.

PARTNERSHIP AND COLLECTIVE WORKING

Regular reports on the work of the Partnership Boards are provided by the Chief Executive to the Board at each meeting and can be viewed on the Board and Committee pages of the Health Board website. The Planning, Partnerships and Population Health Committee also has a key role in ensuring that the Health Board is working effectively with partners.

NHS WALES SHARED SERVICES PARTNERSHIP COMMITTEE (NWSSPC)

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

More information on the governance and hosting arrangement of these committees can be found in the Health Board's Standing Orders on the Health Board website.

POWYS COUNTY COUNCIL

Powys Teaching Health Board and Powys County Council have a series of overarching Section 33 agreements through which the organisations manage joint arrangements for Care Homes, the Community Equipment Service, Glan Irfon, Information Communication Technology (ICT) services, Reablement Services and Substance Misuse. In addition to Section 33 agreements, a Memorandum of Understanding is in place regarding services for Carers and there are a number of key areas where there is integrated working. These include Mental Health services, services for people with learning disabilities, older people, and children. Section 33 arrangements are overseen by a Joint Partnership Board which is outlined in the next section.

JOINT PARTNERSHIP BOARD

Powys has been made a region in its own right under Part 9 of the Social Services Wellbeing (Wales) Act 2014. In light of this and combined with the requirements of the Well-being of Future Generations Act (Wales) 2015 and the Social Services Wellbeing (Wales) Act 2014, together with the collective drive towards increased integration between the two organisations, in February 2016, PTHB and Powys County Council established a Joint Partnership Board (JPB). The JPB brings together nominated strategic leaders from both organisations to support effective partnership working across organisations within the county for the benefit of the people of Powys. The Joint Partnership Board is responsible for oversight of the integration agenda. Formal Terms of Reference are in place and a collaborative agreement between the Health Board and Powys County Council has been signed.

In 2022/2023, Powys County Council were responsible for the governance arrangements and administration of the JPB, in 2023/2024 this transfer to the Health Board.

POWYS PUBLIC SERVICE BOARD

The Public Service Board (PSB) is the statutory body established by the Well-being of Future Generations (Wales) Act 2015 which brings together the public bodies in Powys to meet the needs of Powys citizens present and future. The aim of the group is to improve the economic, social, environmental, and cultural well-being of Powys. Working in accordance with the five ways of working, the Board has published its Well-being Assessment and Well-being Plan. The Well-being Plan which has been developed through extensive engagement sets out four local objectives for the Powys we want by 2040.

The Health Board contributes to achieving these objectives through the delivery of 'A Healthy Caring Powys' and the Integrated Medium-Term Plan. The PSB has set out its Well-being Plan 12 well-being steps that we will concentrate on to

contribute achieving the four local objectives. These steps are those where the biggest difference can be made by developing solutions together.

The PSB reports annually outlining progress and next steps. The PSB annual reports can be found here: [Powys Public Service Board – Our Annual Progress Report – Powys County Council]

POWYS PUBLIC SERVICE BOARD SCRUTINY COMMITTEE

The PSB Scrutiny Committee was set up in September 2018 as a joint committee with representatives of the organisations which sit on the Powys Public Service Board. This Committee last met in November 2021 and is being reformed with membership limited to elected members of the Local Authority.

POWYS REGIONAL PARTNERSHIP BOARD

The Powys Regional Partnership Board (RPB) was established under the Social Services and Well-being (SSWB) (Wales) Act 2014 in April 2016.

The RPB brings together a range of public service representatives including Powys County Council, the Health Board, third sector, citizens, and other key partners, to promote effective working together better to improve health and wellbeing in Powys.

The RPB identifies key areas of improvement for care and support services in Powys. The RPB has also been legally tasked with identifying integration opportunities between social care and health. This has been achieved through building on years of joint working and through the development of 'A Healthy Caring Powys' which has identified key priorities. The key opportunities for integrated working identified, and the actions to be taken in support of them are outlined in the Area Plan and focuses on 'Delivering the Vision'. Priorities have been identified as a Focus on Well-being, Tackling the Big 4 (Cancer, Cardio-vascular diseases, respiratory diseases, and mental health), Early Help and Support and Joined up Care. The Regional Partnership Board is currently overseeing a major integrated project in North Powys providing a new model of care jointly for health and social care and extending to include supported accommodation and primary education.

Putting people and what matters to them at the centre of health and care services is core to the RPB. The RPB oversees the delivery of this in Powys, which is done through its programmes: Start Well, Live Well, Age Well as well as some other work which cuts across all of these.

The Board's priorities are set out in the Powys Area Plan – 'A Healthy Caring Powys'. Some of the Board's responsibilities include making sure resources are available, that people remain independent for as long as possible, and that health and care services are fully joined up.

To help make this happen, the RPB also has responsibility for allocating funds from Welsh Government's Regional Integration Fund (RIF), which it uses to support key priorities.

MID WALES JOINT COMMITTEE FOR HEALTH AND CARE

Following the Welsh Government's formal recognition of mid Wales as a designated planning area, the Mid Wales Healthcare Collaborative transitioned to the Mid Wales Joint Committee for Health and Care in March 2018. The Welsh Government's long-term plan for the future of health and social care in Wales, 'A Healthier Wales: Our Plan for Health and Social Care', sets out the long-term future vision of a 'whole system approach to a health and social care' which focuses on health, wellbeing, and prevention of illness.

The Mid Wales Joint Committee supports this direction of travel, and its Strategic Intent sets out what we will do to ensure there is a joined-up approach to the planning and delivery of regional solutions across organisational boundaries.

The Board receives reports from the Mid Wales Joint Committee as part of the partnership assurance arrangements.

Further detail on the Mid Wales Joint Committee can be found here.

THE CORPORATE GOVERNANCE CODE

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

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

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

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

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

It has been reported in previous Annual Governance Statements, the system of internal control operating across Powys Teaching Health Board is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of policies, aims and objectives of the Health Board, to evaluate the likelihood of those risks being realised and to manage them efficiently, effectively, and economically. I can confirm the system of internal control has been in place at the Health Board for

the year ended 31 March 2023 and up to the date of approval of the annual report and accounts.

The Board is accountable for maintaining a sound system of internal control which supports the achievement of the organisation's objectives. The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties and a system of delegation and accountability. It has been supported in this role by the work of the committees, each of which provides regular reports to the Board, underpinned by a sub-committee structure, as shown in Figure 1 of this statement (page 52). Some elements of the system of internal control were, however, adapted or suspended during 2022/2023 with the approval of the Board to support the Health Board's response to system pressures, specifically:

- the Risk and Assurance Group met once during the year, although risk management remained the responsibility of managers as set out within the Risk Management Framework and enhanced COVID-19 risk management arrangements were put in place; and
- the escalated leadership arrangements established in 2020/2021 to lead the planning and response to COVID-19 were redeployed from December 2022 to March 2023 to respond to system resilience pressures during the winter period.

CAPACITY TO HANDLE RISK AND KEY ASPECTS OF THE CONTROL FRAMEWORK

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

As Accountable Officer I have overall responsibility for risk management and report to the Board on the effectiveness of risk management across the Health Board. My advice to the Board has been informed by executive officers and feedback received from the Board's Committees, in particular the Audit, Risk and Assurance Committee and Patient Experience, Quality and Safety Committee.

The Executive Committee (Committee of the Board, as per page 25) meetings present an opportunity for executive directors to consider, evaluate and address risk, and actively report to the Board and its committees on the organisation's risk profile.

The Health Board's lead for risk is the Director of Corporate Governance and Board Secretary, who is responsible for establishing the policy framework and systems and processes that are needed for the management of risks within the organisation. Risks are assigned to Directors to lead the organisational response.

Emergency plans and business continuity arrangements have been in place for the duration of 2022/2023, in accordance with the Health Board's statutory duties under the Civil Contingencies Act 2004 and Emergency Planning Guidance as issued by Welsh Government. The organisation continues to work closely with a wide range of partners, including the Welsh Government as it continues with its response to system pressures, and recovery and renewal phases following the COVID-19 pandemic. It has been 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 its strategic objectives.

THE RISK MANAGEMENT FRAMEWORK

Robust risk management is a key tool for the Board and is essential to good management. The aim is to ensure it is integral to the Health Board's culture and is an increasingly important element of the Health Board's planning, budget setting and performance processes.

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

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

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

The Risk Management Framework sets out the ways in which risks will be identified and assessed. It is underpinned by a number of policies that relate to risk assessment including incident reporting, information governance, training, health and safety, violence and aggression, complaints, infection control, whistleblowing, human resources, consent, manual handling, and security. The Risk Management Toolkit was developed to assist risk owners in the day-to-day identification, assessment, and management of risk. This is supported with training, support and advice from the Health Board's Corporate Governance Team who endeavor to facilitate a risk aware culture by effectively engaging with services to embed the risk management framework and process. Generic Risk Management Training is available to all staff via ESR. Tailored Health Board specific training is provided to the Risk and Assurance Group on an annual basis and to directorates/services upon request. In 2023-24 work will be undertaken by the Corporate Governance Team to further engage with Executive Directors to identify areas within the organisation which would benefit from in-house risk management training, the outcome of this engagement will be developed into a comprehensive risk management training plan.

The Risk Management Framework is available on the Health Board's website here.

MANAGEMENT OF RISKS DURING 2022/2023

Strategic Risks

Strategic risks are those risks that represent a threat to achieving the Health Board's strategic objectives or its continued existence.

Strategic risks are recorded in the Board's Corporate Risk Register (CRR), which provides an organisational-wide summary of significant risks facing the Board. The criteria for a risk to be included in the Corporate Risk register is:

- the risk must represent an issue that has the potential to hinder achievement of one or more of the Health Board's strategic objectives;
- the risk cannot be addressed at directorate level; and/or
- further control measures are needed to reduce or eliminate the risk; A considerable input of resource is needed to treat the risk (finance, people, time, etc.).

A fundamental review of the Corporate Risk Register was undertaken in 2022/2023 following approval of the 2022-2025 Integrated Medium-Term Plan, in order to ensure that the register reflected consistently the risks to delivering the Health Board's strategic objectives. Key themes arising from the review included:

- financial sustainability and use of resources
- sustainability of services throughout the health and care system
- the ongoing need to monitor quality, defined as safety, effectiveness and experience and the potential for harm to patients

- the risk represented by ongoing challenges in recruiting and retaining staff
- the focus that continues to be needed on effective working with partners
- the potential for care to be compromised due to the Health Board's estate not being fit for purpose
- the ever-present risk of a cyber-attack; and
- the risk presented by a significant public health event/emergency.

EMBEDDING EFFECTIVE RISK MANAGEMENT

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

In March 2020, Internal Audit undertook a review of Risk Management and Board Assurance arrangements, which focused on how the Board Assurance Framework and Risk Management Framework are being implemented and updated in-line with the revised IMTP. A limited assurance rating was provided to the Board in respect of this review.

In July 2022 a further review was undertaken which recognised the progress made in the area and provided a reasonable assurance rating. Highlighted in the review was the Risk Management Framework (RMF) and Toolkit, approved by the Board in November 2021 which together provide a comprehensive and user-friendly approach to organisational risk management strategy. The Framework outlines the roles and responsibilities for risk management, the organisational risk management structure, Corporate and Directorate monitoring and reporting lines, the Board's approach to risk appetite and risk management processes including the escalation, consolidation, and aggregation of risks. The Framework and Toolkit (alongside the Risk Appetite Statement) are reviewed on an annual basis by the Board. This was undertaken in Quarter 3 of 2022/2023 and a revised version was approved by the Board in November 2022 with no material changes made.

As a result of the pandemic the review of the Board Assurance Framework (BAF) was paused in 2020/2021. We recognise the importance of the BAF in the risk environment. In the first quarter of 2023/2024, work will begin to refresh the Board Assurance Framework (BAF) to ensure robust assurance is provided to the Board and Board Committees and inform decision making at Board, Executive and Directorate level. Work is currently being undertaken to update the Corporate Risk Register which will enhance information in relation to assurance of the key controls being reported to the Board.

The Risk and Assurance Group met once in 2022/2023. Further work will be undertaken in 2023/2024 to strengthen the arrangements in relation to the Group to enable coordination of the achievement of the Risk Management Framework's objectives through the organization's directorates, by embedding risk management and establishing local risk reporting procedures. This will enable the effective integrated management of risk and assurance. The Group will also seek to ensure that the Board has in place effective systems for the

reporting of risk, and the management of risk registers (local, directorate and corporate) and the Board's Assurance Framework (BAF).

Consultation with internal and external stakeholders and partners is an important element of the risk management process. Communication and engagement vary depending upon the nature and severity of the risk. For example, our risk related to accessing planned, secondary, and specialised care requires a partnership approach and is dependent on working closely with key commissioners in both NHS Wales and NHS England. Engagement of stakeholders has also taken place through multi-agency partnership working. The Regional Partnership Board, Joint Partnership Board and Public Services Board is part of the Health Board governance structure that helps to support the management of risk facing the organisation through collective dialogue.

RISK APPETITE

The Board's Risk Appetite Statement sets out the Boards strategic approach to risk-taking by defining its risk appetite thresholds. It is a 'live' document that is regularly revised and modified, so that any changes to the organisation's strategies, objectives, or its capacity to manage risk are properly reflected. The Risk Appetite Statement is composed of two parts: a general written statement, supported by the cumulative risk appetite categories.

In updating and approving its Risk Appetite Statement, the Board considered the Health Board's capacity and capability to manage risk.

The Board recognises that risk is inherent in the provision and commissioning of healthcare services, and therefore a defined approach is necessary to articulate risk context, ensuring that the organisation understands and is aware of the risks it is prepared to accept in the pursuit of its aims and objectives.

In 2021/2022 the Risk Appetite Statement was developed to reflect an increased appetite in relation to innovative and financial risks, which may be necessary to support achievement of the Board's ten-year strategy 'A Health, Caring Powys'. In recognising the risks inherent in healthcare services, the risk appetite statement starts at the basis of a low appetite. The underlying principles of the 2021/2022 Risk Appetite Statement were maintained in 2022/2023.

All Board Members were involved in preparing the statement and the complexities in relation to the establishment of the Board's appetite in respect of quality in the context of current and future system pressures and financial outlook was recognised. The Risk Appetite Statement for 2022/2023 sought therefore to further consider the nature of the external environment within which the Health Board operates and the need for greater clarity and granularity to aid decision making and the treatment of risk.

The following risk appetite levels, have been included and have been used as the basis in determining the appetite levels set out in the Statement:

Risk Appetite	Description
Averse	Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is key objective. Activities undertaken will only be those considered to carry virtually no inherent risk.
Minimal	Preference for very safe business delivery options that have a low degree of inherent risk with the potential for benefit/return not a key driver. Activities will only be undertaken where they have a low degree of inherent risk.
Cautious	Preference for safe options that have low degree of inherent risk and only limited potential for benefit. Willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant benefit and/or realise an opportunity. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent.
Open	Willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. Seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money. Activities themselves may potentially carry, or contribute to, a high degree of residual risk.
Eager	Eager to be innovative and to choose options based on maximising opportunities and potential higher benefit even if those activities carry a very high residual risk.

The thresholds provided with the Risk Appetite Statement are provided below:

Risk Category	Description
APPETITE FOR RISK: Averse	
Safety	We consider the safety of patients and staff to be paramount and core to our ability to operate and carry out the day-to-day activities of the organisation. We have a low appetite to risks that result in, or are the cause of, incidents of avoidable harm to our patients or staff. We will not accept risks, nor any incidents or circumstances which may compromise the safety of any staff members and patients or contradict our values i.e., unprofessional conduct, underperformance, bullying or an individual's competence to perform roles or tasks safely nor any incident or circumstances which may compromise the safety of any staff members or group.
APPETITE FOR RISK: Minimal	
Quality	The provision of high-quality services is of the utmost importance for the Health Board. The Board acknowledges

Risk Category	Description
	that in order to achieve individual patient care, treatment, and therapeutic goals there may be occasions when a low level of risk must be accepted. Where such occasions arise, we will support our staff to work in collaboration with those who use our services, to develop appropriate and safe care plans. We therefore have a low appetite for risks which my compromise the quality of the care we deliver / could result in poor quality care, non-compliance with standards of clinical or professional practice or poor clinical interventions. Our service is underpinned by clinical and professional excellence and any risks which impact on quality could adversely affect outcomes and experiences of our patients, service users and communities.
APPETITE FOR RISK: Cautious	
Regulation & Compliance	We are cautious when it comes to compliance and regulatory requirements. Where the laws, regulations and standards are about the delivery of safe, high-quality care, or the health and safety of the staff and public, we will make every effort to meet regulator expectations and comply with laws, regulations, and standards that those regulators have set, unless there is strong evidence or argument to challenge them.
Reputation & Public Confidence	We will maintain high standards of conduct, ethics and professionalism at all times, espousing our Values and Behaviours Framework, and will not accept risks or circumstances that could damage the public's confidence in the organisation. Our reputation for integrity and competence should not be compromised with the people of Powys, Partners, Stakeholders and Welsh Government. We have a moderate appetite for risks that may impact on the reputation of the Health Board when these arise as a result of the Health Board taking opportunities to improve the quality and safety of services, within the constraints of the regulatory environment.
Performance and Service Sustainability	We have a low-moderate risk appetite for risks which may affect our performance and service sustainability. We are prepared to accept managed risks to our portfolio of services if they are consistent with the achievement of patient/donor safety and quality improvements as long as patient/donor safety, quality care and effective outcomes are maintained. Whilst these will both be at the fore of our operations; we recognise there may be unprecedented challenges (such as Covid-19, workforce availability and limited resources) which may result in lower performance levels and unsustainable service delivery for a short period of time.

Risk Category	Description
Financial Sustainability	We have been entrusted with public funds and must remain financially viable. We will make the best use of our resources for patients and staff. Risks associated with investment or increased expenditure will only be considered when linked to supporting innovation and strategic change. We will not accept risks that leave us open to fraud or breaches of our Standing Financial Instructions.
Workforce	The Health Board is committed to recruit and retain staff that meet the high-quality standards of the organisation and will provide on-going development to ensure all staff reach their full potential. This key driver supports our values and objectives to maximize the potential of our staff to implement initiatives and procedures that seek to inspire staff and support transformational change whilst ensuring it remains a safe place to work.
APPETITE FOR RISK: Open	
Partnerships	The Health Board is committed to working with its stakeholder organisations to bring value and opportunity across current and future services through system-wide partnership. We are open to developing partnerships with organisations that are responsible and have the right set of values, maintaining the required level of compliance with our statutory duties. We therefore have a high-risk appetite for partnerships which may support and benefit the patients in our care. For example, the Health Board has a high appetite for risks associated with innovation and partnership with the third sector, industry, and academia in order to realise the provision of new models of care, new service delivery options, new technologies, efficiency gains and improvements in clinical practice. However, the Health Board will balance the opportunities with the capacity and capability to deliver such opportunities and is confident that there will be no adverse impact on the safety and quality of the services provided.
Innovation & Strategic Change	We wish to maximise opportunities for developing and growing our services by encouraging entrepreneurial activity and by being creative and pro-active in seeking new initiatives, consistent with the strategic direction set out in the Integrated Medium-Term Plan, whilst respecting and abiding by our statutory obligations. We will consider risks associated with innovation, research, and development to enable the integration of care, development of new models of care and improvements in clinical practice that could support the delivery of our person and patient centered values and approach. We will only take risks when we have the capacity and capability to manage them and are confident that there will

Risk Category	Description
	be no adverse impact on the safety and quality of the services we provide or commission.

THE HEALTH BOARD'S RISK PROFILE

As can be seen from the Heat Map at Figure 7, at the end of March 2023 a number of key risks to the delivery of the Health Board's strategic objectives had been identified. Full details of the controls in place and actions taken to address these risks can be found in the Corporate Risk Register on the Health Board's website here.

Figure 7: Strategic Risk Heat Map

In-Committee Risks (Private)			-A cyber-attack results in significant disruption to services and quality of patient care				
Impact	Catastrophic	5				- the Health Board fails to manage its financial resources in line with statutory requirements -the urgent and emergency health and social care system fails to deliver a timely response for care for Powys citizens	
	Major	4			- a significant public health event/emergency impacts on provision, continuity, and sustainability of services	-the Health Board fails to adequately allocate resources, including transformation capacity, to improve health outcomes/experience and reduce inequalities -citizens of Powys receive poor quality care (quality defined as safety, effectiveness, and experience) from one or more of a range of providers -failure to plan for, recruit and retain an appropriate workforce results in an inability to sustain high quality services -the care provided in some areas is compromised due to the Health Board's estate being not fit for purpose	-inequity of access to planned, secondary and specialised care results in poorer outcomes and experience for some Powys citizens -the demand and capacity pressures in the primary care system lead to services becoming unsustainable
	Moderate	3			-ineffective partnership working, including on service change/reconfiguration, results in poorer outcomes and experience for citizens of Powys		
	Minor	2					
	Negligible	1					
			1	2	3	4	5
			Rare	Unlikely	Possible	Likely	Almost Certain
			Likelihood				

An overview of the key risks (i.e., those in the red section of the Heat Map) and actions taken to manage the risks are provided in Figure 8.

Figure 8: Key Risks and Controls

RISK DESCRIPTION	CONTROLS IN PLACE, ACTION TAKEN & IMPROVEMENT ACTIONS
[CRR 001 – Risk Score 20] the Health Board fails to manage its financial resources in line with statutory requirements	**CONTROLS IN PLACE / ACTION TAKEN:** ▪ Balanced Financial Plan included in IMTP Submission ▪ Financial Control Procedures and Standing Orders and Standing Financial Instructions and Budgetary Control Framework, Budgetary Control Audit rated as substantial assurance; ▪ Risks and Opportunities – focus and action to maximise opportunities and minimise / mitigate risks; ▪ Service Reviews / Performance reviews to strengthen financial monitoring of performance and longer-term impact on financial plan (support better decision making); ▪ Contracting Framework to monitor and forecast the impact of arrangements in 2022/2023 and going forward; ▪ Task and Finish Groups established for CHC, Variable Pay and Contracting with identified leads and clear expectation re delivery, these groups will have a short and longer-term focus for delivery; ▪ Savings Plan monitoring and reporting linked to the Efficiency Framework and Investment Benefits Group and supporting the VBHC approach; ▪ Regular communication and reporting to Welsh Government and Finance Delivery Unit regarding the impact of pressures and ongoing Covid-19 and expectations regarding funding and impact on Financial Plan and underlying position; Additional control - Finance and Performance Group established as sub-group of Executive Committee. Initial focus on savings and opportunities.
	IMPROVEMENT ACTIONS TO BE TAKEN FORWARD IN 2023/2024:
	▪ Strengthening of the capability and sustainability of the Finance Team and establish a modernisation programme to improve function performance and delivery; ▪ Financial Plan for 2023/2024 being developed, including robust assessment of cost pressures and establishment of saving schemes; ▪ Increase focus on longer term efficiency and sustainability (value) and balance within year delivery as needed for plan. New Efficiency Framework approved, and live and Value Based Healthcare Board established.

RISK DESCRIPTION	CONTROLS IN PLACE, ACTION TAKEN & IMPROVEMENT ACTIONS
[CRR 004 – Risk Score 20] the urgent and emergency health and social care system fails to deliver a timely response for care for Powys citizens	**CONTROLS IN PLACE / ACTION TAKEN:** ▪ Daily management system in place to manage patient flow including multiple daily local and national calls; ▪ Continuous focus on reducing delays for health and social care reasons including complex care management, fast track cases and implementation of a home first ethos; ▪ Regular reviews of long stay patients in community hospitals to reduce average length of stay; ▪ Training on discharge and complex care management is provided to ward based staff through the Complex Care and Unscheduled Care Team; ▪ Review of urgent care team arrangements, with exploration of a business case to advance capacity of Discharge Liaison officers; ▪ Care coordination in place across all acute hospital sites to facilitate timely repatriation of patients back into Powys; ▪ Bed escalation plans activated to support the national programme of extra community care beds across Wales by end of October 2022 (within limits of staffing availability); ▪ Care Home risk and escalation plans to support care home capacity; ▪ Social care fragility and delays – regular attendance at Head of Service level to Delivery Coordination Group and escalated discussions at Director and CEO level; ▪ Delivery Coordination Group in place to manage operational delivery across whole system; ▪ Winter Plan developed to manage whole system pressures. Urgent review of escalation options in development between health and social care to increase community care capacity and to reduce delays; and ▪ Industrial action command and control structure in place to manage service impact and to minimise disruption to services.
	IMPROVEMENT ACTIONS TO BE TAKEN FORWARD IN 2023/2024: ▪ Daily operational management of patient flow; ▪ System escalation including senior officer daily review and weekly Gold level oversight; ▪ Review of Complex Care arrangements in place to improve system improvements and to reduce delays; ▪ Transformational development of urgent care system (6 Goals) including community care capacity and focus on handover delays; ▪ Urgent escalation plan in development to secure additional system impact to improve community care capacity and flow; and ▪ Industrial action management plans in place, coordinated and reporting at bronze, silver and gold levels.

RISK DESCRIPTION	CONTROLS IN PLACE, ACTION TAKEN & IMPROVEMENT ACTIONS
[CRR 005 – Risk Score 20] inequity of access to planned secondary and specialised care results in poorer outcomes and experience for some Powys citizens	**CONTROLS IN PLACE / ACTION TAKEN:** ▪ Performance Trajectories and details on harm reviews for Powys residents requested from commissioned service providers in NHS England and NHS Wales to understand both yearend position 2022/2023 and for 2023/2024 (latter with reference to NHS Wales Planning Framework 2023-26 access target requirements by June 2023; and NHSE access target requirements by March 2024) ; ▪ Medinet contract extended – proposals being developed to offer Powys residents experiencing long waits in commissioned service providers in NHS Wales to be treated in Powys; ▪ Identify key priorities to deliver elective treatments within ministerial access targets; ▪ Implementation of Integrated Performance Framework; ▪ Ongoing scrutiny and oversight through CQPR meetings utilising Commissioning Assurance Framework with escalation through monthly ICAM meetings and through Integrated Performance Report; ▪ Provider issue summary and fragile services log; and ▪ Develop funding proposal to WG to support recovery of waiting times for Powys activity in English Providers Ensure Powys residents are included in the activity being sourced through the West Midlands Mutual Aid hub. **IMPROVEMENT ACTIONS TO BE TAKEN FORWARD IN 2023/2024:** ▪ Secure performance improvement trajectories from providers; ▪ Insourcing and outsourcing options being considered (subject to capacity). All providers now expected to agree improvement trajectories in light of 2022/2023 guidance published for planned care recovery.

RISK DESCRIPTION	CONTROLS IN PLACE, ACTION TAKEN & IMPROVEMENT ACTIONS
[CRR 008 – Risk Score 20] the demand and capacity pressures in the primary care system led to services becoming unsustainable.	**CONTROLS IN PLACE / ACTION TAKEN:** ▪ Close monitoring and liaison with practices to offer support including regular review of the sustainability matrix to monitor changes and sustainability funding application process ; ▪ Implementation of Accelerated Cluster Development Programme; ▪ Health Board management of practices if contracts are handed back until tendering process is successful; ▪ Adastra – Continued daily participation in national BCI calls with 111 to manage situation. Following successfully testing Shropdoc Adastra was reinstated on 19/10/22 albeit with limited functionality. System being used for the patient contact/record. Manual admin process still required at the front end. Reactivation of GP OOH report messaging and special patient notes now in place. Fully operational Adastra and CAS system hoped to be in place before the 4-day Christmas BH period. 111 and Shropdoc remain in BCI Commissioning of urgent access slots across Powys and new contract in place for Llandrindod. Implementation of the new Dental contract 2022/2023 metrics should increase provision and access. Community Dental Service clinics support urgent access to mitigate against gaps in provision. Mid-Year Review meetings completed and in year contract adjustments being considered. Awaiting national guidance to support year end. **IMPROVEMENT ACTIONS TO BE TAKEN FORWARD IN 2023/2024:** ▪ Primary Care – Ongoing regular review of sustainability matrix and applications for support. Weekly review of Escalation tool; ▪ Regular discussions with Cluster Leads to discuss ongoing demands and additional actions to manage peaks; ▪ Implementation of the Accelerated Cluster Development Programme to meet national milestones; and ▪ Following the Adastra Cyber incident on the 4th August, that as of today a fully functioning Adastra system is now operational across Wales and Shropdoc.

<table>
<tr><th>RISK DESCRIPTION</th><th>CONTROLS IN PLACE, ACTION TAKEN & IMPROVEMENT ACTIONS</th></tr>
<tr><td rowspan="4">[CRR 006 – Risk Score 16] failure to plan for, recruit and retain an appropriate workforce results in an inability to sustain high quality services.</td><td>CONTROLS IN PLACE / ACTION TAKEN:</td></tr>
<tr><td>
▪ A calendar for a rolling programme of recruitment events has been developed which includes student streamlining, department for working pensions and open days across the county;
▪ All roles on trac are monitored to improve the time to hire;
▪ Services continue to ensure all key vacant posts are being processed in a timely manner;
▪ Rolling adverts for all substantive and bank nurse vacancies remain open across all sites;
▪ Interviews were held in January for the remainder of phase 1 of the international all Wales nurse recruitment programme, 5 nurses were successful. Offers have been issued and accepted with a target in country date of 11th April 2023 (this is subject to changes with visa applications);
▪ Interviews were held in January for the remainder of phase 1 of the international all Wales nurse recruitment programme, 5 nurses were successful. Offers have been issued and accepted with a target in country date of 11th April 2023 (this is subject to changes with visa applications);
▪ Weekly reports on temporary staffing are produced and shared with Head of Nursing;
▪ The Executive Director of Nursing and Midwifery has undertaken a formal review of community ward establishments to ensure there are recommended minimum safe staffing levels that align with the current service delivery model;
▪ Further work has commenced on the development of an Accelerated Sustainable Model; and
▪ By the end of Q1 we will have undertaken a wellbeing roadshow at each of the main hospital sites across the county.
</td></tr>
<tr><td>IMPROVEMENT ACTIONS TO BE TAKEN FORWARD IN 2023/2024:</td></tr>
<tr><td>
▪ Working with partners a joint recruitment event across Health and Social Care is being explored;
▪ Develop a proposition for the candidate journey from application to induction, identifying changes or omissions within the current process that are required to improve the candidate journey;
▪ Roll out the organisationally agreed workforce planning model by delivering training which supports services to develop their resource plans; and
▪ Undertaken a wellbeing roadshow at each of the main hospital sites across the county.
</td></tr>
</table>

RISK DESCRIPTION	CONTROLS IN PLACE, ACTION TAKEN & IMPROVEMENT ACTIONS
[CRR 010 – Risk Score 16] the care provided in some areas is compromised due to the Health Board's estate being not fit for purpose	**CONTROLS IN PLACE / ACTION TAKEN:**
	ESTATES ▪ Specialist sub-groups for each compliance discipline; ▪ Risk-based improvement plans introduced; ▪ Specialist leads identified; ▪ Estates Compliance Group and Capital Control Group established; ▪ Medical Gases Group; Fire Safety Group; Water Safety Group; Health & Safety Group in place. New Ventilation Safety Group set up; ▪ Capital Programme developed for compliance and approved; ▪ Capital and Estates set as a specific Organisational Priority in the Health Board's Annual Plan; ▪ Address (on an ongoing basis) maintenance and compliance issues; and ▪ Address maintenance and compliance improvements to ensure patient environment is safe, appropriate and in line with standards. **CAPITAL** ▪ Capital Procedures for project activity; ▪ Routine oversight / meetings with NWSSP Procurement; ▪ Specialist advice and support from NWSSP Specialist Estates Services; ▪ Audit reviews by NWSSP Audit and Assurance; ▪ Close liaison with Welsh Government, Capital Function; ▪ Reporting routinely to P&R Committee; ▪ Capital Programme developed and approved; ▪ Detailed Strategic, Outline and Full Business Cases defining risk; ▪ Capital and Estates set as a specific Organisational Priority. **ENVIRONMENT** ▪ ISO 14001 routine external audit to retain accreditation; ▪ Environment & Sustainability Group; ▪ NWSSP Specialist Estates Services (Environment) support and oversight; ▪ Welsh Government support and advice to identify and fund decarbonisation project initiatives.
	IMPROVEMENT ACTIONS TO BE TAKEN FORWARD IN 2023/2024:
	▪ Implement the Capital Programme and develop the long-term capital programme; ▪ Continue to seek WG Capital pipeline programme funding continuity: seek alternative capital funding opportunities to mitigate funding reduction for 2022/2023 and develop projects in readiness for any capital slippage in latter part of financial year cycle. Additional funding from Welsh Government being provided for 2022/2023 (i.e., year-end slippage). Monies will be spent across equipment, ICT, and estates. Formal notification also imminent for final allocation Estates Funding Advisory Board (EFAB) for 2023/2024 onward; ▪ Develop capacity and efficiency of the Estates and Capital function; ▪ Review current structure of capital and estates department – Estates Management and Senior Management Team structure enhancements in place. Second tier of structure review required to

	address limited establishment staff numbers in Works Team and recruitment challenges; Initial resource review undertaken by IEG in June 2022 with financial constraints necessitating more detailed analysis. This has been further discussed in IEG in October and a more detailed paper will be brought to IEG in December including demand levels and performance around Planned and Preventative Maintenance (PPMs) this will be further discussed at IEG in March 2023.

The Board received and reviewed the Corporate Risk register at each meeting of the Board during 2022/2023. As a result of the reviews undertaken by the Executive Committee and the Board, the risk scores for a number of risks changed during the year in the context of the external environment, and other developments such as improvements made to the control process.

As undertaken in 2022/2023, following Board approval of the Integrated Medium-Term Plan for 2023-2026 a full review of the Corporate Risk Register will take place to ensure priorities are identified, assessed and mitigating actions established, as well as assurance levels assessed.

EMERGENCY PREPAREDNESS

The Civil Contingencies Act 2004 and Emergency Planning Guidance issued by Welsh Government, places statutory duties on the Health Board to ensure arrangements are in place to respond to emergencies and major incidents. To meet this duty, the Health Board has a range of emergency response and business continuity plans in place to respond to emergencies and disruption to services. This includes the provision of training and participation in other emergency preparedness events.

Over the last twelve-month period, the Health Board has used the arrangements outlined in our plans to respond to a wide range of business continuity events that have impacted on the Health Board's services.

In addition, the Health Board continues to regularly engage and work collaboratively with our multi-agency partners on a wide range of preparedness activities and also in response to incidents. This collaboration is achieved through the Dyfed Powys multi-agency Local Resilience Forum and with other NHS Wales organisations through a variety of groups.

To demonstrate compliance with the Civil Contingencies Act, the Health Board is required to submit an assessment on the Health Board's emergency preparedness activities to Welsh Government on an annual basis, and also produces an Annual Report on Civil Contingencies Planning for the Board.

PLANNING ARRANGEMENTS

The organisation's planning arrangements in 2022/2023 form a key part of the Performance Report section of the Annual Report. Further detail can be found throughout the Performance Report.

KEY ASPECTS OF THE CONTROL FRAMEWORK

In addition to the Board and Committee arrangements described earlier in this document, I have worked to further strengthen the Health Board's control framework over the last 12 months. Key elements of this include:

QUALITY GOVERNANCE ARRANGEMENTS, INCLUDING CLINICAL RISKS AND CLINICAL AUDIT PLAN

As an NHS Wales organisation, there are clear expectations set out for the quality standards we must maintain. These are set out through the:

- Health and Social Care (Quality and Engagement) (Wales) Act 2020;
- A Healthier Wales;
- Core Commissioning Requirements.

With our aims to continuously improve and learn, new legislative requirements support the quality governance framework during 2022/2023. The Health and Social Care (Quality and Engagement) (Wales) Act 2020, places more responsibility on health and care organisations in Wales. Enhancing quality, honesty and transparency, the legislation provides the Health Board with a Duty of Quality, Duty of Candour, and establishes a Citizen Voice, enriching engagement with our patients, relatives, carers, staff, and communities. Developing our organisational culture and embedding the Duty of Candour are critical in being open and honest with our patients and service users where our services have not met expectations or caused harm. Candour will be utilised to drive improvement whilst embracing improvement and innovation opportunities. The Health Board will deliver the Duty of Quality by ensuring services provide the highest quality of care for our patients, relatives, carers, staff, and communities. We are committed to improve the experience of care and seek opportunities to provide positive patient experiences through the patient journey across services. Our vision is quality-driven, with data driven improvement and learning through experience.

The existing quality governance structure has been maintained. The Patient Experience, Quality and Safety Committee continued to receive reports on assurance and escalated risks linked to patient experience, quality, and safety.

The key aspects of the quality governance arrangements in the Health Board are:

- Commissioning Assurance Framework:
  - Quality
    - Safety
    - Effectiveness
    - Experience
  - Access
  - Cost/Finance
  - Governance & strategic change

- Putting Things Right (Concerns, Incident and Claims)
- Clinical Audit
- Data – CHKS – healthcare intelligence and quality improvement, benchmarking
- External Reviews – e.g., Getting It Right First Time
- Professional practice supervision/regulation
- Staff Surveys
- Organisational Development Framework
- Relationships/Escalations – Care Quality Commission, Healthcare Inspectorate Wales etc

A focus on quality has been maintained through the following activity in 2022/2023:

- Recommendations from the Audit Wales Review of Quality Governance (Oct 2021). The Review was positive overall with helpful areas for improvement identified
- Quality governance arrangements within service groups continue to embed, with focus on improving quality metric reporting which will be supported by the implementation of the Integrated Performance Framework (IPF)
- Implementation of the Medical Examiner Service
- National Nosocomial COVID-19 Programme (NNCP) implementation
- Safeguarding & public protection annual report presentation to the Patient Experience, Quality and Safety in December 2022; and
- Specific maternity and neonatal governance arrangements in place including our Maternity Assurance Framework.

There has been continued focus on the health board's formal process, in line with the NHS (Concerns, Complaints and Redress Arrangements) (Wales) Regulations 2011 also known as Putting Things Right, which aims to address concerns in a proactive, timely and open manner.

Organisational learning from concerns has continued to develop, taking account of the need to learn quickly and effectively during the pandemic period, and ensuring the Health Board listen and learn from patient and staff experiences.

The Learning from Experience Group has created the opportunity to discuss and triangulate quality issues and supports the organisation in expanding learning across all services. The implementation of the CIVICA patient experience system during Q3 will be realised in 2023/2024. The Health Board wide approach to ensure patient experience is triangulated with a strong focus on the provision of person centred, outcome focused care to help inform decision making in relation to service planning design, delivery, and evaluation.

Health and Care Standards

The extant Health and Care Standards continue to inform the quality of services provided in in-patient settings. The Health and Care Standards are cross referenced as part of Committee reporting, with associated risks and escalation

raised. Peer review quality checks across services reflect the Health and Care Standards, albeit a reduced programme during the last year, inform improvement and development in care and treatment supported with refreshed policies and procedures.

Clinical Audit

During 2022 the clinical audit plan has been further developed to bring greater focus on ensuring that learning from events has been embedded into practice. Areas of focus include:

- themes or significant concerns identified during investigations of Nationally Reportable Incidents or complaints
- new policies or changes to existing policy / practice to confirm new practice is established
- the prioritisation of new and repeat clinical audit projects based on recognised clinical risk; and
- clinical audits required to confirm that practice has improved where concern had been raised.

There has been improved triangulation of learning through the learning from experience group.

Service Group arrangements

The Community Services Group refreshed its approach to the management of clinical audit. A service-level quality meeting is synchronised to the timetable of the Patient Experience, Quality and Safety Committee. This will allow for the efficient flow of audit reports.

For Therapies, clinical audit is an agenda item for each monthly Heads of Service Meeting.

For the Mental Health Team, learning from clinical audit is presented to the Mental Health learning group and Operational Managers group as agenda items. Recommendations are put into action through these groups.

The Women and Childrens Service Group Clinical Audit Plan outlines the Service Group's commitment to continuous improvement through clinical audit and service improvement. The Clinical Audit Plan has been reviewed and agreed via the Women and Children's Quality and Assurance Learning Forum in order to evaluate effectiveness. Audits are presented on a monthly basis to the Quality and Assurance Learning Forum and shared via service group meetings. The Audit Information is also shared with Quality Improvement Manager who presents the information into PEQS Committee on a quarterly basis. Lessons learnt from concerns are also shared via the Quality and Assurance Learning forum on a monthly basis in addition to be shared via team meetings. Patient Experience also feeds into this group through the production of patient stories, alongside learning and good practice.

The Health Board continued to participate in National Audits. Findings were shared via the learning group.

The local clinical audit list remains large. Quality dashboards are being developed which will be updated by teams. Live information will be visible to them to facilitate more agile learning. They will ultimately replace some of the clinical audits.

An update report detailing progress against the 2022/2023 local clinical audit plan, describing findings from the audit was reported to, and approved by, the March and the October 2022 meetings of the Patient Experience, Quality and Safety Committee. The audit plan for 2023/2024 was approved by the February Patient Experience, Quality and Safety Committee.

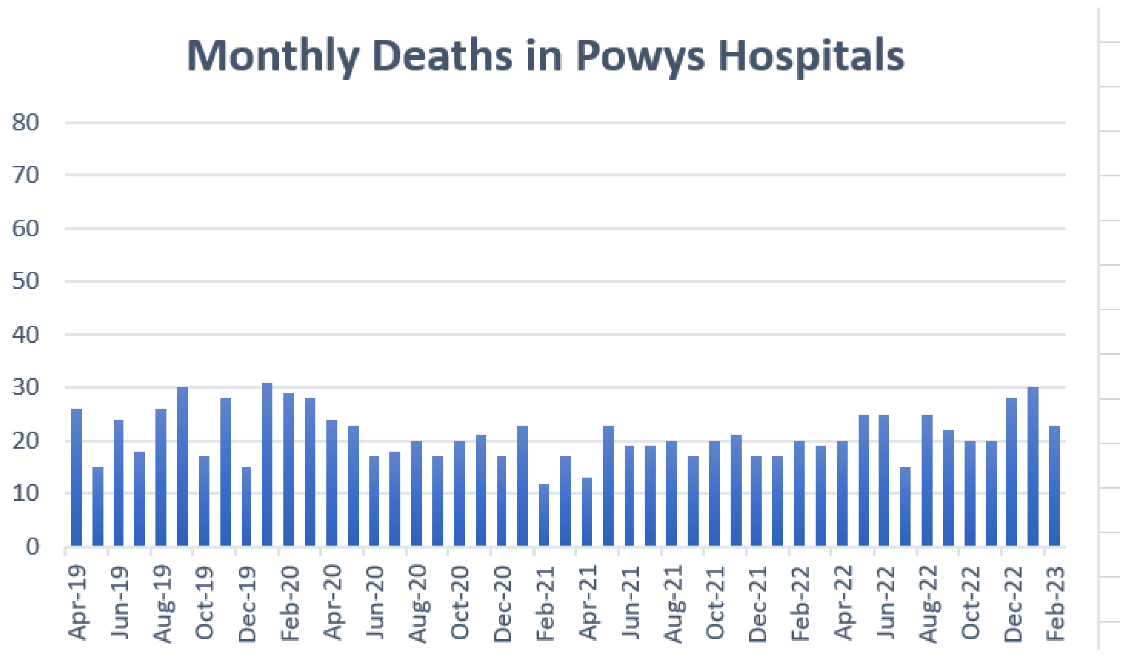
Complaints and Concerns Framework

A continued focus on compliance with the National Health Service (Concerns, Complaints and Redress Arrangements) (Wales) Regulations 2011 has been maintained. This is extended to the way in which serious incidents are managed, through to investigation, learning and sharing of lessons. Investment in training during 2022/2023 has built on existing knowledge and experience across the Health Board.

These and further information on Putting Things Right can be found on the Health Board website.

Mortality Reviews

During the COVID-19 pandemic, the number of monthly deaths in Powys Community Hospitals has remained comparable with the period before the pandemic. The average number of monthly deaths increased slightly from 22 per month in calendar year 2019 to 23 per month in calendar year 2020, before falling to 18 per month, and 21 per month in 2021 and 2022 respectively.



A mortality report was submitted to the November 2022 meeting of the Patient Experience, Quality and Safety Committee, which detailed the findings of the previous round of reviews. No major clinical concerns were identified, and feedback given to the medical staff encouraging the use of Treatment Escalation Plans had dramatically improved the adoption of this process.

As part of part 2 mortality review discussion, themes were identified, including timing and documentation of treatment decisions. There was positive learning around visibility of Multi-Disciplinary Team notes and decision making on some sites. It was agreed that this would be fed through the learning group and work would be undertaken with the ward managers to encourage earlier discussion and more standardised documentation to improve visibility.

During 2022, South Powys hospitals began to submit cases to the Medical Examiner service. A total of 13 cases have been referred back to the Health Board by the Medical Examiner Service. Seven cases were issues raised by family members concerning care provided by groups other than the Health Board, such as out of county DGHs, Welsh Ambulance or private carers. Six cases were requests from the Medical Examiner to review care where the examiner felt that whilst there was no obvious significant failing in care, the organisation might identify minor areas for improvement. Of these cases, none have been found to have significant concerns in care.

The medical examiner role is now rolling out across the remaining community hospitals. Formal Health Board Mortality reviews will cease but ward-based team Morbidity and Mortality meetings will continue. Learning from the Medical Examiner feedback will be considered by the Quality and Safety team and themes fed through the learning group.

The final round of Health Board mortality reviews will include all of the cases prior to Medical Examiner roll out. There has been delay due to operational pressures but is in progress.

Learning from Experience Group

The Learning from Experience Group, comprising all Clinical Executive Directors, the Head of Medicine Management and invited Assistant Directors met in May, June, August, and December of 2022.

The group provides an opportunity for senior staff to informally discuss issues around quality and learning and use this discussion to guide the activity of other groups within the organisation. During 2022, the subjects of; Incident investigation, staff use of the Datix system, mortality reviews and the Medical Examiner Service, clinical audit, coroner's cases, and organisational risk management were all discussed.

Themes from concerns and incidents, Medical Examiner feedback, the cancer harm review process are considered by the group. Agreement is made on mechanisms for cascading learning and suggestions are made around future clinical audits based on the themes discussed.

Actions agreed by the group included the organisation of a Development Day to discuss the Quality and Engagement Act and the organisation's response to the Welsh Risk Pool review of consent to treatment arrangements in Powys. The Terms of Reference for the Group are being refreshed to ensure alignment to the Quality and Engagement Act.

EXECUTIVES PORTFOLIOS

In May 2022, the Board approved an updated Scheme of Delegation and Reservation of Powers. This document set out the delegation of responsibility to Executive Directors. The allocation of responsibilities is based on ensuring an appropriate alignment of accountabilities and authority within each Executive Directorate and Executive Director portfolio, and to also ensure that Executive Directorates focus on their core responsibility. A small change was made in January 2023 with the addition of a second non-Executive (non-voting) Director, (Corporate Governance). An overview of Executive Director portfolios is set out in ***Figure 9.***

Figure 9: Executive Portfolios – April 2022 – March 2023

Chief Executive

Executive Director of Primary, Community Care and Mental

- Delivery of primary and community services
- Primary Care Out of Hours arrangements
- Accreditation of enhanced services
- Operationalisation of continuing health care
- Access of RTT targets, and oversight of ambulance service performance
- Delayed transfer of care
- Primary Care contractor performance management
- Integration agenda
- Primary Care Development, including Clusters
- Removal of violent patients from GMS services
- Operationalisation of Medicines Management

Executive Medical Director

-Clinical Leadership and Engagement
-Medicines Management
-Caldicott Guardian
-Clinical Audit
-Medical Legislation & National Policy
-Professional Medical & Dental Workforce Standards Education, Regulation and Revalidation
-Blood Safety & Quality
-Organ Donation
-Clinical Networks
-NICE compliance
-Library Services
-Individual Patient Commissioning
-Medical Royal College Standards Compliance
-Innovation and Service Improvement
-Admission to the performers list
-Human Tissue Issues
-Research and Development
-Resuscitation
-Mortality Review

Executive Director of Nursing

-Professional leadership of Nursing and Midwifery, including standards, education, regulation, revalidation, and supervision of midwives
-Quality, Patient Experience & Satisfaction Raising Concerns and Putting Things Right
-Patient Safety Alerts
-Decontamination
-Funded nursing care and continuing health care strategy
Safeguarding Adults and Children
Nutrition & Hydration
-Deprivation of Liberty Safeguards
-Infection Prevention and Control
Carers
-Children and Young People Services
-Volunteering

Executive Director of Finance, Information & IT

-Statutory Financial duties including annual accounts
-Financial Planning
-Financial Management, monitoring and reporting
-Financial systems and controls
-Procurement
-Counter Fraud
-Charitable Funds accounting
-HCRW & CHC financial arrangements
-Delivery of IM&T strategy and services
-Provision of clinical and management information systems, ICT Infrastructure, and telephony
-Business intelligence, data quality & clinical coding
-Provision of Financial Services to Executive Directorates
-Liaison with External Financial Auditors
-Asset Accounting
-Information Governance

Executive Director of Planning and Performance

-Planning arrangements
-Commissioning, including performance management of commissioned services & relationship with WHSSC
-Third Sector liaison
-Cross -border healthcare
-Performance Management
-CHC liaison relating to service change
-Professional leadership of planning, performance management, commissioning, capital estates and service change

Executive Director of Public Health

-Health Improvement Strategy
-Health Needs Assessment
-Public Health Planning
-Public Health Monitoring & Surveillance
-Outbreak Control
-Civil Contingency, Emergency Planning and Business Continuity
-Provision of Public Health Advice
-Armed Forces and Veterans
-Prudent Health and care
-Well-being of Future generations Act
-Professional Leadership of Public Health workforce
-Executive Director of Public Health Annual Report

Executive Director of Workforce and Organisational Development

-Employment and staff relations & engagement
-Workforce Planning
-Workforce Policies and Practices
-Employee Health and Well-being including Occupational Health Services
-Tade Union Partnership arrangements
-Workforce Information Management Systems
-Values and Standards of Behaviour Framework
-Raising concerns
-Disclosure and Barring Arrangements
-Tackling Violence and Aggression
-Employee Record Management
- Hosted Functions Lead

Executive Director of Therapies and Health Science

-Professional leadership of Therapies and Health Sciences
-Lead for Radiology, radiography, stroke and Neurological services
-Medical Devices
-Human Rights
-Equality and Diversity
-Welsh Language Provision

Figure 9 continued Executive (non-voting) Director Portfolios

Director of Environment	Director of Corporate Governance (from 9 January 2023)
- Climate Change and Decarbonisation - Agile Working Transformation • - Facilities and Support Services - Logistics - Health and Safety - Site Leadership and Management - Operational Capital and Estates	- Corporate Governance - Risk and Assurance - Communications and Engagement - Charitable Funds - Leadership of Independent Inquiries - Internal policies management - Internal and External audit

Staff and Staff Engagement

The Local Partnership Forum is a formal advisory group providing opportunity for two-way discussion and collaboration between the health board management and staff. ensuring action is considered and taken in response to feedback. Engagement with staff side has been key to ensuring collaboration on range of staffing and well-being initiatives.

A summary of activity include:

- Wellbeing Framework and plan and Organisational Development Framework
- Workforce Futures Engagement and Wellbeing theme;
- retainment of the Corporate Health Gold standard award
- Wellbeing pulse surveys using the 7 engagement index questions from the NHS national survey
- development of the SharePoint Staywell Wellbeing pages, which continue to be the primary source of self-help information as well as the advertising portal for events and other opportunities. Including the introduction of Financial Wellbeing pages
- Wellbeing Roadshows – A series of well attended staff roadshows have taken place across the county, starting in December through to May which enabled staff to speak face to face with a range of support functions such as VIVUP (Employee Assistance Programme/ Counselling service), Freedom Leisure, Health Shield, Chat2Change, Trade Unions, Menopause; and
- a suite of Positive Psychology and Resilience workshops with topics such as: Joy at work – Positive Psychology and the Science of Happiness, Emotions at Work – how we perceive, use, understand and manage emotions at work, Trust, and Psychological Safety – creating an environment where everyone can flourish.

Communication and Engagement

During 2022/2023 the Health Board's engagement and communication team has supported the wider Health Board activities as we move from pandemic to endemic including active support for the COVID-19 spring and autumn booster campaigns.

Given the continued ease of restrictions, engagement and consultation activity has continued to resume and has included:

- engagement on proposals affecting stroke services in Herefordshire and Worcestershire
- assessment of options for the future delivery of nuclear medicine services in BCUHB
- engagement on the future shape of Cochlear Implant and BCHI services in South Wales
- engagement following an application from Crickhowell Group Practice to close their branch surgery in Gilwern
- consultation on the location for a new urgent and planned care hospital site in Hywel Dda (with consequential impact for communities in the Llanwrtyd Wells area who currently access acute hospital services in Carmarthen)
- informal engagement and planning ready of the launch shortly after year end of a period of formal engagement by the Emergency Ambulance Services Committee on the future service model for the NHS Emergency Medical Retrieval and Transfer Services (EMRTS) in partnership with the Wales Air Ambulance Charity
- support for the PSB and RPB-led engagement on the draft Well-being plan and Area Plan, followed by statutory consultation on the Well-being Plan for Powys.

Informal stakeholder engagement activity has been ongoing for a number of other projects and programmes. These include the redevelopment of Bro Ddyfi Community Hospital and the development of Knighton Hospital as an interim re-ablement facility to provide more care closer to home whilst the ward remains closed due to ongoing staffing and recruitment issues.

Engagement work also commenced for the North Powys Wellbeing Programme Outline Business Case, with an expanded programme of events including a Newtown community festival in September 2022. This event fell during the period of official mourning following the death of Her Majesty Queen Elizabeth II so was sensitively refocused to ensure an engaging event for children and the wider community.

A wider programme of communication activity has been able to recommence as the requirements of the COVID-19 pandemic response reduced, but critical activities remained to retain awareness of protective behaviours and continued risk.

Key areas of focus included our winter resilience communications plan. This involved regular engagement with key stakeholders including the Community Health Council, County Council, MSs and MPs, staff, public briefing sessions, PAVO and wider partners to help inform the Health Board's plans and to support and encourage everyone to play a part in Keeping Powys Safe. This has included a focus on Help Us Help You and promotion of NHS 111 Wales services. Given the increasingly challenging financial context the messaging was also linked with Cost-of-Living advice including a new cost of living hub on the Health Board website.

With industrial action taking place during the year, the team was also central to the Health Board response, providing public messaging to help people access the right service at the right time, complicated by action affecting Powys, neighbouring Health Boards, and services in England in different ways at different times.

Key campaigns have included SilverCloud Online CBT, and the launch of a new ChatHealth service to help schoolchildren access advice from their school nursing team.

The new SharePoint intranet site went live in April 2022 and has expanded considerably during the year, joined by new internal communications platforms including Viva Engage (formerly Yammer). In support of wider staff engagement, the team has supported the re-establishment of a programme of staff health and wellbeing roadshows. Whilst a Diolch Powys staff engagement event was paused in September 2022 during the period of official mourning, Q4 saw planning under way for the NHS 75th birthday and the relaunch of the Staff Excellence Awards which will take place in 2023/2024.

On the national stage, Health Board staff have led the national programme of communication and promotional work to enable the launch of the new statutory duties of candour and quality which came into force from 1 April 2023. This has included working with partners across the NHS and beyond to develop and deliver a comprehensive suite of resources to help organisations implement the new statutory duties.

Other key priorities for 2023/2024 include engagement and communication in support of the accelerated service model, and continued re-establishment of continuous engagement mechanisms aligned to the establishment of the new Llais Citizen Voice Body.

Information Governance

Information Governance (IG) is the way in which the Health Board handles all information, in particular, personal, and sensitive information relating to our patients, services users and employees. IG sets out the requirements and standards that the Health Board must achieve to ensure it fulfils its obligations to handle information securely, efficiently, and effectively.

Reliance on IG continue to increase as the Health Board's services have continued to introduce new technologies to enable them to share information

and communicate with patients and staff. Some of these changes have taken place on a national level and IG Managers across Wales have been involved in ensuring the necessary assurances were in place to meet legislative requirements.

Responsibility for IG in the Health Board rests with the Executive Director of Finance IT and Information Services and the Head of Information Governance and Records is the Health Board's nominated Data Protection Officer (DPO) in line with the requirements of the UK General Data Protection Regulation (UK GDPR). The Executive Director of Finance, IT and Information Services also acts as the Senior Information Risk Owner (SIRO), the Executive Medical Director is the nominated Caldicott Guardian, and the Chief Clinical Information Officer is fulfilled by the Executive Director of Therapies and Health Sciences.

Compliance with Legal and Regulatory Framework is co-ordinated and monitored by the IG Team. Key legislation such as the UK General Data Protection Regulation, Data Protection Act 2018, Environmental Information Regulations and Freedom of Information Act. Performance against IG-related legislation is captured and reported to our Delivery and Performance Committee.

Information Governance Training

As of 31 March 2023, the Health Board achieved a rate of 89% for the mandatory Information Governance training which is a small decrease from the previous year.

The profile of the Information Governance (IG) awareness has been raised further this past year. Through:

- assuring new and existing systems
- collaborating with services to identify and develop information sharing agreements
- investigating IG related incidents
- providing tailored training sessions
- issuing IG Alerts
- updating the internal and external webpages

- providing advice as part of digital transformation
- better presence in meetings/groups
- close working relationships with colleagues throughout Wales and across the border through national groups.

Personal Data Related Incidents (Breaches)

A personal data incident is a breach of security leading to the accidental or unlawful destruction, loss, alteration, un-authorised disclosure of, or access to personal data. In line with GDPR requirements, all personal data incidents must be reviewed daily, and any incidents deemed significant must be formally reported to the Information Commissioner's office (ICO) within 72 hours. During 2022/2023, four personal data incidents were formally reported to the

ICO. The Health Board did not incur any financial penalties from the ICO because of those incidents reported. The Health Board has adopted any recommendations made and the actions in these areas and progress is tracked (as part of the audit recommendations tracker) until complete. The Health Board continues to take on board any lessons learned, or feedback received. Figures on the number of IG related breaches are reported to our Delivery and Performance Committee.

Freedom of Information Act

The Freedom of Information Act 2000 (FOIA) gives the public right of access to a variety of records and information held by public bodies and provides commitment to greater openness and transparency in the public sector. During the period 1 April 2021 to 31 March 2022 the Health Board received a total of 327 requests for information, with 227 of these answered within the 20-day timeframe. Eight requests for internal review were received and responded to with no further action being taken by the requestor. As a Health Board, we are committed to complying with the FOIA by making information readily available via our Publication Scheme which can be found on the Health Board's website:

UK General Data Protection Regulation (GDPR) and Access to Health Records Act (AHRA) 1990

UK GDPR and AHRA give individuals and family members the right to access their own or someone else's personal data. This is commonly referred to as a Subject Access Request (SAR), and the organisation has a statutory timeframe in which to respond. During the period 1 April 2022 to 31 March 2023, the Health Board responded to 476 SARs, with 437 of those responded to within the statutory timeframe.

Welsh Information Governance (IG) Toolkit

The Health Board is required to undertake the NHS Wales Information Governance Toolkit for Health Boards and Trusts and all NHS Wales organisations must complete this to provide assurance that they are practising good data security and that personal information is handled correctly.

As a result of progress made on the Records Management Improvement plan since February 2022, it is anticipated that the toolkit submission will demonstrate an improvement in our compliance levels.

An information governance workplan is in place which the team will continue deliver during 2023/2024.

Information Security

Strengthening local processes whereby a group of digital experts review and approve the procurement of any local new or existing digital solution to ensure compliance with relevant legislation and standards (UK GDPR and NIS Regulations). The intention is to avoid the Health Board being put at un-

necessary risk, such as from a cyber-attack, loss of data, incident/breach of patient's data, fine from the ICO or NCSU.

Information Sharing: National WASPI Code of Conduct: The Wales Accord of Sharing of Personal Information (WASPI) Code of Conduct (CoC) is a proposed annual assessment that the IG team will be required to complete to provide assurance against information sharing practices. The WASPI CoC proposal and consultation closes at the end of April 2023. The forecasted timeline proposes that the CoC will be live from Spring 2024, with planning being undertaken to ensure the IG team has provision to support this assessment going forward.

Local Reviews and Newly Developed Agreements: Over the last 12 months, 26 information sharing agreements have been completed. The team has seen a positive increase in the number of services voluntarily contacting the IG department for support with updating existing, or drafting new, information sharing agreements to support patient care with our external partners. The team has worked closely with services to review existing agreements and confirm if still required to ensure we meet our legislated obligations.

Data Protection Officer:

The Data Protection Officer (DPO) is responsible for ensuring that the application of data protection and confidentiality legislation is consistently observed, and any weaknesses in current practices are identified and remedied where possible. In 2018, the Health Board successfully implemented the General Data Protection Regulation and Data Protection Act (2018), alongside existing Confidentiality obligations. Since this time, the DPO has provided data protection advice across the Health Board. Common themes include clarity around internal and cross-organisational information sharing and assessing privacy risks. Updates and issues are discussed regularly with the Health Board's Medical Director/Caldicott Guardian and Senior Information Risk Owner (SIRO).

As Data Protection Officer the expectation is to see on-going maturity of the IG and Records Management Improvement Plans alongside clear IG and Records Strategy/obligations.

DISCLOSURE STATEMENTS

Pensions Scheme

I can confirm that 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, employers' contributions and payments into the Scheme are in accordance with Scheme rules and that the member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations. Note 9.7 to the Annual Accounts provides details of the scheme, how it operates and the entitlement of employees.

Equality, Diversity, and Inclusion

The organisation's approach to Equality, Diversity, and Inclusion in 2022/2023 forms a key part of the organisations work. The Equalities, Diversity and Inclusion Annual Report 2022/2023 will be considered for approval at Board in July 2023 and then published to the Health Boards website - Equality and Welsh Language - Powys Teaching Health Board (nhs.wales)

Sustainability Report

Powys Teaching Health Board continues to support sustainability as a central organising principle. The importance of the environment agenda is reflected as a golden thread across the Integrated Medium-Term Plan (IMTP) for 2022-2025. The IMTP also supports the Health Board's endeavours to embed the principles of the Wellbeing of Future Generations Act and the five ways of working. During 2022/2023 the organisation was successful in gaining re-certification to ISO14001 (2015) environmental management system standard and has successfully demonstrated its continued methodology and approach to environment management.

As part of the public sector obligation to become net zero by 2030, the Health Board reports annual quantitative carbon emissions. The Health Board submitted operational data for the 2021/2022 reporting period which calculated the total emission for the organisation as 24.12kt CO_2e, which is an increase over 2020/2021 data (17.02kt CO_2e). The Health Board's supply chain expenditure has increased from £39.9M in 2020/2021 to £63.3M in 2021/2022 (58.65% increase). This has correlated to a 41.66% equivalent carbon emission increase from 17,021 tCO_2e in 2020/2021 to 24,112 tCO_2e in 2021/2022.

Summary of carbon emissions

	Units of tCO_2e			
Categories	Scope 1	Scope 2	Scope 3	Total
Buildings, fleet & other assets	3,339.370	736.751	904.908	4,981.029
Business travel, commuting & homeworking	0	0	534.990	534.990
Waste	0	0	25.431	25.431
Land based emissions	0	0	-36.879	-36.879
Supply chain	0	0	18,539.810	18,539.810
				24,118.139

This is based predominately on financial expenditure and not detailed life cycle analysis, with investment across our estate impacting our emission levels. Increased Continuing NHS Healthcare (also known as CHC) spending has led to an increase in human health services. Minor Works expenditure increased as a result of our major capital investment projects, most notably the extensive renovation of Bro Ddyfi Community Hospital, the replacement of the roof in Ystradgynlais, the construction of a new staff car park in Brecon, the renovation of Basil Webb, and programmes to minimise ligature harm.

SIC Code	SIC Description	Expenditure		Subsequent emissions	
		2020-21	2021-22	2020-21	2021-22
81	Minor Works	£3,171,918	£16,285,649	779 tCO_2e	3,999 tCO_2e
86	Human Health Services	£19,086,758	£28,369,647	4,756 tCO_2e	7,070 tCO_2e

While the Health Board continues to repatriate services and implement our COVID-19 recovery plan, it is possible that health care spending may rise even further. Additionally, the 10-year capital investment programme will continue to see increases in carbon emissions in consecutive periods. Assurance can be given from the steady trajectory of our non-supply chain emissions which highlight a continued positive trend towards minimising carbon emissions and contributing towards a net zero public sector by 2030.

A major initiative is underway to engage with energy contractors to make energy efficiency savings across all buildings within our estate. The improvements are designed to cut carbon emissions, reduce energy usage and costs, improve building efficiency and control, introduce renewable energy generation, and improve the quality of built environment for staff, patient, and visitor wellbeing. The programme of construction works to introduce our innovative energy conservation measures will commence in 2023.

In compliance with our section 6 duty within Environment (Wales) Act, the Health Board produced and published its first Biodiversity Report. The report highlights progress made over the past three years and communicates our future plans including the Health and Social Care Climate Emergency-funded Biodiversity Enhancement and Protection project. this will be pivotal in the short, mid, and long-term protection and enrichment of biodiversity across all the Health Board's estate to ensure the Health Board responds accordingly to any identified biodiversity risks.

Data Security

A summary in relation to personal data incidents which required formal reporting to the Information Commissioner's Office (ICO) is provided on page 96 of this report.

Quality of Data used by the Board

The Health Board continually reviews the quality of data that it is using within the organisation including for decision making and assurance at Board level.

Each of the separate data quality strands within the organisation are reviewed frequently that span across the main domains including finance, operational, workforce, quality, and safety data. However, it is a continuous process spanning an array of data systems and datasets including new systems being implemented. The Performance Report includes a Statement on Data Quality on page 18.

MINISTERIAL DIRECTIONS AND WELSH HEALTH CIRCULARS

Welsh Government has issued a number of Ministerial Directions in 2022/2023. A record of the Ministerial Directions given is available via the following link: https://gov.wales/health-social-care. A record of the Welsh Health Circulars is available via the following link: Health circulars | GOV.WALES

Receipt of Welsh Health Circulars are logged and a lead Executive Director identified to oversee the implementation of the required action or to develop the required response. The Audit, Risk and Assurance Committee received quarterly update reports on the implementation status of Welsh Health Circulars in 2022/2023. From this work it was evidenced that the Health Board was not impeded by any significant issues in implementing the actions required. This work is overseen by the Director of Corporate Governance / Board Secretary.

Appendices 3a/3b (p 115-120) provide an overview of Ministerial Directions and Welsh Health Circulars received during 2022/2023 and their implementation status as of March 2023.

Post Payment Verification

In accordance with the Welsh Government directions the Post Payment Verification (PPV) Team, (a role undertaken for the Health Board by the NHS Shared Services Partnership), in respect of General Medical Services Enhanced Services and General Ophthalmic Services has carried out its work under the terms of the service level agreement (SLA), and in accordance with NHS Wales agreed protocols. The Work of the Post Payment Verification Team is reported to the Board's Audit, Risk and Assurance Committee with papers available on the Health Board's website.

Review of Effectiveness

The National Health Service Finance (Wales) Act 2014 amended the financial duties of Local Health Boards under section 175 of the National Health Service (Wales) Act 2006. The Act places two financial duties on Local Health Boards:

- a duty under section 175 (1) to secure that its expenditure does not exceed the aggregate of the funding allotted to it over a period of three financial years; and
- a duty under section 175 (2A) to prepare a plan in accordance with planning directions issued by the Welsh Ministers, to secure compliance with the duty under section 175 (1) while improving the health of the people for whom it is responsible, and the provision of health care to such

people, and for that plan to be submitted to and approved by the Welsh Ministers.

The 2022-2025 Integrated Medium-Term Plan was submitted to Welsh Government in March 2022 and approved by the Minister in July 2022. However, the Health Board has not been able to secure that its expenditure does not exceed the aggregate of the funding allocated to it over the three financial years from 2020-2023 as it is reporting a financial deficit of £7.002m in 2022/2023.

Review of Effectiveness of System of Internal Control

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

The Board receives assurance on the effectiveness of the system of internal control from a number of internal and external sources, these include:

- Delivery of Internal and External Annual Audit Plans;
- Audit Wales Structured Assessment;
- Audit Recommendation Tracking;
- Local Counter Fraud and Post Payment Verification Activity;
- Independent inspections and regulation provided by Health Inspectorate Wales;
- Engagement with Commissioners;
- Engagement with staff, patients, and other key stakeholders;
- Welsh Government review and advisement; and
- the Committees of the Board, in particular the Audit, Risk and Assurance Committee.

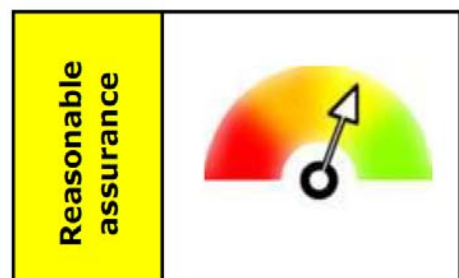
Internal Audit

Internal Audit provide me as Accountable Officer and the Board through the Audit, Risk and Assurance Committee with a flow of assurance on the system of internal control. I have commissioned a programme of audit work which has been delivered in accordance with public sector internal audit standards by the NHS Wales Shared Services Partnership. The scope of this work is agreed with the Audit, Risk and Assurance Committee and is focussed on significant risk areas and local improvement priorities.

The Head of Internal Audit Annual Opinion provides assurance on governance, risk management and the system of internal control and is based on the risk-based audit programme. The opinion contributes to the picture of assurance available to the Board in reviewing effectiveness and supporting our drive for continuous improvement. A summary of the Head of Internal Opinion 2022/2023 is provided below.

Head of Internal Audit Opinion for 2022/2023

The Head of Internal Audit Opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management, and control for 2022/2023 is set out below:



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.

The internal audit plan is agile and responsive to ensure that key developing risks to the Health Board are covered. As a result of this approach, and with the support of officers and independent members across the Health Board, the plan has been delivered substantially in accordance with the agreed schedule and changes required during the year, as approved by the Audit, Risk and Assurance Committee (the 'Committee'). In addition, regular audit progress reports have been submitted to the Committee. Although changes have been made to the plan during the year, we can confirm that we have undertaken sufficient audit work during the year to be able to give an overall opinion in line with the requirements of the Public Sector Internal Audit Standards.

The Internal Audit Plan for the 2022/2023 year was initially presented to the Committee in March 2022. Changes to the plan have been made during the course of the year and these changes have been reported to the Committee as part of our regular progress reporting.

Overall, the Head of Internal Audit was able to provide assurances to the Board that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively in the areas as set out below:

Substantial Assurance	Reasonable Assurance
• Control of Contractors: Follow-up • Looked After Children Health Assessments • Cancer Services - Access to Symptomatic FIT • Women & Children's Services • Performance Management & Reporting	• Staff Rostering • Security Services • Machynlleth Hospital Reconfiguration Project • North Powys Wellbeing Programme • Charitable Funds • Workforce Futures Strategic Framework • Incident Management • Therapies and Health Sciences Professional Governance Structure • Temporary Staffing Department • Occupational Health Follow-up • Risk Management and Board Assurance Framework • Savings Plans / Efficiency Framework • Internal Audit Recommendation Tracking Process
Limited Assurance	**Advisory & Non-Opinion**
• IT Infrastructure and Asset Management • Welsh Language Standards • Cyber Security	• Site Leadership & Coordination • Decarbonisation
No Assurance	
N/A	

Limited Assurance Rated Reviews

Three Limited assurance rated reviews had been received during 2022/2023. The reports were in respect of:

- IT Infrastructure and Asset Management
- Welsh Language Standards; and
- Cyber Security.

All Limited Assurance Rated Reviews are reported to Welsh Government on a quarterly basis in addition to our own internal reporting and monitoring arrangements.

Counter Fraud

In line with the Government Functional Standard 013 Counter Fraud NHS Requirements the Local Counter Fraud Specialist (LCFS) and Executive Director of Finance agreed a work plan for 2022/2023 at the beginning of the financial year. This was approved by the Audit, Risk and Assurance Committee in March 2022.

Following introduction of Government Functional Standards on Counter Fraud, which replaced NHS Counter Fraud Authority's (NHS CFA) 'NHS Counter Fraud Standards (Wales)' from 2021/2022, the Health Board's Counter Fraud Workplans have been aimed at ensuring compliance for the first enforcement year of the new standards in 2023/2024. To assess compliance, the Health Board is required to submit an annual self-assessment Functional Standard Return on a RAG rated basis to NHS Counter Fraud Authority.

Good progress has been made since the introduction of the new Standards and this is reflected in continuing improvements to RAG ratings for each Standard in self-assessed Functional Standard Returns throughout the last two financial years. There are two Standards Components that are still not Green rated at the end of 2022/2023 however:

Component 1B - Accountable individual - rated Amber

This Standard is currently rated Amber due to the Health Board only recently nominating a Fraud Champion to the role. The Health Board's Director of Corporate Governance was identified as the most suitable Senior Officer to meet the requirements of the Fraud Champion role and a nomination was subsequently completed. An action plan has been set for Fraud Champion activity for 2023/2024 which includes support in enabling managing fraud risks via the existing Health Board mechanisms, providing strategic support around our reporting of counter fraud work, and communications around gifts and hospitality/declarations of interests. This activity will result in green rating within the next review.

Component 3 - Fraud bribery and corruption risk assessment - rated Amber

This Component is currently rated as Amber due to the requirements for maturity of this area of work to enable demonstration of continuous monitoring of fraud risk at a senior level, evidence of subsequent risk mitigation and that review of resources has been undertaken to ensure levels are suitable for this purpose.

Since introduction of this Component the Counter Fraud Team have sought to establish the fraud risk assessment processes aligned to the Health Board's existing Risk Management procedures.

The Team have then created a core fraud risk profile developed from 129 NHS fraud risk descriptors. Alongside this, further scanning has been undertaken to capture and manage emerging fraud risks such as arising from investigation, Fraud Prevention Notices, local intelligence, audit reports and findings, and NHS CFA IBURN releases. A tracker has been created to track and manage the actions around these known and emerging fraud risks.

LCFSs have subsequently sought to undertake comprehensive risk assessments in liaison with local risk owners to establish a core foundation of assessments to work from. Arrangements have been made to record those risks on the DATIX system which will be utilised from 2023/2024 to manage, track and measure fraud risk within the Health Board.

Use of the DATIX system, alongside the local tracker, will allow evidence to be developed to meet the remaining elements outstanding to uplift this Component to Green.

Improvement activity for these areas is included within the 2023/2024 Counter Fraud Work Plan. Further detail can be found in the Counter Fraud Annual Report for 2022/2023, which will be presented to the Audit, Risk and Assurance Committee.

Audit Wales Structured Assessment

The Auditor General for Wales is the Health Board's statutory external auditor, and the Wales Audit Office undertakes audits on his behalf. The Structured Assessment enables the Auditor General to be satisfied proper arrangements have been made to secure economy, efficiency, and effectiveness in the use of resources.

The 2022 Structured Assessment took place whilst NHS bodies were continuing to respond to challenges presented by the COVID-19 pandemic. The key focus of work was on the Health Board's corporate arrangements with a specific focus on governance, strategic planning, and financial planning arrangements, together with arrangements for managing the workforce, digital assets, the estate, and other physical assets.

Overall Audit Wales found the Health Board had generally good governance arrangements but needed to update the Board Assurance Framework to have a clear understanding of risks, ensure there are no key governance gaps and help develop and prioritise workplans. In addition, whilst the Health Board have a well-established long-term strategy and Integrated Medium-Term Plan (IMTP) in place, there was scope to engage the Board earlier in the planning process. Clear arrangements for monitoring the delivery of the IMTP and supporting plans are in place but greater focus is needed on measures and impact. Opportunities existed to improve public access to key Health Board documents, strengthen staff feedback and improve Board self-review mechanisms. Despite recent appointments there remained continued change at Executive level which could lead to instability and a risk the operations portfolio is disproportionate. Interim governance arrangements have been addressed but capacity to support the governance function remains and issue. The Health Board have appropriate arrangements for financial management and control, and oversight and scrutiny has improved with more timely information being reported to Board and Committees. The Health Board have appropriate arrangements in place to support and oversee staff wellbeing but could do more to monitor progress against previous Audit Wales recommendations. Whilst the Health Board are developing a digital framework, the digital infrastructure and availability of funding are significant issues. The Health Board generally have good oversight of the management of estates although visibility and discussion could be improved at Board.

Audit Wales made ten recommendations based on the 2022 work in relation to improving strategic planning arrangements, further enhancing systems of

assurance, improving Board and committee effectiveness, and recruiting to key positions.

The Structured Assessment and Management Response was reported to the Audit, Risk and Assurance Committee on 16 May 2023 and can be found on the Health Board's website, pthb.nhs.wales/about-us/the-board/committees-partnerships-and-advisory-groups/powys-teaching-health-board-committees/audit-risk-and-assurance-committee/2023/16-may-2023/arac-agenda-16-may/.

MODERN SLAVERY ACT 2015: TRANSPARENCY IN SUPPLY CHAINS

The Welsh Government's Code of Practice: Ethical Employment in Supply Chains was published in May 2017 to highlight the need, at every stage of the supply chain, to ensure good employment practices exist for all employees, both in the UK and overseas. It is expected that all NHS Wales organisations will sign up for the Code.

The Health Board fully endorses the principles and requirements of the Code and the Modern Slavery Act 2015 and is committed to playing its role as a major public sector employer, to eradicate unlawful and unethical employment practices, such as:

- modern Slavery and Human rights abuses;
- the operation of blacklist/prohibited lists;
- false self-employment;
- unfair use of umbrella schemes and zero hours' contracts; and
- paying the Living Wage.

The following actions are already in place which meet the Code's commitments:

- We follow the All-Wales procedure for staff to raise concerns (Whistleblowing), which provides the workforce with a fair and transparent process, to empower and enable them to raise suspicions of any form of malpractice by either our staff or suppliers/contractors working on University Health Board premises;
- We have a target in place to pay our suppliers within 30 days of receipt of a valid invoice;
- We comply 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 check;
- We do not engage or employ staff our workers on zero hours' contracts;
- We have an Equality, Diversity and Human Rights Policy in place which ensures that no potential applicant, employee, or worker engaged is in any way unduly disadvantaged in terms of pay, employment rights, employment, or career opportunities;

- We also seek assurances from suppliers, via the tender process, that they do not make use of blacklists/prohibited lists. We also require confirmation and assurances that they do not make use of blacklist/prohibited list information;
- In accordance with Transfer of Undertaking (Protection of Employment) Regulations any Health Board staff member who may be required to transfer to a third party will retain their NHS Terms and Conditions of Service;
- We use the Modern Slavery Act (2015) compliance tracker by way of contracts procured by NHS Wales Shared Services Partnership (NWSSP) on behalf of the Health Board. NWSSP is equally committed to ensuring that procurement activity conducted on behalf of NHS Wales is undertaken in an ethical way. On our behalf, they ensure that workers within the supply chains through which they source our goods and services are treated fairly, in line with Welsh Government's Code of Practice for Ethical Employment in Supply Chains.

The Health Board continues to work in partnership with relevant stakeholders and trade union partners to develop and implement actions which set out our commitment to ensure the principles of ethical employment within our supply chains are implemented and adhered to.

Conclusion

As Accountable Officer for Powys Teaching Health Board, based on the assurance process outlined above, I have reviewed the relevant evidence and assurances in respect of internal control. I can confirm that the Board including its Executive Directors are alert to their accountabilities in respect of internal control and the Board has had in place, during the year, a system of providing assurance aligned to corporate objectives to assist with identification and management of risk. I am pleased to note that as a result of our internal control arrangements, Powys Teaching Health Board continues to be on 'routine' monitoring as part of NHS Wales Escalation and Intervention arrangements during 2022/2023.

During 2022/2023, we proactively identified areas requiring improvement and requested that Internal Audit undertake detailed assessments in order to manage and mitigate associated risks. Further work will be undertaken in 2023/24 to ensure implementation of recommendations arising from audit reviews, in particular where a limited assurance rating is applied. Work will continue in 2023/2024 to embed risk management and the assurance framework at a corporate level. Implementation of the Board's Annual Governance Programme will see a further strengthening of the Board's effectiveness and the system of internal control in 2023/2024.

This Annual Governance Statement confirms that Powys Teaching Health Board has continued to mature as an organisation and, whilst there are areas for strengthening, no significant internal control or governance issues have been identified. The Board including the Executive Team has had in place a sound and effective system of internal control that provides regular assurance aligned to the organisation's strategic objectives and strategic risks. Together with the

Board and Director of Corporate Governance, I will continue to drive improvements and will seek to provide assurance for our citizens and stakeholders that the services we provide are efficient, effective, and appropriate, and are designed to meet patient needs and expectations.

SIGNED BY: **DATE: 25 JULY 2023**

HAYLEY THOMAS
[INTERIM CHIEF EXECUTIVE]

Appendix 1: Board and Board Committee Membership and Attendance at Board

<table>
<tr><th>Name</th><th>Position and Area of Expertise</th><th>Board and Board Committee Membership</th><th>Attendance 2022-23</th><th>Board Champion Role</th></tr>
<tr><td rowspan="3">Vivienne Harpwood</td><td rowspan="3">Chair

(To 16 October 2022)</td><td>▪ Chair of the Board</td><td>5/5</td><td rowspan="3"></td></tr>
<tr><td>▪ Chair of the Charitable Funds Committee</td><td>2/2</td></tr>
<tr><td>▪ Chair of the Remuneration and Terms of Service Committee</td><td>3/3</td></tr>
<tr><td rowspan="3">Carl Cooper</td><td rowspan="3">Chair

(From 17 October 2022)</td><td>▪ Chair of the Board</td><td>4/4</td><td rowspan="3"></td></tr>
<tr><td>▪ Chair of the Charitable Funds Committee</td><td>3/3</td></tr>
<tr><td>▪ Chair of the Remuneration and Terms of Service Committee</td><td>4/4</td></tr>
<tr><td rowspan="5">Kirsty Williams</td><td rowspan="5">Vice Chair</td><td>▪ Vice Chair of the Board</td><td>8/9</td><td rowspan="5">• Infection Prevention and Control
• Armed Forces and Veterans
• Mental Health
• Children and Young People</td></tr>
<tr><td>▪ Chair of the Patient Experience, Quality and Safety Committee</td><td>5/5</td></tr>
<tr><td>▪ Vice Chair of the Remuneration and Terms of Service Committee</td><td>7/7</td></tr>
<tr><td>▪ Member of the Delivery and Performance Committee</td><td>5/5</td></tr>
<tr><td>▪ Member of the Planning, Partnerships and Population Health Committee</td><td>2/4</td></tr>
<tr><td rowspan="5">Ian Phillips</td><td rowspan="5">Independent Member [Information Technology]</td><td>▪ Member of the Board</td><td>8/9</td><td rowspan="5">• Digital & Data</td></tr>
<tr><td>▪ Member of the Patient Experience, Quality and Safety</td><td>4/4</td></tr>
<tr><td>▪ Chair of the Workforce and Culture Committee</td><td>3/3</td></tr>
<tr><td>▪ Vice Chair of the Planning, Partnerships and Population Health Committee</td><td>4/4</td></tr>
<tr><td>▪ Remuneration and Terms of Service Committee</td><td>7/7</td></tr>
<tr><td rowspan="3">Jennifer Owen-Adams</td><td rowspan="3">Independent Member [Third Sector]

(From 30 August 2022)</td><td>▪ Member of the Board</td><td>4/5</td><td rowspan="3"></td></tr>
<tr><td>▪ Vice Chair of the Patient Experience, Quality and Safety Committee</td><td>2/3</td></tr>
<tr><td>▪ Member of the Workforce and Culture Committee</td><td>½</td></tr>
</table>

		▪ Member of the Planning, Partnerships and Population Health Committee	2/2	
Matthew Dorrance	Independent Member [Local Authority] (To 30 June 2022)	▪ Member of the Board	2/3	• Equality
		▪ Member of the Audit, Risk and Assurance Committee	1/3	
		▪ Vice Chair of the Workforce and Culture Committee	0/1	
Chris Walsh	Independent Member [Local Authority] (Active from 01 January 2023)	▪ Member of the Board	2/3	
		▪ Member of Workforce and Culture Committee	0/0	
Rhobert Lewis	Independent Member [General]	▪ Member of the Board	9/9	
		▪ Vice Chair of the Charitable Funds Committee	5/5	
		▪ Member of the Audit, Risk and Assurance Committee	7/8	
		▪ Chair of the Planning, Partnerships and Population Health Committee	4/4	
		▪ Member of the Delivery and Performance Committee (from 11 November 2022)	2/2	
		▪ Provided cover at Workforce and Culture 20/09/2022	1/1	
Tony Thomas	Independent Member [Finance]	▪ Member of the Board	5/9	
		▪ Vice Chair of the Audit, Risk and Assurance Committee (Chair to 18 July 2022 Vice Chair)	6/8	
		▪ Member of the Remuneration and Terms of Service Committee	3/7	
		▪ Vice Chair of the Delivery and Performance Committee	2/5	
Mark Taylor	Independent Member [Capital and Estates]	▪ Member of the Board	8/9	
		▪ Chair of the Audit, Risk and Assurance Committee (Vice Chair to 18 July 2022 then Chair)	8/8	
		▪ Member of the Remuneration and Terms of Service Committee	6/7	
		▪ Member of the Patient Experience, Quality and Safety Committee	3/5	
		▪ Chair of the Delivery and Performance Committee	5/5	

Frances Gerrard	Independent Member [University] (To 30 June 2022)	▪ Member of the Board	1/3	
		▪ Member of the Charitable Funds Committee	1/1	
		▪ Member of the Patient Experience, Quality and Safety Committee	1/1	
Simon Wright	Independent Member [University] (From 08 August 2022)	▪ Member of the Board	4/5	
		▪ Member of the Patient Experience, Quality and Safety Committee	2/3	
Ronnie Alexander	Independent Member [General]	▪ Member of the Board	7/9	
		▪ Member of the Audit, Risk and Assurance Committee	7/8	
		▪ Vice Chair of the Delivery and Performance Committee	5/5	
		▪ Member of Workforce and Culture Committee (From 31 May 2022 to January 2023)	2/3	
		▪ Member of Planning, Partnerships and Population Health Committee	4/4	
Cathie Poynton	Independent Member [Trade Union]	▪ Member of the Board	8/9	
		▪ Member of the Workforce and Culture Committee	3/3	
		▪ Member of the Charitable Funds Committee	3/3	
		▪ Member of the Delivery and Performance Committee	5/5	
Carol Shillabeer	Chief Executive	▪ Board	9/9	
Hayley Thomas	Deputy Chief Executive and Interim Director of Primary, Community Care and Mental Health	▪ Board	7/9	
Pete Hopgood	Director of Finance, IT, and Information Services	▪ Board	8/9	
Kate Wright	Medical Director	▪ Board	6/9	• Caldicott
Claire Roche	Director of Nursing and Midwifery	▪ Board	9/9	• Children and Young People • Putting Things Right
Claire Madsen	Director of Therapies and Health Sciences	▪ Board	7/9	
Stephen Powell	Interim Director of Planning and Performance	▪ Board	9/9	
Mererid Bowley	Interim Director of Public Health	▪ Board	5/6	• Emergency Planning

Julie Rowles	Director of Workforce and Organisational Development	▪ Board	1/1	
Debra Wood-Lawson	Interim Director of Workforce and Organisational Development	▪ Board	3/4	• Raising Concerns • Equality
James Quance	Board Secretary	▪ Board	6/6	
Helen Bushell	Director of Corporate Governance / Board Secretary	▪ Board	3/3	• Counter Fraud

The Board Champion for Health and Safety during 2022/2023 was Jamie Marchant, Director of Environment.

Appendix 2: Table of Quoracy

Board/Committee	Dates:									Quorate
Board	28 April 2022	25 May 2022	14 June 2022	27 July 2022	28 September 2022	30 November 2022	25 January 2023	20 February 2023	29 March 2023	Yes
Charitable Funds	14 June 2022	23 September 2022	07 December 2022	16 January 2023	01 March 2023					Yes
Remuneration and Terms of Service	12 April 2022	28 July 2022	26 September 2022	05 December 2022	31 January 2023	6 March 2023	29 March 2023			Yes
Planning, Partnerships and Population Health Committee	07 April 2022	14 July 2022	20 October 2022	19 January 2023						Yes
Patient Experience, Quality and Safety Committee	12 May 2022	29 July 2022	13 September 2022	24 November 2022	23 February 2023					Yes
Delivery and Performance Committee	03 May 2022	23 June 2022	12 September 2022	11 November 2022	28 February 2023					Yes
Audit, Risk and Assurance Committee	26 April 2022	17 May 2022	12 June 2022	18 July 2022	27 September 2022	31 January 2023	21 March 2023			Yes
Workforce and Culture Committee	31 April 2022	20 September 2022	13 December 2022							Yes

Appendix 3a: Welsh Health Circulars 2022/2023

Welsh Health Circular	Date/Year of Adoption	Action to Demonstrate Implementation/Response	Status
2022-009 Prioritisation of COVID-19 patient episodes by NHS Wales Clinical Coding Departments	April 2022	WHC actioned and implemented	Complete
2022-015 Changes to the vaccine for the HPV Immunisation Programme	May 2022	This WHC has been superseded by WHC-2022/2023	N/A
2022-016 The National Influenza Vaccination Programme 2022-23	June 2022	Regular PTHB Influenza Vaccination Oversight Group held, led by Consultant in Public Health, with GP Practice reps. All GP Practices and Community Pharmacies participating in flu vaccination programme. All GP Practices invited to participate in the Autumn covid-19 vaccination programme. 12 out of 16 GP practices agreed to participate in covid-19 campaign: 11 GP Practices offering covid-19 vaccine to over 75s cohort and COPD cohort, 1 GP Practice offering to all eligible groups (bar Health & social care staff/care home residents). Delivery of remaining Covid-19 to eligible groups via HB MVC/Mobile teams. Co-administering flu and covid vaccination to Health board staff. Meetings held with individual GP Practices in late August 22/early September 22 to discuss COVID-19 programme delivery and confirmation letter sent to each individual practice outlining programme expectations and support available.	In Progress
2022-002 NHS Wales National Clinical Audit and Outcome Review Plan. Annual Rolling Programme for 2022-2023	June 2022	Complete but with acknowledgement that participation in audits will be improved in 23/24: The Podiatry service is participating in the National Diabetes Foot Care audit and the collection of data for the audit is on-going. An action plan will be published following the release of the national report. PTHB has re-established its pulmonary rehabilitation offer and intends to continue to participate in future audits.	Complete
2022-019 Non-Specialised Paediatric Orthopaedic Services	June 2022	Implementation not yet due as of April 2023	Not Yet Due
2022-012 Donation and Transplantation Plan for Wales 2022-2026	June 2022	Implementation not due until December 2026	Not Yet Due

2022-018 Guidelines for managing patients on the suspected cancer pathway	June 2022	PTHB provides limited diagnostic services for cancer and minimal treatments as the majority of Powys residents with suspected cancer are managed by commissioned provider services in England and Wales. Referral to treatment times are the responsibility of the Director of Planning and Performance for Commissioned Services and the Director of Primary, Community Care and Mental Health for directly provided services. Performance is monitored through the Integrated Performance Framework for the Health Board and regularly reported to the Board and relevant committees. The Cancer Renewal Programme has established a Harm Review Panel to review harm reviews undertaken by other Health Boards and NHS trusts treating Powys patients.	In Progress
2022-006 Direct Paramedic referral to same day emergency care	April 2022	Emergency/acute care not commissioned within Powys. However, a range of actions being taken as defined in the Integrated Care Action Plan (ICAP), fully integrated with 6 Goals delivery, and reviewed in monthly monitoring arrangements. Ongoing work with commissioned partners to ensure quality, safe and timely care in Emergency Departments – annual cycle, alongside daily engagement with operational flow across National urgent care system.	In Progress
2022-017 Wales Rare Diseases Action Plan 2022-2026	June 2022	We plan to ensure representation via the specialised service lead, but this post is not yet appointed. PTHB does not provide any specialised services. It does not have the range of Clinical Directorates that would usually be involved in supporting and implementing this work in relation to Rare Diseases. The Planning and Performance Directorate attends the WHSSC Management Committee, and the CEO attends the WHSSC Joint Committee. Through participation in the WHSSC Management Group and Joint Committee PTHB works to ensure that its Integrated Medium-Term Plan reflects the approved WHSSC Integrated Commissioning Plan. The Health Board is working to create a Specialised Pathway Lead post.	In Progress
2022-022 Role of the Community Dental Service and Services for vulnerable people	August 2022	Recruited 1 WTE salaried GDP to provide routine GDS services, 0.6WTE vacancy for specialist in special care dentistry. Looking to use a cloud-based service to improve IT record systems within the CDS. Recruitment of Paediatric specialist for 3 sessions per month to improve governance and service. Skill mixing using direct access therapists	In Progress
2022-021 National Optimal Pathways for Cancer	July 2022	PTHB provides limited diagnostic services for cancer and minimal treatment. The majority of Powys residents with suspected cancer are managed by commissioned NHS services. In the Powys context the optimal pathways apply	In Progress

		across organisational boundaries involving services provided by other Health Boards in Wales and also services provided by NHS trusts in England. Executive leads for cancer need to use the optimal pathways to support planning and design of pathways. The Wales Cancer Network has appointed two posts managed centrally to work with PTHB on mapping the optimal pathways. However, the first stage produced highly generalised information which was of limited value. At present only the Welsh flows are included but to be meaningful for Powys this must also include its English flows so further work is being undertaken with the network.	
2022-020 Never Events Policy and Incident List	July 2022	Never Events are reported to Patient Experience, Quality and Safety (PEQS) Committee on a quarterly basis; to note there have not been any Never Events in the last 18months.	Complete
2022-023 Changes to the Vaccines for the HPV Immunisation Programme	September 2022	Confirmation received from Chief Pharmacist is aware for PGD changes. No further action to take currently as the WHC states: 'It is important to note that we do not expect the one dose schedule to commence before the 2023/24 academic year'.	Complete
2022-003 Guidance for the provision of continence containment products for Adults in Wales	October 2022	We have Band 6 Continence Promotion Practitioners. Waiting list around 8 weeks. They assess patients and from their assessment pads may or may not be provided. We are an assessment/ treatment service and pads are provided on need and according to bladder and bowel dysfunction. We have a triage system for referrals so end of life patients for example are assessed and pads provided if required within 48 /72 hours. For children, the appropriate person assesses, e.g., children's nurse, school nurse etc. and pads are then allocated again according to need.	Complete
2022-004 Guidance for the care of Children and young people with continence problems	October 2022	The service is completing the SOP which will incorporate the guidance – the deadline for completion has overrun but is expected for completion this quarter. The review of the list of the children in receipt of containment products against the guidance is outstanding this has been requested again as a priority for completion this quarter.	In Progress
2022-027 & 2022-029 Urgent polio catch up programme for children under 5 years old	October 2022	Director of Public Health has contacted the Primary care Team to ask them to send the letter to GP Practices to ask who wishes to participate in catch-up, with deadline of 09 Nov 22 for returns. All GP Practices participating in catch-up and underway.	In Progress
2022-026 Approach for respiratory viruses-Technical	October 2022	11 October 2022 letter from Director of Public Health to all GP Practices/Pharmacies (sent via pharmacy and Primary care leads). Agenda item	In Progress

guidance for healthcare planning		on Executive Committee meeting on 19 October 2022. Letter to all HB staff inviting for co-administering Covid-19 & flu vaccinations commencing week of 10/10/22. Joint Message to all staff from four Executive clinical leads to encourage vaccination & how to access covid & flu vaccines (communicated via Powys News and carousel) (live on carousel from 26/10/22). Chief Executive to include message on vaccination in all staff briefing on 26 October 2022. Pathway and triage processes in place, led by pharmacy, to access antivirals. Pathway reviewed regularly jointly by Chief Pharmacist, Medical Director, Director of Public Health & Assistant Director of Community Services. Testing pathways in place.	
2022-013 Monthly Financial monitoring return guidance	April 2022	The Health Board is meeting WG guidance in respect of reporting its financial performance to Welsh Government.	Complete
2022-008 New records management code of practice for health and care 2022	April 2022	Implementation not yet due as of May 2023.	Not Yet Due
2022-028 More than just words Welsh Language Awareness Course	November 2022	The Welsh Awareness Training Course is now included within statutory and mandatory training through ESR. Compliance will be monitored through the workforce performance reporting alongside all other statutory and mandatory training, Compliance as at 17.2.23 is 60.93%.	Complete
2022-031 Reimbursable vaccines and eligible cohorts for the 2023/24 NHS seasonal Influenza (flu) Vaccination Programme	December 2022	Chief Pharmacist and Assistant Director of Primary Care circulated letter to GP Practices and Community pharmacy and for ordering of HB stocks. Further guidance received to community pharmacy & GPs. Additional actions as per flu update.	In Progress
2022-035 Influenza (flu) Vaccination Programme deployment 'mop up' 2022-2023	December 2022	Walk ins in place from early January for all eligible residents at all 3 MVCs. Promoted at least weekly through Health Board comms channels. Proactive MECC approach to all eligible attendees attending for COVID-19 vaccination.	Complete
2023-001 Eliminating Hepatitis B and C as a Public Health threat in Wales – actions for 2022-2023 and 2023-2024	January 2023	Implementation not yet due as of end of March 2023	Not Yet Due
2023-002 New Lower Gastrointestinal 'FIT' National optimal Pathway	January 2023	All general practices now have access to symptomatic Faecal Immunochemical Test (FIT) services where there is a suspicion of colorectal cancer. The new Lower Gastrointestinal 'FIT' National Optimal Pathway documentation has been distributed to Powys General Practices. The PTHB Cancer Clinical Lead has worked closely with Cluster Leads and GP Collaboratives to	Complete

		ensure they are up to date with Faecal Immunochemical Test pathways and the National Optimal Pathway for FIT including highlighting the importance of 'safety netting'. An Internal Audit conducted in October 2022 concluded there was substantial assurance with regard to the controls and processes in place and that the planned actions to allow improved access to symptomatic FIT are being effectively delivered. This is now 'business as usual' with no further action required.	
2022-034 Health Board 2023-2024 Allocations	December 2022	Implementation not yet due as of end of March 2023	Not Yet Due
2023-004 Covid-19 Spring Booster Vaccination Programme 2023	March 2023	Implementation not yet due as of June 2023	Not Yet Due
2022-032 Further extending the use of Blueteq in secondary care	March 2023	Implementation not yet due as of April 2023	Not Yet Due
2023-007 Patient Testing Framework- Updated Guidance	March 2023	Framework due to be reviewed in June 2023 (depending on public health indicators)	Not Yet Due
2023-003 Guidelines for the investigation of moderate or severe early developmental impairment or intellectual disability (EDI/ID)	April 2023	Guideline to be reviewed in May 2023	Not Yet Due
2023-006 Commencement of the Health and Social Care (Quality and Engagement (Wales) Act 2020	March 2023	To be reviewed in April 2023	Not Yet Due

The table above reflects the reported position as at 31 March 2023

Appendix 3b: Ministerial Directions 2022-23

Ministerial Directions (MDs)	**Date/Year of Adoption**	**Action to demonstrate implementation/response**	**Status**
Ministerial Direction 1 Our Programme for transforming and modernising planned care and reducing waiting lists in Wales	April 2022	Implementation not yet due as of April 2026	Not Yet Due
Ministerial Direction 2 Financial Entitlements Amendments	June 2022	Completed as per the date of issue/effective from and would have been discharged for us via Business Services Unit who pay Primary Care contractors on all Health Board behalf.	Complete
Ministerial Direction 3 The Primary care (contracted Services Immunisations)	August 2022	Implementation not yet due.	Not Yet Due

PART B: REMUNERATION AND STAFF REPORT

This report contains information about the remuneration of senior management, fair pay ratios, sickness absence rates etc and has been compiled by the Directorate of Finance, Information & IT and the Workforce and Organisational Development Directorate

Background

The remuneration and staff report sets out the organisation's remuneration policy for Executive Directors and senior managers, reports on how that policy has been implemented and sets out the amounts awarded to Executive Directors and senior managers and where relevant the link between performance and remuneration. The FReM requires that a Remuneration Report shall be prepared under the headings in SI2008 No 410 to the extent that they are relevant. The definition of "Senior Managers" for these purposes is:

"those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS body. This means those who influence the decisions of the entity as a whole rather than the decisions of individual Executive Directorates or departments."

This section of the Accountability Report meets these requirements.

The Remuneration Terms of Service Committee

Remuneration and terms of service for Executive Directors and the Chief Executive are agreed and kept under review by the Remuneration and Terms of Service Committee. The Committee also monitors and evaluates the annual performance of the Chief Executive and individual Executive Directors (the latter with the advice of the Chief Executive).

In 2022/2023, the Remuneration and Terms of Services Committee was chaired by the Health Board's Chair, firstly Vivienne Harpwood (to 15 October 2022) followed by Carl Cooper (from 17 October 2022), and the membership included the following Independent Members:

- Kirsty Williams, Vice Chair of the Board
- Tony Thomas, Independent Member (Finance)
- Mark Taylor, Independent Member (Capital and Estates)
- Ian Phillips, Independent Member (ICT)

Meetings are minuted and decisions fully recorded.

The meeting is attended by the Chief Executive, Director of Workforce and Organisational Development and Director of Corporate Governance / Board Secretary with appropriate corporate governance support.

Independent Members' Remuneration

Remuneration for Independent Members is decided by the Welsh Government, which also determines their tenure of appointment.

Directors' and Independent Members' Remuneration

Details of Directors' and Independent Members' remuneration for the 2022/2023 financial year, together with comparators are given in Tables below. The norm is for Executive Directors and Senior Managers salaries to be uplifted in accordance with the Welsh Government identified normal pay inflation percentage. In 2022/2023, Executive Directors received a pay inflation uplift, in-line with Welsh Government's Framework.

The Committee also seeks assurance from the Chief Executive in relation to Executive team objectives and performance when considering recommendations in respect of annual pay uplifts. It should be noted that Executive Directors are not on any form of performance related pay. All contracts are permanent with a three-month notice period. Conditions were set by Welsh Government as part of the NHS Reform Programme of 2009.

For part of the year there were a number of interim Directors in post including; an Interim Director of Public Health, Interim Director of Workforce and Organisational Development, Interim Director of Planning and Performance, Interim Director of Primary, Community Care and Mental Health and Interim Board Secretary.

Table 1: Salary and Pension Disclosure Table: Salaries and Allowances, single total figure of Remuneration

Name and title	2022 - 23 Salary (bands of £5,000) £000	Bonus Payments (bands of £5,000) £000	Benefits in Kind (to nearest £100) £00	Pension Benefits (to nearest £1000) £000	Single Total Remuneration (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000
Executive directors						
Carol Shillabeer - Chief Executive	175 - 180	0	0	29	205 - 210	0
Hayley Thomas - Director of Planning and Performance and Deputy Chief Executive (to 31st March 2022) and Director of Primary Care, Community and Mental Health (from 1st April 2022) **	125 - 130	0	0	26	155 - 160	0
Stephen Powell - Interim Director of Planning and Performance)from 1st April 2022)	115 - 120	0	0	206	325 - 330	0
Pete Hopgood - Director of Finance, Information and IT Services * and **	120 - 125	0	6	0	120 - 125	0
Julie Rowles - Director of Workforce and OD (To 3rd February 2023) and (Support Services until 1st December 2021)	130 - 135	0	0	45	175 - 180	0
Debra Wood Lawson - Interim Director of Workforce and OD (from 3rd October 2022)	70 - 75	0	0	7	75 - 80	0
Kate Wright - Medical Director	140 - 145	0	0	8	145 - 150	0
Claire Madsen - Director of Therapies and Health Science **	105 - 110	0	0	33	140 - 145	0
Stuart Bourne - Director of Public Health (To 11th March 2022) ****	0	0	0	0	0	0
Mererid Bowley - Director of Public Health (from 27th June 2022)	90 - 95	0	0	46	135 - 140	0
Alison Davies - Director of Nursing and Midwifery (To 14th March 2022) ****	0	0	0	0	0	0
Clare Roche - Director of Nursing and Midwifery (From 7th March 2022)* and ****	115 - 120	0	1	34	150 - 155	0
Jamie Marchant - Director of Primary, Community Care and Mental Health Services (To 1st December 2021) - Director of Environment (From 1st December 2021) *	110 - 115	0	1	0	110 - 115	0
Rani Mallison - Board Secretary (To 27th November 2021) * & *** & ****	0	0	0	0	0	0
James Quance - Board Secretary (From 4th January 2022 to 31st December 2022) * & ****	70 - 75	0	0	18	85 - 90	0
Helen Bushell - Director of Corporate Governance and Board Secretary (from 9th January 2023)	20 - 25	0	0	5	25 - 30	0

Name and title	2021 - 22 Salary (bands of £5,000) £000	Bonus Payments (bands of £5,000) £000	Benefits in Kind (to nearest £100) £00	Pension Benefits (to nearest £1000) £000	Single Total Remuneration (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000
Executive directors						
Carol Shillabeer - Chief Executive	175 - 180	0	0	61	235 - 240	0
Hayley Thomas - Director of Planning and Performance and Deputy Chief Executive (to 31st March 2022) and Director of Primary Care, Community and Mental Health (from 1st April 2022) **	125 - 130	0	0	59	180 - 185	0
Stephen Powell - Interim Director of Planning and Performance)from 1st April 2022)	0	0	0	0	0	0
Pete Hopgood - Director of Finance, Information and IT Services * and **	115 - 120	0	0	56	170 - 175	0
Julie Rowles - Director of Workforce and OD (To 3rd February 2023) and (Support Services until 1st December 2021)	120 - 125	0	19	58	175 - 180	0
Debra Wood Lawson - Interim Director of Workforce and OD (from 3rd October 2022)	0	0	0	0	0	0
Kate Wright - Medical Director	140 - 145	0	0	109	250 - 255	0
Claire Madsen - Director of Therapies and Health Science **	100 - 105	0	0	34	135 - 140	0
Stuart Bourne - Director of Public Health (To 11th March 2022) ****	100 - 105	0	0	41	145 - 150	0
Mererid Bowley - Director of Public Health (from 27th June 2022)	0	0	0	0	0	0
Alison Davies - Director of Nursing and Midwifery (To 14th March 2022) ****	110 - 115	0	0	41	155 - 160	0
Clare Roche - Director of Nursing and Midwifery (From 7th March 2022)* and ****	5 - 10	0	0	4	10 - 15	0
Jamie Marchant - Director of Primary, Community Care and Mental Health Services (To 1st December 2021) - Director of Environment (From 1st December 2021) *	115 - 120	0	0	9	120 - 125	0
Rani Mallison - Board Secretary (To 27th November 2021) * & *** & ****	60 - 65	0	0	21	85 - 90	0
James Quance - Board Secretary (From 4th January 2022 to 31st December 2022) * & ****	20 - 25	0	0	0	20 - 25	0
Helen Bushell - Director of Corporate Governance and Board Secretary (from 9th January 2023)	0	0	0	0	0	0

Name and title	2022 - 23 Salary (bands of £5,000) £000	Bonus Payments (bands of £5,000) £000	Benefits in Kind (to nearest £100) £00	Pension Benefits (to nearest £1000) £000	Single Total Remuneration (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000
Associate Members						
Nina Davies - Interim Director of Social Serices and Housing, Powys County Council (from 1st January 2023)	0	0	0	0	0	0
Chair of Healthcare Professionals Forum (TBC)	0	0	0	0	0	0
Chair of Stakeholder Reference Group (TBC)	0	0	0	0	0	0
Non-Officer Members						
Professor Vivienne Harpwood - Chair (to 16th October 2022)	20 - 25	0	0	0	20 - 25	0
Carl Cooper - Chair (from 17th October 2022)	20 - 25	0	0	0	20 - 25	0
Melanie Davies - Vice Chair (to 26th December 2021) *****	0	0	0	0	0	0
Kirsty Williams - Vice Chair (from 10th January 2022) *****	35 - 40	0	0	0	35 - 40	0
Anthony Thomas - Independent Member (Finance)	5 - 10	0	0	0	5 - 10	0
Matthew Dorrance - Independent Member (Local Authority to 30th June 2022)	0 - 5	0	0	0	0 - 5	0
Patricia Buchan - Independent Member (Third Sector - to31st March 2022)	0	0	0	0	0	0
Frances Gerrard - Independent Member (University held post relating to health to 30th June 2022)	0 - 5	0	0	0	5 - 10	0
Ian Phillips - Independent Member (ICT)	5 - 10	0	0	0	5 - 10	0
Susan Newport - Independent Member (Trade Union to 30th September 2021)	0	0	0	0	0	0
Cathie Poynton - Independent Mmeber (Trade Union from 11th November 2021)	0	0	0	0	0	0
Mark Taylor - Independent Member (Capital and Estates)	5 - 10	0	0	0	5 - 10	0
Rhobert Lewis - Independent Member (General)	5 - 10	0	0	0	10 - 15	0
Ronnie Alexander - Independent Member (General from 21st June 2021)	5 - 10	0	0	0	5 - 10	0
Chris Walsh - Independent Member (Local Authority - from 1st November 2022)	0 - 5	0	0	0	0 - 5	0
Jennifer Owen Adams - Independent Member (Third Sector - from 30th August 2022)	5 - 10	0	0	0	5 - 10	0
Simon Wright - Independent Member (University held post relating to health - from 8th August 2022)	5 - 10	0	0	0	5 - 10	0

Name and title	2021 - 22					
	Salary (bands of £5,000) £000	Bonus Payments (bands of £5,000) £000	Benefits in Kind (to nearest £100) £00	Pension Benefits (to nearest £1000) £000	Single Total Remuneration (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000
Associate Members						
Nina Davies - Interim Director of Social Serices and Housing, Powys County Council (from 1st January 2023)	0	0	0	0	0	0
Chair of Healthcare Professionals Forum (TBC)	0	0	0	0	0	0
Chair of Stakeholder Reference Group (TBC)	0	0	0	0	0	0
Non-Officer Members						
Professor Vivienne Harpwood - Chair (to 16th October 2022)	40 - 45	0	0	0	40 - 45	0
Carl Cooper - Chair (from 17th October 2022)	0	0	0	0	0	0
Melanie Davies - Vice Chair (to 26th December 2021) *****	25 - 30	0	0	0	25 - 30	0
Kirsty Williams - Vice Chair (from 10th January 2022) *****	5 - 10	0	0	0	5 - 10	0
Anthony Thomas - Independent Member (Finance)	5 - 10	0	0	0	5 - 10	0
Matthew Dorrance - Independent Member (Local Authority to 30th June 2022)	5 - 10	0	0	0	5 - 10	0
Patricia Buchan - Independent Member (Third Sector - to31st March 2022)	5 - 10	0	0	0	5 - 10	0
Frances Gerrard - Independent Member (University held post relating to health to 30th June 2022)	5 - 10	0	0	0	5 - 10	0
Ian Phillips - Independent Member (ICT)	5 - 10	0	0	0	5 - 10	0
Susan Newport - Independent Member (Trade Union to 30th September 2021)	0	0	0	0	0	0
Cathie Poynton - Independent Mmeber (Trade Union from 11th November 2021)	0	0	0	0	0	0
Mark Taylor - Independent Member (Capital and Estates)	5 - 10	0	0	0	5 - 10	0
Rhobert Lewis - Independent Member (General)	10 - 15	0	0	0	10 - 15	0
Ronnie Alexander - Independent Member (General from 21st June 2021)	5 - 10	0	0	0	5 - 10	0
Chris Walsh - Independent Member (Local Authority - from 1st November 2022)	0	0	0	0	0	0
Jennifer Owen Adams - Independent Member (Third Sector - from 30th August 2022)	0	0	0	0	0	0
Simon Wright - Independent Member (University held post relating to health - from 8th August 2022)	0	0	0	0	0	0

* Please note that the salary for Jamie Marchant includes £9,000 sacrificed in relation to a leased car (in 2021-22 the figure was £10,000), the salary for Rani Mallison includes £0 sacrificed in relation to a leased car (in 2021/22 the figure was £4,000), the salary for James Quance includes £1,000 in relation to a leased car (in 2021/22 the figure was £1,000) the salary for Pete Hopgood includes £7,000 in relation to a leased car (in 2021/22 the figure was £0) and the salary for Clare Roche includes £1,000 in relation to a leased car (in 2021/22 the figure was £0).

** Please note that the portfolio of the Director of Primary, Community and Mental Health Services was split for a period and allocated to three Executive Directors from 1st December 2021 to 31st March 2022. The portfolio was split as follows; Pete Hopgood Primary Care; Hayley Thomas Community Care and Clare Madsen Mental Health Services'; no additional remuneration was paid to these Directors as a result of the additional responsibilities.

*** Please note that there was an agreement for Rani Mallison to work for Aneurin Bevan University Health Board for 1 day a week from 1st November 2021.

**** Please note that the full year equivalent salary banding, in bands of £5,000, for starters and leavers during 2022/2023 was as follows; James Quance £90,000-£95,000, Julie Rowles £120,000 - £125,000, Debra Lawson Wood, Mererid Bowley, Helen Bushell £105,000 - £110,000

***** Please note that salary overpayments have been identified during 2021/22 and these are still being recovered.

The value of pension benefits is calculated as follows: (real increase in pension* x20) + (real increase in any lump sum*) – (contributions made by member) * excluding increases due to inflation or any increase or decrease due to a transfer of pension rights.

The remuneration report now contains a Single Total Figure of remuneration, this is a different way of presenting the remuneration for each individual for the year. The table used is similar to that used previously, and the salary and benefits in kind elements are unchanged. The amount of pension benefits for the year which contributes to the single total figure is calculated using a similar method to that used to derive pension values for tax purposes and is based on information received from NHS BSA Pensions Agency.

The Single Total Figure of remuneration is not an amount which has been paid to an individual by the THB 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.

Remuneration Relationship

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director /employee in their organisation and the 25th percentile, median and 75th percentile remuneration of the organisation's workforce. The 2022/2023 financial year is the second-year disclosures in respect of the 25th percentile pay ratio and 75th percentile pay ratio are required.

		2022-23	2022-23	2022-23		2021-22	2021-22	2021-22
		£000	£000	£000		£000	£000	£000
Total pay and benefits		**Chief Executive**	**Employee**	**Ratio**		**Chief Executive**	**Employee**	**Ratio**
	25th percentile pay	177	25	7.1:1		177	22	8.0:1
	Median pay	177	33	5.4:1		177	32	5.5:1
	75th percentile pay ratio	177	43	4.1:1		177	41	4.3:1
Salary component of total pay and benefits								
	25th percentile pay	177	25			177	22	8.0:1
	Median pay	177	33			177	32	5.5:1
	75th percentile pay ratio	177	43			177	41	4.3:1
Total pay and benefits		**Highest Paid Director**	**Employee**	**Ratio**		**Highest Paid Director**	**Employee**	**Ratio**
	25th percentile pay	177	25	7.1:1		177	22	8.0:1
	Median pay	177	33	5.4:1		177	32	5.5:1
	75th percentile pay ratio	177	43	4.1:1		177	41	4.3:1
Salary component of total pay and benefits								
	25th percentile pay	177	25			177	22	8.0:1
	Median pay	177	33			177	32	5.5:1
	75th percentile pay ratio	177	43			177	41	4.3:1

In 2022/2023, 2 (2020-21, 2) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £20,758 to £217,294 (2021-22, £18,576 to £188,839).

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

Percentage Changes:

9.6.2 Percentage Changes		2021-22 to 2022-23	2020-21 to 2021-22
		%	%
% Change from previous financial year in respect of Chief Executive			
	Salary and allowances	2	3
	Performance pay and bonuses	0	0
% Change from previous financial year in respect of highest paid director			
	Salary and allowances	2	3
	Performance pay and bonuses	0	0
Average % Change from previous financial year in respect of employees takes as a whole			
	Salary and allowances	5	5
	Performance pay and bonuses	0	0

Table 2: Salary and Pension Disclosure

Name and title	Real increase in pension at age 60 (bands of £2,500) £000	Real increase in pension lump sum at age 60 (bands of £2,500) £000	Total accrued pension at age 60 at 31 Mar 2023 (bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31st Mar 2023 (bands of £5,000) £000	Cash Equivalent transfer value at 31 Mar 2023 £000	Cash Equivalent transfer value at 31 Mar 2022 Restated £000	Real increase in Cash Equivalent transfer value £000	Employer's contribution to stakeholder pension £000
Carol Shillabeer - Chief Executive	2.5 - 5.0	(0.0) - (2.5)	70 - 75	150 - 155	1,353	1,253	36	0
Hayley Thomas - Director of Planning and Performance and Deputy Chief Executive (to 31st March 2022) and Director of Primary Care, Community and Mental Health (from 1st April 2022)	0.0 - 2.5	(0.0) - (2.5)	40 - 45	75 - 80	718	657	22	0
Pete Hopgood - Director of Finance, Information and IT Services	0.0 - 2.5	(5.0) - (7.5)	45 - 50	90 - 95	838	804	-7	0
Julie Rowles - Director of Workforce and OD (To 3rd February 2023) and (Support Services to 1st December 2021)	2.5 - 5.0	(2.5) - (5.0)	65 - 70	145 - 150	1,413	1,307	51	0
Kate Wright - Medical Director	0.0 - 2.5	(2.5) - (5.0)	35 - 40	50 - 55	665	622	5	0
Claire Madsen - Director of Therapies and Health Science	0.0 - 2.5	0.0 - 2.5	35 - 40	110 - 115	871	792	41	0
Clare Roche - Director of Nursing (From 7th March 2022)	0.0 - 2.5	0.0 - 2.5	45 - 50	115 - 120	974	890	40	0
Jamie Marchant - Director of Primary, Community Care and Mental Health Services (To 1st December 2021); Director of Environment (From 1st December 2021)	0.0 - 2.5	(2.5) - (5.0)	30 - 35	45 - 50	584	557	-3	0
James Quance - Board Secretary (From 4th January 2022)	0.0 - 2.5	0	5 - 10	0	111	85	8	0
Stephen Powell - Interim Director of Planning and Performance (from 1st April 2022)	7.5 - 10	22.5 - 25.0	50 - 55	115 - 120	1,005	762	219	0
Debra Lawson Wood - Interim Director of Workforce and OD (from October 2022)	0.0 - 2.5	0	10 - 15	0	208	171	9	0
Mererid Bowley - Director of Public Health (from July 2022)	2.5 - 5.0	0.0 - 2.5	40 - 45	70 - 75	763	673	46	0
Helen Bushell - Director of Corporate Governance and Board Secretary (from 9th January 2023)	0.0 - 2.5	0	5 - 10	0	70	49	5	0

The above calculations are provided by the NHS Pensions Agency and are based on the standard pensionable age of 60.

For Directors marked * the member is over retirement age in existing scheme therefore a CETV calculation is not applicable

As Non officer members do not receive pensionable remuneration, there will be no entries in respect of pensions for non-Executive members.

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 arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the 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. CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

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 pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Staff Numbers

Number of Employed Staff

As at 31 March 2023, the total number staff employed by the Health Board stood at **1,929.39 Whole Time Equivalents** (WTE). The table below provides the average WTE of staff employed by the Health Board in 2021/2022 and 2022/2023 broken down by staffing group. This excludes hosted services such as the Boards of Community Health Councils and Health and Care Research Wales.

Staff Group	2021/22	2022/23
Add Prof Scientific and Technic	72.80	75.63
Additional Clinical Services	382.59	395.76
Administrative and Clerical	504.93	529.41
Allied Health Professionals	133.54	134.59
Estates and Ancillary	175.05	173.91
Healthcare Scientists	4.58	5.86
Medical and Dental	33.56	29.97
Nursing and Midwifery Registered	564.42	552.99
Grand Total	**1,871.46**	**1898.13**

Overall, on average, the Health Board has seen an increase of **26.68 WTE** in the number of staff employed in 2022/2023 when compared to 2021/2022. Despite this success, recruiting to a number of clinical roles, in particular Registered Nurse and Medical roles, continues to be challenging. There is a decrease overall of 11.42 WTE in the number of Registered Nurse staff employed by the Health Board. Registered Nurse vacancy levels within the wards has increased, with an overall vacancy deficit (excluding absence) of **30%** at March 2022, increasing to **33%** as at March 2023. To mitigate this risk the Health Board has recruited 2 overseas nurses with a further 5 due to arrive in April 2023. The Health Board has also continued to develop the Aspiring Nurse programme, to grow our own internal pipeline to address the deficits.

Staffing Composition

As of 31 March 2023, the Health Board employed **2,369** substantive employees (excluding bank workers) which equated to **1,929.39 WTE.** The number (headcount) of female and male employees of the Health Board are as follows:

	Female	Male
Headcount	2,028	341
Percentage	86%	14%

Of this staffing composition, at 31 March 2023, the Executive Team consisted of 9 voting members of the Board (inclusive of the Chief Executive Officer). There was one additional Director and the Board Secretary (both non-voting members) who are members of the Executive Team and are included in the staffing composition below:

	Female	Male
Headcount	8	3
%	73%	27%

Sickness Absence Data

Information on sickness absence for 2021/2022 and 2022/2023 is provided within the table below:

Staff Group	2021/22	2022/23
WTE Days Lost Long Term	28,157.95	29,910.21
WTE Days Lost Short Term	11,158.48	13,291.37
Total Days Lost	39,316.43	43,201.58
Total Staff Years (avg WTE staff Absent)	107.72	118.36
Average Working Days Lost	16.38	18.24
Total Staff Employed in Period (Headcount)	2401	2369
Total Staff Employed in Period with no absence (Headcount)	1276	882
Percentage of Staff with no Sick Leave	**53%**	**37%**

The Health Board's overall rolling sickness absence rate for 2022/2023 is **5.83%**, compared to **5.76%** in 2021/2022. The overall increase in staff absence is reflective of the difficult and challenging time, as the Health Board continue to respond to the impacts of the COVID-19 pandemic.

Staff Policies

Powys Teaching Health Board has a policy framework in place which covers policies and procedures that apply to employees and workers engaged with the Health Board. All workforce related policies are actively monitored, developed, and agreed in partnership with our Trade Union colleagues. The Equality Impact Assessment policy is applied throughout the financial year for the development of policies and procedures.

- for giving full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities;
- for continuing the employment of and for arranging appropriate training for employees, who have become disabled persons during the period when they were employed by the company;
- otherwise for the training, career development and promotion of disabled persons employed by the Health Board

All staff policies include a requirement to undertake an analysis of the impact of the policy in respect of equality. In conjunction with this approach, the *all Wales Managing Attendance at Work Policy* and *Recruitment and Selection*

Policy were utilised to ensure fair consideration was given to applications for employment made by a disabled person and for supporting their continued employment.

Other Employee Matters

Health and Safety 2023/2024

The Health and Safety (H&S) team workplan focuses on the priorities of the Health Board via the Health and Safety Group (HSG). This plan covers a wide range of important areas and is designed to assist in managing and prioritising the resources of the health and safety team and provide support to departments and directorates to develop and ensure the local management of health and safety matters.

Three policies have been reviewed, updated, and approved by the Health and Safety Group in year. These have been communicated through Powys Announcements and are "live" on the intranet. These policies are;

- Manual Handling Policy;
- Violence and Aggression Policy;
- Stress Management Policy.

A fundamental role of the Health and Safety Group (HSG) is to monitor the review and learning from accidents and incidents. A summary report is provided at each meeting with details of incidents at departmental level. During 2022/2023 the format has changed to make use of outputs from the Datix system.

Discussion at HSG focuses on ensuring robust review at departmental level of the incidents ensuring appropriate closure and learning. Review of data output from Datix is also assisting in improving the quality of the data input. As the membership of the Group has matured, "near misses" are also being reported.

The Executive Committee agreed that these areas should be prioritised across all departments and that the subsequent audit program of 2022/2023 would concentrate on reviewing these risk assessments as well as any service specific tasks.

The modules were;

- driving for Work
- lone Working
- display Screen Equipment
- violence and Aggression

- manual Handling
- workplace Stress

As part of the programme, twenty teams across various departments in Support Services, Estates, Workforce and Organisation Development, Women and Childrens Service Group and Community Services Group were audited by the Health and Safety and good practice, areas for development were shared via the Health and Safety Group.

Training and education are essential to allow staff to be aware and manage health and safety issues. With relation to the specific areas of violence and aggression and manual handling training, the Health Board has two directly employed trainers.

Welsh Ambulance Service NHS Trust (WAST) Health and Safety function are working with the Health Board to provide sessions for IOSH accredited Leading Safely course. This will provide training for Executive Directors and Assistant/Deputy Directors as well as adding a new element of training developed by WAST relating to "behavioural approach" to Health and Safety.

Alongside this approach, the local Health and Safety Officers have been supporting training for the IOSH Working Safety as part of the Workforce Managers Programme and to date 87 staff have completed the course.

To support the ongoing local management and compliance for staff relating to manual handling, the work for 2022/2023 has included a specific focus on manual handling, involving the introduction and training of manual handling link workers as identified in a Health and Safety Executive (HSE) Notification of Contravention in 2019. A commitment was made to appoint link workers within departments with the initial focus on the wards. Whilst there were some challenges during the Covid-19 pandemic, work has been undertaken to review the nominated leads and complete any gaps. It is expected to have a full complement of people across specific departments by the end of March.

Powys Teaching Health Board recognises that when staff deal with any situation in which individuals, whether Child or Adult, are violent or intimidating toward them, it can be very difficult. Appropriate Training is provided in accordance with the "All Wales NHS Violence and Aggression Training Passport and Information Scheme."

Teams within the Health Board work with a very diverse group of patients, and as such it is appropriate that they receive personal safety training, full prevention, and management training for physical intervention techniques,

whichever is appropriate for their role/s, as identified by the service departments. The Training Programme is designed to meet identified training needs based upon Risk Assessment for Staff Groups.

To strengthen the resources available to staff a new webpage has been constructed and is live on the intranet. This will be updated and continually evolve and contains advice and guidance on a number of health and safety subjects, along with easy-to-follow videos on risk assessment and lone working. All H&S template documents are available through the website and SharePoint.

Following the identification of a number of Hand Arm Vibration incidents which resulted in action being undertaken by the Health and Safety Executive (HSE), they have acknowledged that a great deal of progress has been made by PTHB and the Estates department since early 2020, in relation to compliance with the Control of Vibration at Work Regulations 2005.

Beyond the work to respond to the Improvement Notices, an additional range of actions were committed and completed by the Health Board. These included;

- undertake a full audit of all equipment that poses a vibration risk to Support Services employees
- policy and process for the procurement and purchase of low vibratory work equipment
- implement a regime of tool maintenance
- information
- ensure the risk of vibration exposure for task undertaken within Support Services are suitably risk assessed
- vibration Monitoring - monitoring and reviewing exposure levels on a regular basis; and
- health surveillance- identify any support services staff that have been exposed to the use of vibrating tool to check and ensure they are not suffering from ill health effects from past exposure.

The Health and Safety Group continues to take forwards its agenda supported by relevant subgroups, namely Fire Safety Group and Security Oversight Group.

<u>Future Work Programme</u>

The HSG will be developing work plan priorities for 2023/2024.

Expenditure on Consultancy

As disclosed in note 3.3 (page 29) of its financial statements, the Health Board spent £0.557M on consultancy services during 2022/2023 compared to £0.505M M in 2021-22.

Off Payroll Engagement

For all off-payroll engagements as of 31 March 2023, for more than £245 per day:

No. of existing engagements as of 31 March 2023	18
Of which, the number that have existed:	0
for less than one year at time of reporting.	<5
for between one and two years at time of reporting.	5
for between two and three years at time of reporting.	<5
for between three and four years at time of reporting.	<5
for four or more years at time of reporting.	7

	Number
Number. of new engagements, between 1 April 2022 and 31 March 2023	<5

Of which...	
No. assessed as caught by IR 35	0
No. assessed as not caught by IR 35	<5
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	0
No. of engagements that saw a change to IR35 status following the consistency review	0

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

Numbers that are between 1 and 4 are referred to as less than 5 (<5) to protect the potential identification of individuals.

There have been no-off payroll engagements of board members and/or

senior officials with significant financial responsibility between 1 April 2022 and 31 March 2023.

Exit Packages and Severance Payments

This disclosure reports the number and value of exit packages taken by staff leaving in the year. This disclosure is required to strengthen accountability in the light of public and Parliamentary concern about the incidence and cost of these payments.

	2022-23	2022-23	2022-23	2022-23	2021-22
Exit packages cost band (including any special payment element)	**Number of compulsory redundancies**	**Number of other departures**	**Total number of exit packages**	**Number of departures where special payments have been made**	Total number of exit packages
	Whole numbers only	**Whole numbers only**	**Whole numbers only**	**Whole numbers only**	Whole numbers only
less than £10,000	0	0	0	0	1
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	0	0	0	0
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	0	0	0	1

Redundancy and other departure costs if paid would have been paid in accordance with the provisions of the NHS Agenda for Change Terms and Conditions and NHS Voluntary Early Release Scheme (VERS). Exit costs in this note are accounted for in full in the year of departure on a cash basis in this note as specified in EPN 380 Annex 13C. Should the Health Board have agreed early retirements, the additional costs would have been met by the Health Board and not by the NHS pension scheme. Ill-health retirement costs are met by the NHS pension's scheme and are not included in the table.

PART C: SENEDD CYMRU/WELSH PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT

This report contains a range of disclosures on the regularity of expenditure, fees and charges, compliance with the cost allocation and charging requirements set out in HM Treasury guidance, material remote contingent liabilities, long-term expenditure trends, and the audit certificate and report.

Regularity of Expenditure

Regularity is the requirement for all items of expenditure and receipts to be dealt with in accordance with the legislation authorising them, any applicable delegated authority, and the rules of Government Accounting. The health board ensures that the funding provided by Welsh Ministers has been expended for the purposes intended by Welsh Ministers and that the resources authorised by Welsh Ministers to be used have been used for the purposes for which the use was authorised.

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

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

Fees and Charges

Where the health board undertakes activities that are not funded directly by the Welsh Government the health board receives income to cover its costs which will offset expenditure reported under programme areas. Miscellaneous Income can be seen in Note 4 of the Annual Accounts. When charging for this activity the health board has complied with the cost allocation and charging requirements set out in HM Treasury guidance.

Remote Contingent Liabilities

Remote contingent liabilities are made for three categories, comprising indemnities, letters of comfort and guarantees. The value of remote contingent liabilities for 2022/2023 is £0.00m (2021-22 £0.00m) and is disclosed in note 21.2 of the Health Board's Annual Accounts.

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

Opinion on financial statements

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

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

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

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

- give a true and fair view of the state of affairs of Powys Teaching Health Board as at 31 March 2023 and of its deficit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

Opinion on regularity

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

Basis for Qualified Opinion on regularity

I have qualified my opinion on the regularity of the Powys Teaching Health Board's financial statements because the Health Board has breached its resource limit by spending £6.8 million over the £1,133 million that it was authorised to spend in the three- year period 2020-2021 to 2022-23. This spend constitutes irregular expenditure.

Further detail is set out in my Report on page 148.

Basis for opinions

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

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

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

My staff and I are independent of the Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

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

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

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

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

Other information

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

a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

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

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

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

Matters on which I report by exception

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

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

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;

- the financial statements and the audited part of the Accountability Report are not in agreement with the accounting records and returns;
- information specified by HM Treasury or Welsh Ministers regarding remuneration and other transactions is not disclosed;
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made or parts of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of Directors and the Chief Executive for the financial statements

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

- maintaining adequate accounting records
- the preparation of financial statements and annual report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the annual report and financial statements as a whole are fair, balanced and understandable;
- ensuring the regularity of financial transactions;
- internal controls as the Directors and Chief Executive determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- assessing the LHB's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors and Chief Executive anticipate that the services provided by the LHB's will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

My procedures included the following:

- enquiring of management, the Head of Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Health Board's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non- compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in management override and unusual journals;

- obtaining an understanding of Health Board's framework of authority as well as other legal and regulatory frameworks that the Health Board operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Health Board; and
- obtaining an understanding of related party relationships.

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

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

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

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

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

Other auditor's responsibilities

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

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

Report

Please see my Report on page 148.

Adrian Crompton
Auditor General for Wales
27 July 2023

1 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

Report of the Auditor General to the Senedd

Introduction

Under the Public Audit Wales Act 2004, I am responsible for auditing, certifying and reporting on Powys Teaching Health Board's (the Health Board's) financial statements. I am reporting on these financial statements for the year ended 31 March 2023 to draw attention to one key matter for my audit. This is the failure against the first financial duty and consequential qualification of my 'regularity' opinion. I have not qualified my 'true and fair' opinion in respect of this matter.

Financial duties

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

For 2022-23, the Health Board failed to meet the first financial duty.

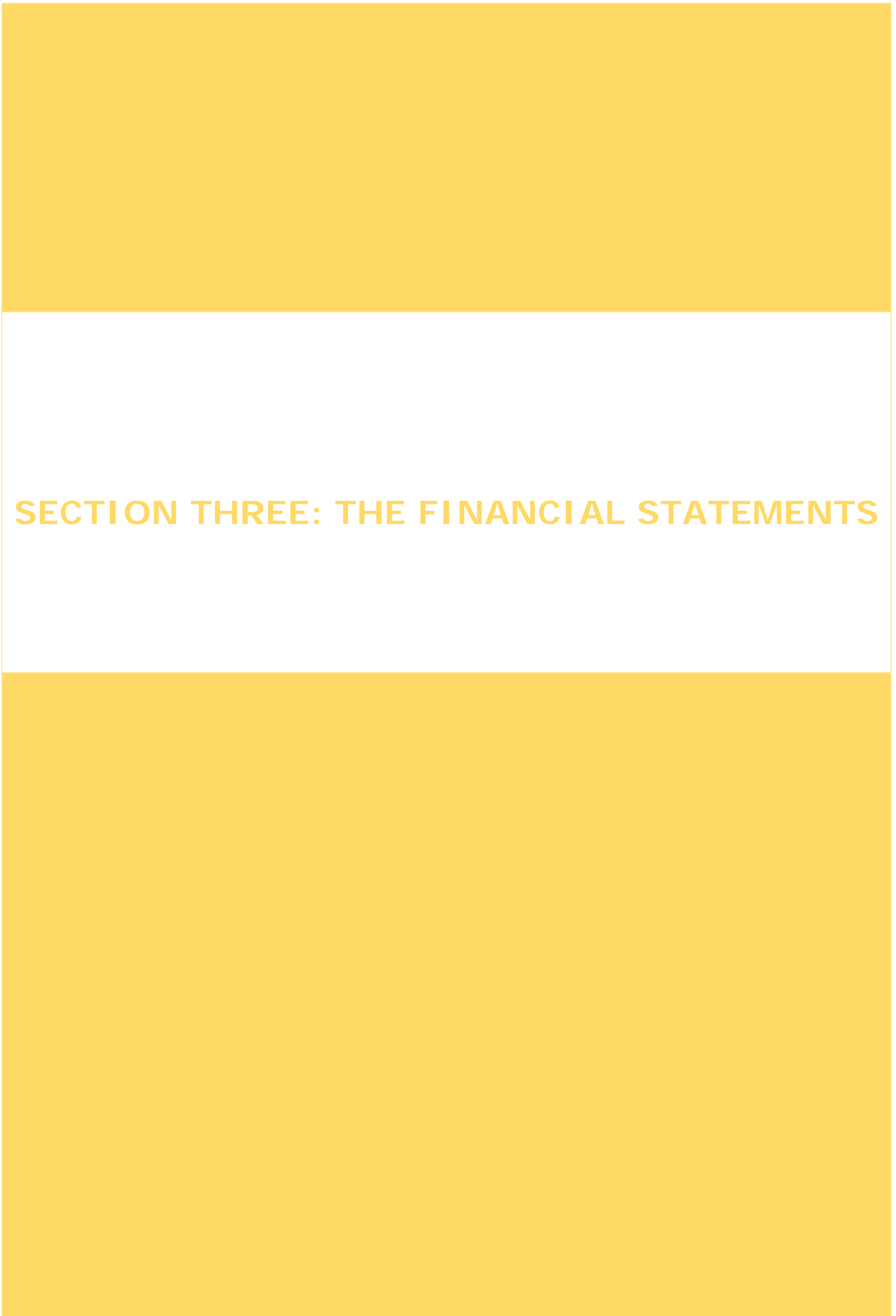
Failure of the first financial duty

The **first financial duty** gives additional flexibility to LHBs by allowing them to balance their income with their expenditure over a three-year rolling period. The three-year period being measured under this duty this year is 2020-21 to 2022-23.

As shown in Note 2.1 to the Financial Statements, the LHB did not manage its revenue expenditure within its resource allocation over this three-year period, exceeding its cumulative revenue resource limit of £1,133 million by £6.8 million.

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

Adrian Crompton
Auditor General for Wales
27 July 2023



SECTION THREE: THE FINANCIAL STATEMENTS

POWYS TEACHING HEALTH BOARD

FOREWORD

Statutory background

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

Powys Teaching Local Health Board was established under the Local Health Boards (Establishment) (Wales) Order 2003 (S.I. 2003/148 (W.18))

As a statutory body governed by Acts of Parliament the LHB is responsible for :
- agreeing the action which is necessary to improve the health and health care of the population of Powys;
- supporting and financing General Practitioner-led purchasing of the services needed to meet agreed priorities, including charter standards and guarantees;
- supporting and funding the contractor professions;
- the commissioning of health promotion, emergency planning and other regulatory tasks;
- the stewardship of resources including the financial management and monitoring of performance in critical areas;
- eliciting and responding to the views of local people and organisations and changing and developing services at a pace and in ways that they will accept;
- providing Hospital and Community Healthcare Services to the residents of Powys.

Up until 31st March 2023, Powys LHB hosts the Community Health Councils in Wales. In addition, it is also responsible for hosting specific functions in respect of the accounts of the former Health Authorities mostly significantly in respect of clinical negligence. The THB also hosts the functions of Health and Care Research Wales (HCRW).

Performance Management and Financial Results

Welsh Health Circular WHC/2016/054 replaces WHC/2015/014 'Statutory and Administrative Financial Duties of NHS Trusts and Local Health Boards' and further clarifies the statutory financial duties of NHS Wales bodies and is effective for 2022-23. The annual financial duty has been revoked and the statutory breakeven duty has reverted to a three year duty, with the first assessment of this duty in 2016-17.

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

Under the National Health Services Finance (Wales) Act 2014, the annual requirement to achieve balance against Resource Limits has been replaced with a duty to ensure, in a rolling 3 year period, that its aggregate expenditure does not exceed its aggregate approved limits.
The Act came into effect from 1 April 2014 and under the Act the first assessment of the 3 year rolling financial duty took place at the end of 2016-17.

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

	Note	2022-23 £000	2021-22 £000
Expenditure on Primary Healthcare Services	3.1	**74,960**	72,389
Expenditure on healthcare from other providers	3.2	**201,541**	194,502
Expenditure on Hospital and Community Health Services	3.3	**135,289**	132,034
		411,790	398,925
Less: Miscellaneous Income	4	**(16,094)**	(15,825)
LHB net operating costs before interest and other gains and losses		**395,696**	383,100
Investment Revenue	5	**0**	0
Other (Gains) / Losses	6	**0**	(19)
Finance costs	7	**1**	(60)
Net operating costs for the financial year		**395,697**	**383,021**

See note 2 on page 26 for details of performance against Revenue and Capital allocations.

The notes on pages 8 to 74 form part of these accounts.

Other Comprehensive Net Expenditure

	2022-23 £000	2021-22 £000
Net (gain) / loss on revaluation of property, plant and equipment	(2,260)	(3,331)
Net (gain)/loss on revaluation of right of use assets	0	
Net (gain) / loss on revaluation of intangibles	0	0
(Gain) / loss on other reserves	0	0
Net (gain)/ loss on revaluation of PPE & Intangible assets held for sale	0	0
Net (gain)/loss on revaluation of financial assets held for sale	0	0
Impairment and reversals	0	0
Transfers between reserves	0	0
Transfers to / (from) other bodies within the Resource Accounting Boundary	0	0
Reclassification adjustment on disposal of available for sale financial assets	0	0
Other comprehensive net expenditure for the year	(2,260)	(3,331)
Total comprehensive net expenditure for the year	**393,437**	379,690

The notes on pages 8 to 74 form part of these accounts.

Statement of Financial Position as at 31 March 2023

	Notes	**31 March 2023 £000**	31 March 2022 £000
Non-current assets			
Property, plant and equipment	11	**103,185**	93,331
Right of Use Assets	11.3	**1,670**	
Intangible assets	12	**0**	0
Trade and other receivables	15	**20**	16,085
Other financial assets	16	**0**	0
Total non-current assets		**104,875**	109,416
Current assets			
Inventories	14	**147**	143
Trade and other receivables	15	**18,134**	11,959
Other financial assets	16	**0**	0
Cash and cash equivalents	17	**1,268**	2,658
		19,549	14,760
Non-current assets classified as "Held for Sale"	11	**0**	0
Total current assets		**19,549**	14,760
Total assets		**124,424**	124,176
Current liabilities			
Trade and other payables	18	**(49,845)**	(59,256)
Other financial liabilities	19	**0**	0
Provisions	20	**(14,980)**	(1,301)
Total current liabilities		**(64,825)**	(60,557)
Net current assets/ (liabilities)		**(45,276)**	(45,797)
Non-current liabilities			
Trade and other payables	18	**(508)**	0
Other financial liabilities	19	**0**	0
Provisions	20	**(862)**	(17,085)
Total non-current liabilities		**(1,370)**	(17,085)
Total assets employed		**58,229**	46,534
Financed by :			
Taxpayers' equity			
General Fund		**11,604**	2,153
Revaluation reserve		**46,625**	44,381
Total taxpayers' equity		**58,229**	46,534

The financial statements on pages 2 to 7 were approved by the Board on 25th July 2023 and signed on its behalf by:

Interim Chief Executive and Accountable Officer

Date: 25/07/2023

The notes on pages 8 to 74 form part of these accounts.

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

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Changes in taxpayers' equity for 2022-23			
Balance as at 31 March 2022	2,153	44,381	**46,534**
NHS Wales Transfer	0	0	**0**
RoU Asset Transitioning Adjustment	614	0	**614**
Balance at 1 April 2022	2,767	44,381	**47,148**
Net operating cost for the year	(395,697)		**(395,697)**
Net gain/(loss) on revaluation of property, plant and equipment	0	2,260	**2,260**
Net gain/(loss) on revaluation of right of use assets	0	0	**0**
Net gain/(loss) on revaluation of intangible assets	0	0	**0**
Net gain/(loss) on revaluation of financial assets	0	0	**0**
Net gain/(loss) on revaluation of assets held for sale	0	0	**0**
Impairments and reversals	0	0	**0**
Other Reserve Movement	0	0	**0**
Transfers between reserves	16	(16)	**0**
Release of reserves to SoCNE	0	0	**0**
Transfers to/from LHBs	(32)	0	**(32)**
Total recognised income and expense for 2022-23	(395,713)	2,244	**(393,469)**
Net Welsh Government funding	400,275		**400,275**
Notional Welsh Government Funding	4,275		**4,275**
Balance at 31 March 2023	11,604	46,625	**58,229**

The notes on pages 8 to 74 form part of these accounts.

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

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Changes in taxpayers' equity for 2021-22			
Balance at 31 March 2021	(2,532)	41,053	**38,521**
NHS Wales Transfer	0	0	**0**
RoU Asset Transitioning Adjustment			
Balance at 1 April 2021	(2,532)	41,053	**38,521**
Net operating cost for the year	(383,021)		**(383,021)**
Net gain/(loss) on revaluation of property, plant and equipment	0	3,331	**3,331**
Net gain/(loss) on revaluation of right of use assets			
Net gain/(loss) on revaluation of intangible assets	0	0	**0**
Net gain/(loss) on revaluation of financial assets	0	0	**0**
Net gain/(loss) on revaluation of assets held for sale	0	0	**0**
Impairments and reversals	0	0	**0**
Other reserve movement	0	0	**0**
Transfers between reserves	0	0	**0**
Release of reserves to SoCNE	3	(3)	**0**
Transfers to/from LHBs	0	0	**0**
Total recognised income and expense for 2021-22	(383,018)	3,328	**(379,690)**
Net Welsh Government funding	383,639		**383,639**
Notional Welsh Government Funding	4,064		**4,064**
Balance at 31 March 2022	2,153	44,381	**46,534**

The notes on pages 8 to 74 form part of these accounts.

Statement of Cash Flows for year ended 31 March 2023

	Notes	2022-23 £000	2021-22 £000
Cash Flows from operating activities			
Net operating cost for the financial year		**(395,697)**	(383,021)
Movements in Working Capital	27	**167**	9,755
Other cash flow adjustments	28	**9,701**	12,864
Provisions utilised	20	**(1,761)**	(9,523)
Net cash outflow from operating activities		**(387,590)**	(369,925)
Cash Flows from investing activities			
Purchase of property, plant and equipment		**(14,013)**	(13,702)
Proceeds from disposal of property, plant and equipment		**0**	19
Purchase of intangible assets		**0**	0
Proceeds from disposal of intangible assets		**0**	0
Payment for other financial assets		**0**	0
Proceeds from disposal of other financial assets		**0**	0
Payment for other assets		**0**	0
Proceeds from disposal of other assets		**0**	0
Net cash inflow/(outflow) from investing activities		**(14,013)**	(13,683)
Net cash inflow/(outflow) before financing		**(401,603)**	(383,608)
Cash Flows from financing activities			
Welsh Government funding (including capital)		**400,275**	383,639
Capital receipts surrendered		**0**	0
Capital grants received		**0**	0
Capital element of payments in respect of finance leases and on-SoFP PFI Schemes		**0**	0
Capital element of payments in respect of on-SoFP PFI		**0**	0
Capital element of payments in respect of Right of Use Assets		**(62)**	
Cash transferred (to)/ from other NHS bodies		**0**	0
Net financing		**400,213**	383,639
Net increase/(decrease) in cash and cash equivalents		**(1,390)**	31
Cash and cash equivalents (and bank overdrafts) at 1 April 2022		**2,658**	2,627
Cash and cash equivalents (and bank overdrafts) at 31 March 2023		**1,268**	2,658

The notes on pages 8 to 74 form part of these accounts.

Notes to the Accounts

1. Accounting policies

The Minister for Health and Social Services has directed that the financial statements of Local Health Boards (LHB) in Wales shall meet the accounting requirements of the NHS Wales Manual for Accounts. Consequently, the following financial statements have been prepared in accordance with the 2022-23 Manual for Accounts. The accounting policies contained in that manual follow the 2022-23 Financial Reporting Manual (FReM) in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, to the extent that they are meaningful and appropriate to the NHS in Wales.

Where the LHB Manual for Accounts permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the LHB for the purpose of giving a true and fair view has been selected. The particular policies adopted by the LHB are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1. Accounting convention

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

1.2. Acquisitions and discontinued operations

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

1.3. Income and funding

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

Non-discretionary funding outside the Revenue Resource Limit is allocated to match actual expenditure incurred for the provision of specific pharmaceutical, or ophthalmic services identified by the Welsh Government. Non-discretionary expenditure is disclosed in the accounts and deducted from operating costs charged against the Revenue Resource Limit.

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

Miscellaneous income is income which relates directly to the operating activities of the LHB and is not funded directly by the Welsh Government. This includes payment for services uniquely provided by the LHB for the Welsh Government such as funding provided to agencies and non-activity costs incurred by the LHB in its provider role. Income received from LHBs transacting with other LHBs is always treated as miscellaneous income.

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

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

Only non-NHS income may be deferred.

1.4. Employee benefits

1.4.1. Short-term employee benefits

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

1.4.2. Retirement benefit costs

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

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

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

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

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

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

1.4.3. NEST Pension Scheme

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

1.5. Other expenses

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

1.6. Property, plant and equipment

1.6.1. Recognition

Property, plant and equipment is capitalised if:

● it is held for use in delivering services or for administrative purposes;

● it is probable that future economic benefits will flow to, or service potential will be supplied to, the NHS Wales organisation;

● it is expected to be used for more than one financial year;

● the cost of the item can be measured reliably; and

● the item has cost of at least £5,000; or

● Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or

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

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

1.6.2. Valuation

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

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

● Land and non-specialised buildings – market value for existing use

● Specialised buildings – depreciated replacement cost

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

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

In 2022-23 a formal revaluation exercise was applied to land and properties. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

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

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

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

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

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

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

1.6.3. Subsequent expenditure

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

1.7. Intangible assets

1.7.1. Recognition

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

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

● the technical feasibility of completing the intangible asset so that it will be available for use.

● the intention to complete the intangible asset and use it.

● the ability to use the intangible asset.

● how the intangible asset will generate probable future economic benefits.

● the availability of adequate technical, financial and other resources to complete the intangible asset and use it.

● the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Measurement

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

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

1.8. Depreciation, amortisation and impairments

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

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

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

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

1.9. Research and Development

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

1.10 Non-current assets held for sale

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

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

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

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

1.11 Leases

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

IFRS 16 leases is effective across public sector from 1 April 2022. The transition to IFRS 16 has been completed in accordance with paragraph C5 (b) of the Standard, applying IFRS 16 requirements retrospectively recognising the cumulative effects at the date of initial application.

In the transition to IFRS 16 a number of elections and practical expedients offered in the standard have been employed. These are as follows: The entity has applied the practical expedient offered in the standard per paragraph C3 to apply IFRS 16 to contracts or arrangements previously identified as containing a lease under the previous leasing standards IAS 17 leases and IFRIC 4 determining whether an arrangement contains a lease and not to those that were identified as not containing a lease under previous leasing standards.

On initial application the LHB has measured the right of use assets for leases previously classified as operating leases per IFRS 16 C8 (b)(ii), at an amount equal to the lease liability adjusted for accrued or prepaid lease payments.

No adjustments have been made for operating leases in which the underlying asset is of low value per paragraph C9 (a) of the standard.
The transitional provisions have not been applied to operating leases whose terms end within 12 months of the date of initial application has been employed per paragraph C10 (c) of IFRS 16.
Hindsight is used to determine the lease term when contracts or arrangements contain options to extend or terminate the lease in accordance with C10 (e) of IFRS 16.

List any other transition expedients employed by the entity at its discretion.
Due to transitional provisions employed the requirements for identifying a lease within paragraphs 9 to 11 of IFRS 16 are not employed for leases in existence at the initial date of application. Leases entered into on or after the 1st April 20xx will be assessed under the requirements of IFRS 16.
There are further expedients or election that have been employed by the LHB in applying IFRS 16.

These include:

- the measurement requirements under IFRS 16 are not applied to leases with a term of 12 months or less under paragraph 5 (a) of IFRS 16
- the measurement requirements under IFRS 16 are not applied to leases where the underlying asset is of a low value which are identified as those assets of a value of less than £5,000, excluding any irrecoverable VAT, under paragraph 5 (b) of IFRS 16

The entity will not apply IFRS 16 to any new leases of in tangible assets applying the treatment described in

List any other expedients employed by the entity (such as low value 5(b) or 15 on componentisation HM Treasury have adapted the public sector approach to IFRS 16 which impacts on the identification and measurement of leasing arrangements that will be accounted for under IFRS 16

The entity is required to apply IFRS 16 to lease like arrangements entered into with other public sector entities that are in substance akin to an enforceable contract, that in their formal legal form may not be enforceable. Prior to accounting for such arrangements under IFRS 16 the LHB has assessed that in all other respects these arrangements meet the definition of a lease under the standard.

The entity is required to apply IFRS 16 to lease like arrangements entered into in which consideration exchanged is nil or nominal, therefore significantly below market value. These arrangements are described as peppercorn leases. Such arrangements are again required to meet the definition of a lease in every other respect prior to inclusion in the scope of IFRS 16. The accounting for peppercorn arrangements aligns to that identified for donated assets. Peppercorn leases are different in substance to arrangements in which consideration is below market value but not significantly below market value.

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

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

1.11.1 The entity as lessee

At the commencement date for the leasing arrangement a lessee shall recognise a right of use asset and corresponding lease liability. The entity employs a revaluation model for the subsequent measurement of its right of use assets unless cost is considered to be an appropriate proxy for current value in existing use or fair value in line with the accounting policy for owned assets. Where consideration exchanged is identified as below market value, cost is not considered to be an appropriate proxy to value the right of use asset.

Irrecoverable VAT is expensed in the period to which it relates and therefore not included in the measurement of the lease liability and consequently the value of the right of use asset.

The incremental borrowing rate of 0.95% has been applied to the lease liabilities recognised at the date of initial application of IFRS 16.

Where changes in future lease payments result from a change in an index or rate or rent review, the lease liabilities are remeasured using an unchanged discount rate.

Where there is a change in a lease term or an option to purchase the underlying asset [the entity] applies a revised rate to the remaining lease liability.

Where existing leases are modified the LHB must determine whether the arrangement constitutes a separate lease and apply the standard accordingly.

Lease payments are recognised as an expense on a straight-line or another systematic basis over the lease term, where the lease term is in substance 12 months or less, or is elected as a lease containing low value underlying asset by the LHB.

1.11.2 The LHB as lessor (where relevant)

A lessor shall classify each of its leases as an operating or finance lease. A lease is classified as finance lease when the lease substantially transfers all the risks and rewards incidental to ownership of an underlying asset. Where substantially all the risks and rewards are not transferred, a lease is classified as an operating lease.

Amounts due from lessees under finance leases are recorded as receivables at the amount of [the entity]'s net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the entitythe LHB's net investment outstanding in respect of the leases.

Income from operating leases is recognised on a straight-line or another systematic basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Where the LHB is an intermediate lessor, being a lessor and a lessee regarding the same underlying asset, classification of the sublease is required to be made by the intermediate lessor considering the term of the arrangement and the nature of the right of use asset arising from the head lease.

On transition the LHB has reassessed the classification of all of its continuing subleasing arrangements to include peppercorn leases.

1.12. Inventories

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

1.13. Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Statement of Cash Flows (SoCF), cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the cash management.

1.14. Provisions

Provisions are recognised when the NHS Wales organisation has a present legal or constructive obligation as a result of a past event, it is probable that the NHS Wales organisation will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using the discount rate supplied by HM Treasury.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the NHS Wales organisation has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the NHS Wales organisation has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

1.14.1. Clinical negligence and personal injury costs

The Welsh Risk Pool Services (WRPS) operates a risk pooling scheme which is co-funded by the Welsh Government with the option to access a risk sharing agreement funded by the participative NHS Wales bodies. The risk sharing option was implemented in both 2022-23 and 2021-22. The WRP is hosted by Velindre NHS University Trust.

1.14.2. Future Liability Scheme (FLS) - General Medical Practice Indemnity (GMPI)

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

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

GMP Service Providers are not direct members of the GMPI FLS, their qualifying liabilities are the subject of an arrangement between them and their relevant LHB, which is a member of the scheme. The qualifying reimbursements to the LHB are not subject to the £25,000 excess.

1.15. Financial Instruments

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

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

1.16. Financial assets

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

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

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

1.16.1. Financial assets are initially recognised at fair value

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

1.16.2. Financial assets at fair value through SoCNE

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

1.16.3 Held to maturity investments

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

1.16.4. Available for sale financial assets

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

1.16.5. Loans and receivables

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

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

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

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

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

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

1.17. Financial liabilities

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

1.17.1. Financial liabilities are initially recognised at fair value

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

1.17.2. Financial liabilities at fair value through the SoCNE

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

1.17.3. Other financial liabilities

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

1.18. Value Added Tax (VAT)

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

1.19. Foreign currencies

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

1.20. Third party assets

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

1.21. Losses and Special Payments

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

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

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

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

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

1.22. Pooled budget

The NHS Wales organisation has entered into pooled budgets with Local Authorities. Under the arrangements funds are pooled in accordance with section 33 of the NHS (Wales) Act 2006 for specific activities defined in the Pooled budget Note.

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

1.23. Critical Accounting Judgements and key sources of estimation uncertainty

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

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

1.24. Key sources of estimation uncertainty

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

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

Significant estimations are also made for continuing care costs resulting from claims post 1 April 2003. An assessment of likely outcomes, potential liabilities and timings of these claims are made on a case by case basis. Material changes associated with these claims would be adjusted in the period in which they are revised.

Estimates are also made for contracted primary care services. These estimates are based on the latest payment levels. Changes associated with these liabilities are adjusted in the following reporting period.

1.24.1. Provisions

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

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

1.24.2. Probable & Certain Cases – Accounting Treatment

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

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

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

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

The solicitor will estimate the case value including defence fees, using professional judgement and from obtaining counsel advice. Valuations are then discounted for the future loss elements using individual life expectancies and the Government Actuary's Department actuarial tables (Ogden tables) and Personal Injury Discount Rate of minus 0.25%.

Future liabilities for certain & probable cases with a probability of 95%-100% and 50%- 94% respectively are held as a provision on the balance sheet. Cases typically take a number of years to settle, particularly for high value cases where a period of development is necessary to establish the full extent of the injury caused.

1.25 Discount Rates

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

1.26 Private Finance Initiative (PFI) transactions

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The NHS Wales organisation therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

a) Payment for the fair value of services received;

b) Payment for the PFI asset, including finance costs; and

c) Payment for the replacement of components of the asset during the contract ‘lifecycle replacement’.

1.26.1. Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within ‘operating expenses’.

1.26.2. PFI asset

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the NHS Wales organisation’s approach for each relevant class of asset in accordance with the principles of IAS 16.

1.26.2. PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to ‘Finance Costs’ within the SoCNE.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the SoCNE.

1.26.3. Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the NHS Wales organisation's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

1.26.4. Assets contributed by the NHS Wales organisation to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the NHS Wales organisation's SoFP.

1.26.5. Other assets contributed by the NHS Wales organisation to the operator

Assets contributed (e.g. cash payments, surplus property) by the NHS Wales organisation to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the NHS Wales organisation, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured at the present value of the minimum lease payments, discounted using the implicit interest rate. It is subsequently measured as a finance lease liability in accordance with IAS 17.

On initial recognition of the asset, the difference between the fair value of the asset and the initial liability is recognised as deferred income, representing the future service potential to be received by the NHS Wales organisation through the asset being made available to third party users.

1.27. Contingencies

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

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

Where the time value of money is material, contingencies are disclosed at their present value.
Remote contingent liabilities are those that are disclosed under Parliamentary reporting requirements and not under IAS 37 and, where practical, an estimate of their financial effect is required.

1.28. Absorption accounting

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

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

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

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

IFRS14 Regulatory Deferral Accounts
Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable.

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

1.30. Accounting standards issued that have been adopted early

During 2022-23 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 NHS Wales organisation has established that as it is the corporate trustee of the 'Powys Teaching Local Health Board Charitable Fund and other related charities', it is considered for accounting standards compliance to have control of the the 'Powys Teaching Local Health Board Charitable Fund and other related charities'as a subsidiary and therefore is required to consolidate the results of the the 'Powys Teaching Local Health Board Charitable Fund and other related charities' within the statutory accounts of the NHS Wales organisation.

The determination of control is an accounting standard test of control and there has been no change to the operation of the the 'Powys Teaching Local Health Board Charitable Fund and other related charities' or its independence in its management of charitable funds.

However, the NHS Wales organisation has with the agreement of the Welsh Government adopted the IAS 27 (10) exemption to consolidate. Welsh Government as the ultimate parent of the Local Health Boards will disclose the Charitable Accounts of Local Health Boards in the Welsh Government Consolidated Accounts. Details of the transactions with the charity are included in the related parties' notes.

2. Financial Duties Performance

The National Health Service Finance (Wales) Act 2014 came into effect from 1 April 2014. The Act amended the financial duties of Local Health Boards under section 175 of the National Health Service (Wales) Act 2006. From 1 April 2014 section 175 of the National Health Service (Wales) Act places two financial duties on Local Health Boards:

- A duty under section 175 (1) to secure that its expenditure does not exceed the aggregate of the funding allotted to it over a period of 3 financial years
- A duty under section 175 (2A) to prepare a plan in accordance with planning directions issued by the Welsh Ministers, to secure compliance with the duty under section 175 (1) while improving the health of the people for whom it is responsible, and the provision of health care to such people, and for that plan to be submitted to and approved by the Welsh Ministers.

The first assessment of performance against the 3 year statutory duty under section 175 (1) was at the end of 2016-17, being the first 3 year period of assessment.

Welsh Health Circular WHC/2016/054 "Statutory and Financial Duties of Local Health Boards and NHS Trusts" clarifies the statutory financial duties of NHS Wales bodies effective from 2016-17.

2.1 Revenue Resource Performance

	Annual financial performance			
	2020-21	2021-22	2022-23	**Total**
	£000	£000	£000	**£000**
Net operating costs for the year	356,471	383,021	395,697	**1,135,189**
Less general ophthalmic services expenditure and other non-cash limited expenditure	1,851	1,355	1,609	**4,815**
Less unfunded revenue consequences of bringing PFI schemes onto SoFP	0	0	0	**0**
Less unfunded revenue consequences of bringing RoU Leases onto SoFP	0	0	0	**0**
Total operating expenses	358,322	384,376	397,306	**1,140,004**
Revenue Resource Allocation	358,465	384,456	390,304	**1,133,225**
Under /(over) spend against Allocation	143	80	(7,002)	**(6,779)**

Powys Teaching Health Board has not met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2020-21 to 2022-23.

The health board did not receive strategic cash support in 2022-23.

2.2 Capital Resource Performance

	2020-21	2021-22	2022-23	**Total**
	£000	£000	£000	**£000**
Gross capital expenditure	6,366	15,926	13,211	**35,503**
Add: Losses on disposal of donated assets	0	0	0	**0**
Less NBV of property, plant and equipment and intangible assets disposed	0	0	0	**0**
Less capital grants received	0	0	0	**0**
Less donations received	(13)	0	(527)	**(540)**
Less IFRS16 Peppercorn income	0	0	0	**0**
Less initial **recognition** of RoU Asset Dilapidations	0	0	0	**0**
Add: recognition of RoU Assets Dilapidations **on crystallisation**	0	0	0	**0**
Charge against Capital Resource Allocation	6,353	15,926	12,684	**34,963**
Capital Resource Allocation	6,380	15,993	12,752	**35,125**
(Over) / Underspend against Capital Resource Allocation	27	67	68	**162**

Powys Teaching Health Board has met its financial duty to break-even against its Capital Resource Limit over the 3 years 2020-21 to 2022-23.

2.3 Duty to prepare a 3 year integrated plan

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

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

The Powys Teaching Health Board submitted a 2022-2025 Integrated Medium Term Plan in accordance with the planning framework

The Minister for Health and Social Services extant approval

Status	**Approved**
Date	July 2022

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

.

2.4 Creditor payment

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

	2022-23	2021-22
Total number of non-NHS bills paid	**50,476**	47,474
Total number of non-NHS bills paid within target	**44,751**	41,546
Percentage of non-NHS bills paid within target	88.7%	87.5%

The LHB has not met the target.

3. Analysis of gross operating costs

3.1 Expenditure on Primary Healthcare Services

	Cash limited £000	Non-cash limited £000	2022-23 Total £000	2021-22 Total £000
General Medical Services	40,791		40,791	39,418
Pharmaceutical Services	5,028	(2,529)	2,499	2,621
General Dental Services	8,806		8,806	8,214
General Ophthalmic Services	0	920	920	1,078
Other Primary Health Care expenditure	941		941	1,509
Prescribed drugs and appliances	21,003		21,003	19,549
Total	**76,569**	**(1,609)**	**74,960**	72,389

1. General Medical Services includes £0.527M (£0.636M 2021/22) of staff related costs in respect of a Health Board managed GP Practice. 2. The negative non cash limited balance on Pharmaceutical services relate to prescriptions for Powys residents being dispensed in non Powys pharmacies. The effect of this is a net outflow for Powys LHB.

3.2 Expenditure on healthcare from other providers

	2022-23 £000	2021-22 £000
Goods and services from other NHS Wales Health Boards	**44,679**	44,598
Goods and services from other NHS Wales Trusts	**1,905**	3,592
Goods and services from Welsh Special Health Authorities	**1,051**	277
Goods and services from other non Welsh NHS bodies	**69,733**	67,874
Goods and services from WHSSC / EASC	**50,202**	44,608
Local Authorities	**4,045**	6,564
Voluntary organisations	**2,111**	2,152
NHS Funded Nursing Care	**2,131**	2,149
Continuing Care	**23,667**	20,837
Private providers	**745**	513
Specific projects funded by the Welsh Government	**0**	0
Other	**1,272**	1,338
Total	201,541	194,502

The 7 Health Boards in Wales have established the Welsh Health Specialised Services Committee (WHSSC) which, through the operational management of Cwm Taf Morgannwg University Health Board, secures the provision of highly specialised healthcare for the whole of Wales. These arrangements include funding of services operated through a risk sharing arrangement. The LHB payment for the WHSSC/EASC commissioning arrangements for the year ended 31st March 2023 is £50.203M (2021/22: £44.608M).

The increase in goods and services from other non Welsh NHS bodies results from increased costs for contracts with English NHS providers. The most significant increases are Wye Valley NHS Trust £3.840M in comparison to 2021/22 expenditure. Wolverhampton NHS Foundation Trust also increased by £0.506M in comparison to 2021/22 expenditure.

The decrease in Local Authorities expenditure during 2022/23 is in relation to payments made to jointly deliver the county effort for the Test, Trace and Protect service for Covid 19 of £1.924M (21/22 £4.457M) funded by Welsh Government as per Note 34.2.

The increase in Continuing Health Care expenditure during 2022/23 has resulted from an increase in the number of cases and cost per case compared to 2021/22.

Other Expenditure includes Integrated Care Fund expenditure of £5.084M (2021/22: £4.147M) which aims to drive and enable integrated and collaborative working between social services, health, housing, the third and independent sectors to support underpinning principles of integration and prevention.

Other Expenditure also includes a negative balance which relates to the write back of liabilities from the Statement of Financial Position that have been assessed as no longer payable, which relate to previous years. The 2022/23 value of write backs is more than 2021/22.

3.3 Expenditure on Hospital and Community Health Services

	2022-23	2021-22
	£000	£000
Directors' costs	1,665	1,560
Operational Staff costs	108,361	100,718
Single lead employer Staff Trainee Cost	0	0
Collaborative Bank Staff Cost	0	0
Supplies and services - clinical	6,089	5,663
Supplies and services - general	1,407	1,409
Consultancy Services	557	505
Establishment	2,247	1,986
Transport	1,031	1,107
Premises	8,308	8,982
External Contractors	0	0
Depreciation	4,216	4,361
Depreciation (Right of Use assets RoU)	654	
Amortisation	0	0
Fixed asset impairments and reversals (Property, plant & equipment)	1,339	(41)
Fixed asset impairments and reversals (RoU Assets)	0	
Fixed asset impairments and reversals (Intangible assets)	0	0
Impairments & reversals of financial assets	0	0
Impairments & reversals of non-current assets held for sale	0	0
Audit fees	300	272
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	206	189
Research and Development	0	0
Expense related to short-term leases	0	
Expense related to low-value asset leases (excluding short-term leases)	0	
Other operating expenses	(1,091)	5,323
Total	**135,289**	132,034

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

	2022-23	2021-22
Increase/(decrease) in provision for future payments:	£000	£000
Clinical negligence;		
Secondary care	(3,363)	1,938
Primary care	19	13
Redress Secondary Care	102	2
Redress Primary Care	0	0
Personal injury	136	695
All other losses and special payments	1	38
Defence legal fees and other administrative costs	75	71
Gross increase/(decrease) in provision for future payments	(3,030)	2,757
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	266	67
Less: income received/due from Welsh Risk Pool	2,970	(2,635)
Total	**206**	189

	2022-23	2021-22
	£	£
Permanent injury included within personal injury £:	(146,835)	(36,697)

The main increases in staff costs relates to £1,400 Pay rise and 1.5% Non Consolidated payment for NHS staff during 2022/23 and the effect of the increase in employer pensions costs payable by 6.3% during the year of £4.254M in comparison to 2021/22 (£4.064M). Full details of the impact of these additional pension costs is provided in detail at note 34.1.

Staff costs also includes an accrual of £1.382M for a consolidated pay increase of 1.5% announced by Welsh Government backdated for 22/23 which will be paid to employees during 2023/24.

Clinical Redress expenditure including defence fees during the year was £0.108M in respect of 31 cases (2021-22 £0.007M in respect of 28 cases). This relates to the movement on provision for claims currently in progress. These are expected to be fully reimbursed by the Welsh Risk Pool should payments be made in respect of the claims. This provision is included within Note 20 of the accounts.

The Movement on Clinical Negligence, Personal Injury and Defence fees links to Note 20 of the accounts and includes the arising in year amounts on these lines offset by the reversed unused amounts of the opening provision.

Increase on line Supplies & Services - Clinical relates mainly to the accounting required for items purchased in respect of the THB renewals programme which aims to implement service provision and improvements to patient treatments post pandemic.

The decrease on line Premises mainly relates to the decrease of costs for providing mass vaccination facilities and decreased digital related spend in comparison to 2021/22.

The decrease in other operating expenses includes a decrease of provision relating to Ex Health Authority early retirement provision of £0.000M (£1.743M 2021/22). The decrease also includes £0.825M decrease in expenditure in comparison to 2021/22 linked to Covid, Increase in dental recharge to General Dental Contract of £1.451M (2021/22: £0.546M) and a negative balance which relates to the write back of liabilities from the Statement of Financial Position that have been assessed as no longer payable, which relate to previous years.

4. Miscellaneous Income

	2022-23	2021-22
	£000	£000
Local Health Boards	2,371	2,027
Welsh Health Specialised Services Committee (WHSSC)/Emergency Ambulance Services Committee (EASC)	51	51
NHS Wales trusts	89	67
Welsh Special Health Authorities	485	0
Foundation Trusts	0	0
Other NHS England bodies	426	312
Other NHS Bodies	0	0
Local authorities	0	0
Welsh Government	3,739	4,797
Welsh Government Hosted bodies	0	0
Non NHS:		
Prescription charge income	0	0
Dental fee income	1,065	996
Private patient income	0	0
Overseas patients (non-reciprocal)	0	0
Injury Costs Recovery (ICR) Scheme	33	68
Other income from activities	1,841	1,790
Patient transport services	18	34
Education, training and research	710	2,554
Charitable and other contributions to expenditure	0	0
Receipt of NWSSP Covid centrally purchased assets	0	0
Receipt of Covid centrally purchased assets from other organisations	0	0
Receipt of donated assets	527	0
Receipt of Government granted assets	0	0
Right of Use Grant (Peppercorn Lease)	0	
Non-patient care income generation schemes	0	0
NHS Wales Shared Services Partnership (NWSSP)	0	0
Deferred income released to revenue	1,997	743
Right of Use Asset Sub-leasing rental income	0	
Contingent rental income from finance leases	0	0
Rental income from operating leases	64	71
Other income:		
Provision of laundry, pathology, payroll services	0	0
Accommodation and catering charges	111	101
Mortuary fees	19	16
Staff payments for use of cars	0	0
Business Unit	0	0
Scheme Pays Reimbursement Notional	110	47
Other	2,438	2,151
Total	**16,094**	15,825

Welsh Government miscellaneous income includes funding received on behalf of the hosted function of Health and Care Research Wales within the LHB. This has decreased to £2.657M from an amount of £4.145M received in 21/22.

The decrease in education, training and research income mainly relates to research income received by the LHB hosted function of Health and Care Research Wales of £0.648M (2021/22 £2.591).

Dental fee income has increased in comparison to 2022/23 due to the an increase of volumes of patients treated via the General Dental Services contract in comparison to 2021/22.

The Receipt of Donated Assets of £0.527M relates to contributions from Charitable Organisations to capital schemes. This is further detailed in Note 11.

5. Investment Revenue

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

6. Other gains and losses

	2022-23	2021-22
	£000	£000
Gain/(loss) on disposal of property, plant and equipment	0	19
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of assets held for sale	0	0
Gain/(loss) on disposal of financial assets	0	0
Change on foreign exchange	0	0
Change in fair value of financial assets at fair value through SoCNE	0	0
Change in fair value of financial liabilities at fair value through SoCNE	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0
Total	**0**	19

7. Finance costs

	2022-23	2021-22
	£000	£000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	0	0
Interest on obligations under Right of Use Leases	14	
Interest on obligations under PFI contracts;		
main finance cost	0	0
contingent finance cost	0	0
Interest on late payment of commercial debt	0	0
Other interest expense	0	0
Total interest expense	**14**	0
Provisions unwinding of discount	(13)	(60)
Other finance costs	0	0
Total	**1**	(60)

8. Future change to SoCNE/Operating Leases

LHB as lessee

As at 31st March 2023 the LHB had 66 operating leases agreements.

Payments recognised as an expense	Post Implementation of IFRS 16		Pre implementation of IFRS 16
	Low Value & Short Term	Other	
	2022-23	2022-23	2021-22
	£000	£000	£000
Minimum lease payments	0	305	1,035
Contingent rents	0	0	0
Sub-lease payments	0	0	0
Total	0	305	1,035

Total future minimum lease payments			
Payable	£000	£000	£000
Not later than one year	0	62	786
Between one and five years	0	18	650
After 5 years	0	0	149
Total	0	80	1,585

As a result of the implementation of IFRS 16 the current year operating lease figures relate to low value and short term leases only. Previously reported Expenditure £542k and Minimum lease Payments £1,029k transitioned to the balance sheet as right of use assets.

LHB as lessor

	Post Implementation of IFRS 16	Pre implementation of IFRS 16
Rental revenue	£000	£000
Rent	48	51
Contingent rents	0	0
Total revenue rental	48	51

Total future minimum lease payments		
Receivable	£000	£000
Not later than one year	48	48
Between one and five years	39	43
After 5 years	39	48
Total	126	139

9. Employee benefits and staff numbers

9.1 Employee costs

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2021-22
	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	79,020	632	10,776	0	0	0	90,428	84,438
Social security costs	7,295	0	0	0	0	0	7,295	6,760
Employer contributions to NHS Pension Scheme	13,964	0	0	0	0	0	13,964	13,340
Other pension costs	0	0	0	0	0	0	0	0
Other employment benefits	0	0	0	0	0	0	0	0
Termination benefits	0	0	0	0	0	0	0	0
Total	100,279	632	10,776	0	0	0	111,687	104,538

	Total	2021-22
Charged to capital	497	483
Charged to revenue	111,190	104,055
	111,687	104,538
Net movement in accrued employee benefits (untaken staff leave)	0	863
Covid 19 - Net movement in accrued employee benefits (untaken staff leave)		863
Non Covid 19 - Net movement in accrued employee benefits (untaken staff leave		0

Please detail other staff .

9.2 Average number of employees

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2021-22
	Number	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	675	6	2	0	0	0	683	652
Medical and dental	30	0	11	0	0	0	41	47
Nursing, midwifery registered	554	1	35	0	0	0	590	597
Professional, Scientific, and technical staff	78	0	10	0	0	0	88	82
Additional Clinical Services	397	0	25	0	0	0	422	402
Allied Health Professions	136	0	7	0	0	0	143	142
Healthcare Scientists	6	0	0	0	0	0	6	5
Estates and Ancilliary	174	0	0	0	0	0	174	176
Students	0	0	0	0	0	0	0	0
Total	2,050	7	90	0	0	0	2,147	2,103

9.3. Retirements due to ill-health

	2022-23	2021-22
Number	5	3
Estimated additional pension costs £	477,190	48,847

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

9.4 Employee benefits

The LHB does not have an employee benefit scheme.

9.5 Reporting of other compensation schemes - exit packages

Exit packages cost band (including any special payment element)	2022-23 Number of compulsory redundancies	2022-23 Number of other departures	2022-23 Total number of exit packages	2022-23 Number of departures where special payments have been made	2021-22 Total number of exit packages
	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only
less than £10,000	0	0	0	0	1
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	0	0	0	0
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	0	0	0	1

Exit packages cost band (including any special payment element)	2022-23 Cost of compulsory redundancies	2022-23 Cost of other departures	2022-23 Total cost of exit packages	2022-23 Cost of special element included in exit packages	2021-22 Total cost of exit packages
	£	£	£	£	£
less than £10,000	0	0	0	0	6,000
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	0	0	0	0
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	0	0	0	6,000

Exit costs paid in year of departure	Total paid in year 2022-23	Total paid in year 2021-22
	£	£
Exit costs paid in year	0	6,000
Total	0	6,000

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

There have been no exit packages in 2022/23

9.6 Fair Pay disclosures

9.6.1 Remuneration Relationship

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

	2022-23	2022-23	2022-23	2021-22	2021-22	2021-22
	£000	£000	£000	£000	£000	£000
Total pay and benefits	Chief Executive	Employee	Ratio	Chief Executive	Employee	Ratio
25th percentile pay ratio	177	25	7.1:1	177	22	8.0:1
Median pay	177	33	5.4:1	177	32	5.5:1
75th percentile pay ratio	177	43	4.1:1	177	41	4.3:1
Salary component of total pay and benefits						
25th percentile pay ratio	177	25		177	22	
Median pay	177	33		177	32	
75th percentile pay ratio	177	43		177	41	
Total pay and benefits	Highest Paid Director	Employee	Ratio	Highest Paid Director	Employee	Ratio
25th percentile pay ratio	177	25	7.1:1	177	22	8.0:1
Median pay	177	33	5.4:1	177	32	5.5:1
75th percentile pay ratio	177	43	4.1:1	177	41	4.3:1
Salary component of total pay and benefits						
25th percentile pay ratio	177	25		177	22	
Median pay	177	33		177	32	
75th percentile pay ratio	177	43		177	41	

In 2022-23, 2 (2021-22, 2) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £20,758 to £217,294 (2021-22, £18,576 to £188,839).

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

Financial year summary

9.6.2 Percentage Changes	**2021-22 to 2022-23**	2020-21 to 2021-22
% Change from previous financial year in respect of Chief Executive	**%**	**%**
Salary and allowances	2	3
Performance pay and bonuses	0	0
% Change from previous financial year in respect of highest paid director		
Salary and allowances	2	3
Performance pay and bonuses	0	0
Average % Change from previous financial year in respect of employees takes as a whole		
Salary and allowances	5	5
Performance pay and bonuses	0	0

9.7 Pension costs

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

c) National Employment Savings Trust (NEST)

NEST is a workplace pension scheme, which was set up by legislation and is treated as a trust-based scheme. The Trustee responsible for running the scheme is NEST Corporation. It's a non-departmental public body (NDPB) that operates at arm's length from government and is accountable to Parliament through the Department for Work and Pensions (DWP).

NEST Corporation has agreed a loan with the Department for Work and Pensions (DWP). This has paid for the scheme to be set up and will cover expected shortfalls in scheme costs during the earlier years while membership is growing.

NEST Corporation aims for the scheme to become self-financing while providing consistently low charges to members.

Using qualifying earnings to calculate contributions, currently the legal minimum level of contributions is 8% of a jobholder's qualifying earnings, for employers whose legal duties have started. The employer must pay at least 3% of this.

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £6,240 and £50,270 for the 2022-2023 tax year (2021-2022 £6,240 and £50,000).

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

10. Public Sector Payment Policy - Measure of Compliance

10.1 Prompt payment code - measure of compliance

The Welsh Government requires that Health Boards pay all their trade creditors in accordance with the CBI prompt payment code and Government Accounting rules. The Welsh Government has set as part of the Health Board financial targets a requirement to pay 95% of the number of non-NHS creditors within 30 days of delivery.

	2022-23	2022-23	2021-22	2021-22
NHS	**Number**	**£000**	Number	£000
Total bills paid	1,524	24,182	1,684	164,059
Total bills paid within target	1,015	16,398	1,153	154,222
Percentage of bills paid within target	**66.6%**	**67.8%**	68.5%	94.0%
Non-NHS				
Total bills paid	50,476	123,821	47,474	105,864
Total bills paid within target	44,751	118,997	41,546	101,902
Percentage of bills paid within target	**88.7%**	**96.1%**	87.5%	96.3%
Total				
Total bills paid	**52,000**	**148,003**	49,158	269,923
Total bills paid within target	**45,766**	**135,395**	42,699	256,124
Percentage of bills paid within target	**88.0%**	**91.5%**	86.9%	94.9%

The LHB performance at 88.2% has not met the administrative target of payment 95% of the number of non-nhs creditors paid within 30 days nor did it in 2021/22

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

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

11.1 Property, plant and equipment

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost at 31 March bf	14,377	71,032	722	12,665	8,538	424	7,493	0	115,251
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Prepayments	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
Cost or valuation at 1 April 2022	**14,377**	**71,032**	**722**	**12,665**	**8,538**	**424**	**7,493**	**0**	**115,251**
Indexation	(403)	2,469	49	0	0	0	0	0	2,115
Additions									
- purchased	0	2,643	100	8,642	494	0	743	0	12,622
- donated	0	527	0	0	0	0	0	0	527
- government granted	0	0	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	2,763	299	(3,062)	0	0	0	0	0
Revaluations	(545)	(10,609)	308	0	0	0	0	0	(10,846)
Reversal of impairments	0	1,213	0	0	0	0	0	0	1,213
Impairments	(386)	(2,166)	0	0	0	0	0	0	(2,552)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(507)	0	(2,042)	0	(2,549)
At 31 March 2023	**13,043**	**67,872**	**1,478**	**18,245**	**8,525**	**424**	**6,194**	**0**	**115,781**
Depreciation at 31 March bf	0	11,104	132	0	5,905	284	4,495	0	21,920
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
Depreciation at 1 April 2022	**0**	**11,104**	**132**	**0**	**5,905**	**284**	**4,495**	**0**	**21,920**
Indexation	0	14	0	0	0	0	0	0	14
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	(10,872)	(133)	0	0	0	0	0	(11,005)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(507)	0	(2,042)	0	(2,549)
Provided during the year	0	2,479	53	0	788	61	835	0	4,216
At 31 March 2023	**0**	**2,725**	**52**	**0**	**6,186**	**345**	**3,288**	**0**	**12,596**
Net book value at 1 April 2022	**14,377**	**59,928**	**590**	**12,665**	**2,633**	**140**	**2,998**	**0**	**93,331**
Net book value at 31 March 2023	**13,043**	**65,147**	**1,426**	**18,245**	**2,339**	**79**	**2,906**	**0**	**103,185**
Net book value at 31 March 2023 comprises :									
Purchased	13,043	61,952	1,426	18,245	2,302	79	2,906	0	99,953
Donated	0	3,195	0	0	37	0	0	0	3,232
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2023	**13,043**	**65,147**	**1,426**	**18,245**	**2,339**	**79**	**2,906**	**0**	**103,185**
Asset financing :									
Owned	13,043	65,147	1,426	18,245	2,339	79	2,906	0	103,185
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2023	**13,043**	**65,147**	**1,426**	**18,245**	**2,339**	**79**	**2,906**	**0**	**103,185**

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

	£000
Freehold	79,616
Long Leasehold	0
Short Leasehold	0
	79,616

Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account.	0

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards. LHB s are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

11.1 Property, plant and equipment

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 April 2021	14,026	64,084	689	4,745	7,408	424	5,663	0	97,039
Indexation	283	2,454	33	0	0	0	0	0	2,770
Additions									
- purchased	68	3,162	0	9,452	1,414	0	1,830	0	15,926
- donated	0	0	0	0	0	0	0	0	0
- government granted	0	0	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	1,532	0	(1,532)	0	0	0	0	0
Revaluations	0	(241)	0	0	0	0	0	0	(241)
Reversal of impairments	0	568	0	0	0	0	0	0	568
Impairments	0	(527)	0	0	0	0	0	0	(527)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(284)	0	0	0	(284)
At 31 March 2022	14,377	71,032	722	12,665	8,538	424	7,493	0	115,251
Depreciation at 1 April 2021	0	9,025	98	0	5,441	223	3,858	0	18,645
Indexation	0	426	5	0	0	0	0	0	431
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	(1,233)	0	0	0	0	0	0	(1,233)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(284)	0	0	0	(284)
Provided during the year	0	2,886	29	0	748	61	637	0	4,361
At 31 March 2022	0	11,104	132	0	5,905	284	4,495	0	21,920
Net book value at 1 April 2021	14,026	55,059	591	4,745	1,967	201	1,805	0	78,394
Net book value at 31 March 2022	14,377	59,928	590	12,665	2,633	140	2,998	0	93,331
Net book value at 31 March 2022 comprises :									
Purchased	14,377	57,126	590	12,665	2,557	140	2,998	0	90,453
Donated	0	2,802	0	0	76	0	0	0	2,878
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2022	14,377	59,928	590	12,665	2,633	140	2,998	0	93,331
Asset financing :									
Owned	14,377	59,928	590	12,665	2,633	140	2,998	0	93,331
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2022	14,377	59,928	590	12,665	2,633	140	2,998	0	93,331

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

	£000
Freehold	74,895
Long Leasehold	0
Short Leasehold	0
	74,895

Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account. 0

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation h as been prepared in accordance with the terms of the Royal Institute of Chartered Surveyors Valuation Standards, 6th Edition . LHB s are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms lengt h transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

11. Property, plant and equipment (continued)

Disclosures:

i) Donated Assets
Powys LHB has received the following donated assets during the year. £0.250M from the Iris and Jack Lloyd Memorial Fund £0.150M from the Moondance Foundation and £0.100M from Brecon Hospital League of Friends towards the creation of additional car parking facilities at Brecon War Memorial Hospital. An amount of £0.027M has been recived from Welshpool Hospital League for Friends for the creation of a canopy at the entrance of Victoria War Memorial Hospital.

ii) Valuations
The LHBs land and Buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards.

The LHB 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.

There has also been a valuation of the Car Parking scheme at Brecon War Memorial Hospital upon it being brought into use during the year.

iii) Asset Lives
Depreciated as follows:
- Land is not depreciated.
- Buildings as determined by the Valuation Office Agency.
- Equipment 5-15 years.

iv) Compensation
There has not been no compensation received from third parties for assets impaired, lost or given up, that is included in the income statement.

v) Write Downs
There have not been write downs.

vi) The LHB 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 not assets held for sale or sold in the period.

11. Property, plant and equipment

11.2 Non-current assets held for sale

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

11.3 Right of Use Assets

The organisation's right of use asset leases are disclosed across the relevant headings below. Most are individually insignificant, however, one is significant in its own right:

Glan Irfon lease held under Land and Buildings - NBV at 31 March 2023 £0.488m

2022-23	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 31 March	0	0	0	0	0	0	0	0	**0**
Lease prepayments in relation to RoU Assets	0	0	0	0	0	0	0	0	**0**
Transfer of Finance Leases from PPE Note	0	0	0	0	0	0	0	0	**0**
Operating Leases Transitioning	0	1,796	0	0	466	0	0	0	**2,262**
Cost or valuation at 1 April	**0**	**1,796**	**0**	**0**	**466**	**0**	**0**	**0**	**2,262**
Additions	0	0	0	0	62	0	0	0	**62**
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Revaluations	0	0	0	0	0	0	0	0	**0**
Reversal of impairments	0	0	0	0	0	0	0	0	**0**
Impairments	0	0	0	0	0	0	0	0	**0**
De-recognition	0	0	0	0	0	0	0	0	**0**
At 31 March	**0**	**1,796**	**0**	**0**	**528**	**0**	**0**	**0**	**2,324**
Depreciation at 31 March	0	0	0	0	0	0	0	0	**0**
Transfer of Finance Leases from PPE Note	0	0	0	0	0	0	0	0	**0**
Operating Leases Transitioning	0	0	0	0	0	0	0	0	**0**
Depreciation at 1 April	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Recognition	0	0	0	0	0	0	0	0	**0**
Transfers from/into other NHS bodies	0	0	0	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Revaluations	0	0	0	0	0	0	0	0	**0**
Reversal of impairments	0	0	0	0	0	0	0	0	**0**
Impairments	0	0	0	0	0	0	0	0	**0**
De-recognition	0	0	0	0	0	0	0	0	**0**
Provided during the year	0	418	0	0	236	0	0	0	**654**
At 31 March	**0**	**418**	**0**	**0**	**236**	**0**	**0**	**0**	**654**
Net book value at 1 April	**0**	**1,796**	**0**	**0**	**466**	**0**	**0**	**0**	**2,262**
Net book value at 31 March	**0**	**1,378**	**0**	**0**	**292**	**0**	**0**	**0**	**1,670**

RoU Asset Total Value Split by Lessor Lessor	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
NHS Wales Peppercorn Leases	0	0	0	0	0	0	0	0	**0**
NHS Wales Market Value Leases	0	0	0	0	0	0	0	0	**0**
Other Public Sector Peppercorn Leases	0	488	0	0	0	0	0	0	**488**
Other Public Sector Market Value Leases	0	286	0	0	0	0	0	0	**286**
Private Sector Peppercorn Leases	0	75	0	0	0	0	0	0	**75**
Private Sector Market Value Leases	0	529	0	0	292	0	0	0	**821**
Total	0	1,378	0	0	292	0	0	0	**1,670**

11.3 Right of Use Assets continued

Quantitative disclosures

Maturity analysis

Contractual undiscounted cash flows relating to lease liabilities	£000
Less than 1 year	603
2-5 years	508
> 5 years	0
Total	**1111**

Lease Liabilities (net of irrecoverable VAT)	£000
Current	603
Non-Current	508
Total	**1111**

Amounts Recognised in Statement of Comprehensive Net Expenditure	£000
Depreciation	654
Impairment	0
Variable lease payments not included in lease liabilities - Interest expense	0
Sub-leasing income	0
Expense related to short-term leases	0
Expense related to low-value asset leases (excluding short-term leases)	0

Amounts Recognised in Statement of Cashflows (net of irrecoverable VAT)	£000
Interest expense	14
Repayments of principal on leases	0
Total	**14**

The LHB leases land, buildings and equipment where required to deliver core services.

Where an extension option exists within a lease, the LHB has assessed on an individual contract basis and reflected any extension period within the reported liabilities where it is reasonably certain that the option will be exercised.

12. Intangible non-current assets
2022-23

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

12. Intangible non-current assets
2021-22

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

Additional Disclosures re Intangible Assets

The LHB does not hold any Intangible Assets

13 . Impairments

	2022-23 Property, plant & equipment £000	2022-23 Right of Use Assets £000	2022-23 Intangible assets £000	2021-22 Property, plant & equipment £000	2021-22 Right of Use Assets £000	2021-22 Intangible assets £000
Impairments arising from :						
Loss or damage from normal operations	0	0	0	0		0
Abandonment in the course of construction	0	0	0	0		0
Over specification of assets (Gold Plating)	0	0	0	0		0
Loss as a result of a catastrophe	0	0	0	0		0
Unforeseen obsolescence	0	0	0	0		0
Changes in market price	0	0	0	0		0
Others (specify)	2,552	0	0	527		0
Reversal of Impairments	(1,213)	0	0	(568)		0
Total of all impairments	1,339	0	0	(41)		0

Analysis of impairments charged to reserves in year :

	2022-23 Property, plant & equipment £000	2022-23 Right of Use Assets £000	2022-23 Intangible assets £000	2021-22 Property, plant & equipment £000	2021-22 Right of Use Assets £000	2021-22 Intangible assets £000
Charged to the Statement of Comprehensive Net Expenditure	1,339	0	0	(41)		0
Charged to Revaluation Reserve	0	0	0	0		0
Total	1,339	0	0	(41)		0

There is a reversal of impairment of £0.751M which has occurred as a result of an increase arising on revaluations due to the quinquenniel revaluation exercise and £0.464M for indexation applied during the year that reversed an impairment for the same assets previously recognised as impairments in expenditure. In these cases it is credited to expenditure to the extent of the decrease previously charged there

Within the healthcare segment of the LHB, there are two downward impairments in year totalling £1.011M charged to the statement of Comprehensive Net Expenditure. This includes the downward valuation of £1.011M Land and building assets for which there was insufficient revaluation reserve accumulated at the quinquenniel valuation date . There has also been an impairment of £1.541M as a result of the initial valuation for the bringing into use the enhanced access arrangements and car parking at Brecon War Memorial Hospital
Impairment funding to cover adjustments required is provided to the LHB by Welsh Government on an annual basis.

14.1 Inventories

	31 March 2023 £000	31 March 2022 £000
Drugs	105	99
Consumables	30	24
Energy	4	2
Work in progress	0	0
Other	8	18
Total	**147**	143
Of which held at realisable value	0	0

14.2 Inventories recognised in expenses

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

15. Trade and other Receivables

Current	**31 March 2023 £000**	31 March 2022 £000
Welsh Government	**148**	6,860
WHSSC / EASC	**58**	539
Welsh Health Boards	**605**	365
Welsh NHS Trusts	**742**	612
Welsh Special Health Authorities	**178**	255
Non - Welsh Trusts	**430**	241
Other NHS	**0**	0
2019-20 Scheme Pays - Welsh Government Reimbursement	**136**	47
Welsh Risk Pool Claim reimbursement		
NHS Wales Secondary Health Sector	**12,752**	1,131
NHS Wales Primary Sector FLS Reimbursement	**51**	24
NHS Wales Redress	**185**	131
Other	**0**	0
Local Authorities	**838**	825
Capital debtors - Tangible	**34**	7
Capital debtors - Intangible	**0**	0
Other debtors	**1,944**	976
Provision for irrecoverable debts	**(650)**	(383)
Pension Prepayments NHS Pensions	**0**	0
Pension Prepayments NEST	**0**	0
Other prepayments	**683**	329
Other accrued income	**0**	0
Sub total	**18,134**	11,959
Non-current		
Welsh Government	**0**	0
WHSSC / EASC	**0**	0
Welsh Health Boards	**0**	0
Welsh NHS Trusts	**0**	0
Welsh Special Health Authorities	**0**	0
Non - Welsh Trusts	**0**	0
Other NHS	**0**	0
2019-20 Scheme Pays - Welsh Government Reimbursement	**0**	0
Welsh Risk Pool Claim reimbursement;		
NHS Wales Secondary Health Sector	**0**	16,085
NHS Wales Primary Sector FLS Reimbursement	**20**	0
NHS Wales Redress	**0**	0
Other	**0**	0
Local Authorities	**0**	0
Capital debtors - Tangible	**0**	0
Capital debtors - Intangible	**0**	0
Other debtors	**0**	0
Provision for irrecoverable debts	**0**	0
Pension Prepayments NHS Pensions	**0**	0
Pension Prepayments NEST	**0**	0
Other prepayments	**0**	0
Other accrued income	**0**	0
Sub total	**20**	16,085
Total	**18,154**	28,044

15. Trade and other Receivables (continued)

Receivables past their due date but not impaired

	31 March 2023 £000	31 March 2022 £000
By up to three months	269	128
By three to six months	129	81
By more than six months	209	364
	607	573

Expected Credit Losses (ECL) / Provision for impairment of receivables

	31 March 2023 £000	31 March 2022 £000
Balance at 1 April	(383)	(316)
Transfer to other NHS Wales body	0	0
Amount written off during the year	0	0
Amount recovered during the year	58	67
(Increase) / decrease in receivables impaired	(325)	(134)
Bad debts recovered during year	0	0
Balance at 31 March	(650)	(383)

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

Receivables VAT

	31 March 2023 £000	31 March 2022 £000
Trade receivables	0	0
Other	0	0
Total	0	0

16. Other Financial Assets

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

17. Cash and cash equivalents

	2022-23 £000	2021-22 £000
Balance at 1 April	**2,658**	2,627
Net change in cash and cash equivalent balances	**(1,390)**	31
Balance at 31 March	**1,268**	2,658
Made up of:		
Cash held at GBS	**1,168**	2,453
Commercial banks	**98**	202
Cash in hand	**2**	3
Cash and cash equivalents as in Statement of Financial Position	**1,268**	2,658
Bank overdraft - GBS	**0**	0
Bank overdraft - Commercial banks	**0**	0
Cash and cash equivalents as in Statement of Cash Flows	**1,268**	2,658

18. Trade and other payables

Current	31 March 2023 £000	31 March 2022 £000
Welsh Government	1	0
WHSSC / EASC	192	389
Welsh Health Boards	5,089	2,649
Welsh NHS Trusts	469	772
Welsh Special Health Authorities	532	96
Other NHS	4,184	2,115
Taxation and social security payable / refunds	1,044	108
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	0	0
NI contributions payable to HMRC	1,225	1
Non-NHS payables - Revenue	6,787	3,803
Local Authorities	2,716	5,145
Capital payables- Tangible	3,829	4,720
Capital payables- Intangible	0	0
Overdraft	0	0
Rentals due under operating leases	0	0
RoU Lease Liability	603	
Obligations under finance leases, HP contracts		0
Imputed finance lease element of on SoFP PFI contracts	0	0
Pensions: staff	1,395	7,826
Non NHS Accruals	21,296	29,635
Deferred Income:		
Deferred Income brought forward	1,997	743
Deferred Income Additions	483	1,997
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	(1,997)	(743)
Other creditors	0	0
PFI assets –deferred credits	0	0
Payments on account	0	0
Sub Total	**49,845**	59,256
Non-current		
Welsh Government	0	0
WHSSC / EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Welsh Special Health Authorities	0	0
Other NHS	0	0
Taxation and social security payable / refunds	0	0
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	0	0
NI contributions payable to HMRC	0	0
Non-NHS payables - Revenue	0	0
Local Authorities	0	0
Capital payables- Tangible	0	0
Capital payables- Intangible	0	0
Overdraft	0	0
Rentals due under operating leases	0	0
RoU Lease Liability	508	
Obligations under finance leases, HP contracts		0
Imputed finance lease element of on SoFP PFI contracts	0	0
Pensions: staff	0	0
Non NHS Accruals	0	0
Deferred Income :		
Deferred Income brought forward	0	0
Deferred Income Additions	0	0
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	0	0
Other creditors	0	0
PFI assets –deferred credits	0	0
Payments on account	0	0
Sub Total	**508**	0
Total	**50,353**	59,256

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

The implementation of IFRS 16 on 1st April 2023 has created a requirement for accounting for leases that were previously disclosed as operating leases being reclassified as Right of Use Assets and brought onto Balance Sheet. This has created a requirement for Lease Liability to reflect the payments of the leases in future years. Please see note 11.3 for further details

RoU Lease Liability Transitioning & Transferring	£000
RoU liability as at 31 March 2022	0
Transfer of Finance Leases from PPE Note	0
Operating Leases Transitioning	2,262
RoU Lease liability as at 1 April 2022	2,262

18. Trade and other payables (continued).

Amounts falling due more than one year are expected to be settled as follows:	31 March 2023 £000	31 March 2022 £000
Between one and two years	0	0
Between two and five years	0	0
In five years or more	0	0
Sub-total	0	0

19. Other financial liabilities

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

20. Provisions

	At 1 April 2022	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2023
Current	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Clinical negligence:-									
Secondary care	123	0	(403)	16,019	34	(501)	(3,397)	0	11,875
Primary care	0	0	0	0	19	(11)	0	0	8
Redress Secondary care	78	0	(14)	0	147	(13)	(45)	0	153
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	996	0	0	83	490	(1,122)	(207)	(13)	227
All other losses and special payments	0	0	0	0	1	(1)	0	0	0
Defence legal fees and other administration	65	0	0	96	77	(90)	(38)		110
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	39		2,473	0	95	0	0		2,607
Total	1,301	0	2,056	16,198	863	(1,738)	(3,687)	(13)	14,980
Non Current									
Clinical negligence:-									
Secondary care	16,019	0	0	(16,019)	0	0	0	0	0
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	921	0	0	(83)	0	0	(147)	0	691
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	98	0	0	(96)	36	(2)	0		36
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	47			0	109	(21)	0	0	135
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
Total	17,085	0	0	(16,198)	145	(23)	(147)	0	862
TOTAL									
Clinical negligence:-									
Secondary care	16,142	0	(403)	0	34	(501)	(3,397)	0	11,875
Primary care	0	0	0	0	19	(11)	0	0	8
Redress Secondary care	78	0	(14)	0	147	(13)	(45)	0	153
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	1,917	0	0	0	490	(1,122)	(354)	(13)	918
All other losses and special payments	0	0	0	0	1	(1)	0	0	0
Defence legal fees and other administration	163	0	0	0	113	(92)	(38)		146
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	47			0	109	(21)	0	0	135
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	39		2,473	0	95	0	0		2,607
Total	18,386	0	2,056	0	1,008	(1,761)	(3,834)	(13)	15,842

Expected timing of cash flows:

	In year to 31 March 2024	Between 1 April 2024 31 March 2028	Thereafter	Total £000
Clinical negligence:-				
Secondary care	11,875	0	0	11,875
Primary care	8	0	0	8
Redress Secondary care	153	0	0	153
Redress Primary care	0	0	0	0
Personal injury	227	266	425	918
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	110	36	0	146
Pensions relating to former directors	0	0	0	0
Pensions relating to other staff	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0	135	0	135
Restructuring	0	0	0	0
RoU Asset Dilapidations CAME	0	0	0	0
Other Capital Provisions	0	0	0	0
Other	2,607	0	0	2,607
Total	14,980	437	425	15,842

The LHB estimates that in 2023/24 it will receive £12.233M and in 2024-25 and beyond £0.020M from the Welsh Risk Pool in respect of Losses and Special Payments.

£11.924M (2021/22: £15.297M) of the provision total relates to the probable liabilities of former Health Authorities in respect of Medical Negligence and Personal Injury claims for incidents which occurred before the establishment of NHS Trusts (Pre 1996 and Pre 1992 depending on the Trust)

Contingent Liabilities are directly linked to these claims in Note 21.

Included within 'other' at 31st March 2023 is £2.473M relating to a liability that met the definition of a provision but had previously been recognised as a trade payable. The transfer of provision to creditors column has been used for this classification correction during 2022-23

Also included within 'other' at 31st March 2023 is £0.134M relating to retrospective continuing health care claims (2021/22 £0.039M).

Included within the Redress Secondary Care line and Defence Legal Fees and Other Administration is a provision for expected payments in respect of redress arrangements under National Health Service (Concerns, Complaints and Redress Arrangements) (Wales) Regulations 2011. The amount of Provision in relation to this at 31st March 202 is £0.155M including defence costs (2021/22: £0.078M) and all payments are expected to be fully reimbursed from the Welsh Risk Pool.

20. Provisions (continued)

	At 1 April 2021	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2022
Current	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Clinical negligence:-									
Secondary care	107	0	0	0	168	(72)	(80)	0	**123**
Primary care	0	0	0	0	13	(13)	0	0	**0**
Redress Secondary care	116	0	0	0	47	(40)	(45)	0	**78**
Redress Primary care	0	0	0	0	0	0	0	0	**0**
Personal injury	2,296	0	0	150	867	(2,196)	(111)	(10)	**996**
All other losses and special payments	0	0	0	0	38	(38)	0	0	**0**
Defence legal fees and other administration	126	0	0	9	86	(122)	(34)		**65**
Pensions relating to former directors	0			0	0	0	0	0	**0**
Pensions relating to other staff	627			0	0	(627)	0	0	**0**
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	**0**
Restructuring	0			0	0	0	0	0	**0**
Other	64		0	0	20	(34)	(11)		**39**
Total	**3,336**	**0**	**0**	**159**	**1,239**	**(3,142)**	**(281)**	**(10)**	**1,301**
Non Current									
Clinical negligence:-									
Secondary care	14,259	0	0	0	1,850	(90)	0	0	**16,019**
Primary care	0	0	0	0	0	0	0	0	**0**
Redress Secondary care	0	0	0	0	0	0	0	0	**0**
Redress Primary care	0	0	0	0	0	0	0	0	**0**
Personal injury	1,132	0	0	(150)	0	0	(61)	0	**921**
All other losses and special payments	0	0	0	0	0	0	0	0	**0**
Defence legal fees and other administration	90	0	0	(9)	37	(2)	(18)		**98**
Pensions relating to former directors	0			0	0	0	0	0	**0**
Pensions relating to other staff	4,593			0	1,885	(6,289)	(140)	(49)	**0**
2019-20 Scheme Pays - Reimbursement	0			0	47	0	0	0	**47**
Restructuring	0			0	0	0	0	0	**0**
Other	0		0	0	0	0	0		**0**
Total	**20,074**	**0**	**0**	**(159)**	**3,819**	**(6,381)**	**(219)**	**(49)**	**17,085**
TOTAL									
Clinical negligence:-									
Secondary care	14,366	0	0	0	2,018	(162)	(80)	0	**16,142**
Primary care	0	0	0	0	13	(13)	0	0	**0**
Redress Secondary care	116	0	0	0	47	(40)	(45)	0	**78**
Redress Primary care	0	0	0	0	0	0	0	0	**0**
Personal injury	3,428	0	0	0	867	(2,196)	(172)	(10)	**1,917**
All other losses and special payments	0	0	0	0	38	(38)	0	0	**0**
Defence legal fees and other administration	216	0	0	0	123	(124)	(52)		**163**
Pensions relating to former directors	0			0	0	0	0	0	**0**
Pensions relating to other staff	5,220			0	1,885	(6,916)	(140)	(49)	**0**
2019-20 Scheme Pays - Reimbursement	0			0	47	0	0	0	**47**
Restructuring	0			0	0	0	0	0	**0**
Other	64		0	0	20	(34)	(11)		**39**
Total	**23,410**	**0**	**0**	**0**	**5,058**	**(9,523)**	**(500)**	**(59)**	**18,386**

21. Contingencies

21.1 Contingent liabilities

Provisions have not been made in these accounts for the following amounts :	**2022-23 £'000**	2021-22 £'000
Legal claims for alleged medical or employer negligence:-		
Secondary care	**11,457**	1,059
Primary care	**1,628**	252
Redress Secondary care	**0**	0
Redress Primary care	**0**	0
Doubtful debts	**0**	0
Equal Pay costs	**0**	0
Defence costs	**0**	0
Continuing Health Care costs	**0**	0
Other	**0**	0
Total value of disputed claims	**13,085**	1,311
Amounts (recovered) in the event of claims being successful	**(12,791)**	(884)
Net contingent liability	**294**	427

Legal Claims for alleged medical or employer negligence: £0.221M of the £11.457M relates solely to the former Health Authorities in respect of Medical Negligence and Personal Injury claims for incidents which occurred before the establishment of NHS Trusts (Pre 1996 and Pre 1992 depending on the Trust). £11.236M of the £11.457M relates to Powys LHB cases. Legal advice has established that these claims are not likely to result in payments. In the unlikely event that amounts are payable, all payments over a threshold of £0.025M will be reimbursed to Powys LHB by the Welsh Risk Pool for Powys LHB cases and reimbursed in full for former Health Authority and Primary Care cases.

21.2 Remote Contingent liabilities

	2022-23 £000	2021-22 £000
Guarantees	0	0
Indemnities	0	0
Letters of Comfort	0	0
Total	**0**	**0**

21.3 Contingent assets

	2022-23 £000	2021-22 £000
Please give details	0	0
	0	0
	0	0
Total	**0**	0

22. Capital commitments

Contracted capital commitments at 31 March

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

	2022-23 £000	2021-22 £000
Property, plant and equipment	536	8,283
Right of Use Assets	0	
Intangible assets	0	0
Total	**536**	8,283

23. Losses and special payments

Losses and special payments are charged to the Statement of Comprehensive Net Expenditure in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore, this note is prepared on a cash basis.

Gross loss to the Exchequer

Number of cases and associated amounts paid out during the financial year

	Amounts paid out during period to 31 March 2023	
	Number	**£**
Clinical negligence	55	568,253
Personal injury	63	1,100,722
All other losses and special payments	2	584
Total	120	1,669,559

Analysis of cases in excess of £300,000

	Case Type	In year claims in excess of £300,000		Cumulative claims in excess of £300,000	
		Number	**£**	**Number**	**£**
Cases in excess of £300,000:					
	CN	MN/030/0623/GAK	332,514	MN/030/0623/GAK	716,642
	CN	MN/030/1441/OF	484,365	MN/030/1441/OF	551,603
	PI			PI/030/1252/HS	346,045
	PI			PI/030/1377/AH	589,917
	PI			PI/030/1467/AH	300,482
Sub-total		**0**	**816,879**	**0**	**2,504,689**
All other cases		0	852,680	0	358,745
Total cases		**0**	**1,669,559**	**0**	**2,863,434**

24. Right of Use / Finance leases obligations

24.1 Obligations (as lessee)

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

24.1 Right of Use / Finance leases obligations

Buildings	**Post Implementation of IFRS 16 (RoU)**	Pre implementation of IFRS 16 (FL)
	31 March 2023	31 March 2022
Minimum lease payments	**£000**	£000
Within one year	**389**	0
Between one and five years	**481**	0
After five years	**0**	0
Less finance charges allocated to future periods	**(14)**	0
Minimum lease payments	**856**	0
Included in:		
Current borrowings	**382**	0
Non-current borrowings	**474**	0
	856	0
Present value of minimum lease payments		
Within one year	**382**	0
Between one and five years	**474**	0
After five years	**0**	0
Present value of minimum lease payments	**856**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0

Other- Non property	**Post Implementation of IFRS 16 (RoU)**	Pre implementation of IFRS 16 (FL)
	31 March 2023	31 March 2022
Minimum lease payments	**£000**	£000
Within one year	**221**	0
Between one and five years	**35**	0
After five years	**0**	0
Less finance charges allocated to future periods	**(1)**	0
Minimum lease payments	**255**	0
Included in:		
Current borrowings	**221**	0
Non-current borrowings	**34**	0
	255	0
Present value of minimum lease payments		
Within one year	**221**	0
Between one and five years	**34**	0
After five years	**0**	0
Present value of minimum lease payments	**255**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0

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

The Local Health Board has no finance leases receivable as a lessor.

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

25. Private Finance Initiative contracts

25.1 PFI schemes off-Statement of Financial Position

The LHB has no PFI Schemes off-statement of financial position.

Commitments under off-SoFP PFI contracts	**Off-SoFP PFI contracts**	Off-SoFP PFI contracts
	31 March 2023	31 March 2022
	£000	£000
Total payments due within one year	**0**	0
Total payments due between 1 and 5 years	**0**	0
Total payments due thereafter	**0**	0
Total future payments in relation to PFI contracts	**0**	0
Total estimated capital value of off-SoFP PFI contracts	**0**	0

25.2 PFI schemes on-Statement of Financial Position

Capital value of scheme included in Fixed Assets Note 11	**£000**
	0
Contract start date:	
Contract end date:	

The LHB has no Private Finance Initiatives in operation

Total obligations for on-Statement of Financial Position PFI contracts due:

	On SoFP PFI Capital element 31 March 2023	**On SoFP PFI Imputed interest 31 March 2023**	**On SoFP PFI Service charges 31 March 2023**
	£000	**£000**	**£000**
Total payments due within one year	**0**	**0**	**0**
Total payments due between 1 and 5 years	**0**	**0**	**0**
Total payments due thereafter	**0**	**0**	**0**
Total future payments in relation to PFI contracts	**0**	**0**	**0**

	On SoFP PFI Capital element 31 March 2022	On SoFP PFI Imputed interest 31 March 2022	On SoFP PFI Service charges 31 March 2022
	£000	£000	£000
Total payments due within one year	0	0	0
Total payments due between 1 and 5 years	0	0	0
Total payments due thereafter	0	0	0
Total future payments in relation to PFI contracts	0	0	0

	31/03/2023
	£000
Total present value of obligations for on-SoFP PFI contracts	**0**

25.3 Charges to expenditure

	2022-23	2021-22
	£000	£000
Service charges for On Statement of Financial Position PFI contracts (excl interest costs)	0	0
Total expense for Off Statement of Financial Position PFI contracts	0	0
The total charged in the year to expenditure in respect of PFI contracts	0	0

The LHB is committed to the following annual charges

PFI scheme expiry date:	£000	£000
Not later than one year	0	0
Later than one year, not later than five years	0	0
Later than five years	0	0
Total	0	0

The estimated annual payments in future years will vary from those which the LHB is committed to make during the next year by the impact of movement in the Retail Prices Index.

25.4 Number of PFI contracts

	Number of on SoFP PFI contracts	Number of off SoFP PFI contracts
Number of PFI contracts	0	0
Number of PFI contracts which individually have a total commitment > £500m	0	0

PFI Contract	On / Off-statement of financial position
Number of PFI contracts which individually have a total commitment > £500m	0

PFI Contract	On/off

25.5 The LHB has no Public Private Partnerships

26. Financial risk management

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

Currency risk

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

Interest rate risk

LHBs are not permitted to borrow. The LHB therefore has low exposure to interest rate fluctuations.

Credit risk

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

Liquidity risk

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

27. Movements in working capital

	2022-23	2021-22
	£000	£000
(Increase)/decrease in inventories	(4)	16
(Increase)/decrease in trade and other receivables - non-current	16,065	(1,682)
(Increase)/decrease in trade and other receivables - current	(6,175)	220
Increase/(decrease) in trade and other payables - non-current	508	0
Increase/(decrease) in trade and other payables - current	(9,411)	13,425
Total	983	11,979
Adjustment for accrual movements in fixed assets - creditors	891	(2,224)
Adjustment for accrual movements in fixed assets - debtors	(27)	0
Other adjustments	(1,680)	0
	167	9,755

28. Other cash flow adjustments

	2022-23	2021-22
	£000	£000
Depreciation	4,870	4,361
Amortisation	0	0
(Gains)/Loss on Disposal	0	(19)
Impairments and reversals	1,339	(41)
Release of PFI deferred credits	0	0
NWSSP Covid assets issued debited to expenditure but non-cash	0	0
Covid assets received credited to revenue but non-cash	0	0
Donated assets received credited to revenue but non-cash	0	0
Government Grant assets received credited to revenue but non-cash	0	0
Right of Use Grant (Peppercorn Lease) credited to revenue but non cash	0	
Non-cash movements in provisions	(783)	4,499
Other movements	4,275	4,064
Total	9,701	12,864

29. Events after the Reporting Period

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on 25th July 2023; the date the financial statements were certified by the Auditor General for Wales was 27th July 2023..

NHS Wales Recovery payment 2022-23

NHS Wales bodies were notified in a pay circular letter issued on 25th May 2023 by the Welsh Government, of the additional pay arrangements for employees covered by the Agenda for Change terms and conditions in Wales for 2022-23, which will be funded by the Welsh Government.

NHS Wales bodies will make a one off non-consolidated, prorated “recovery payment” for staff employed on the Agenda for Change terms and conditions (this includes most NHS staff including nursing staff but excludes medical staff).

These costs have not been recognised in the 2022-23 financial statements because the obligating event was the publication of the offer agreed with the Minister on 20 April 2023 and therefore post 31st March 2023. The costs will be accounted for in the 2023-24 Annual Accounts of NHS Wales bodies.

The estimated cost is £2.183M.

30. Related Party Transactions

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

Related Party	Board Member Interests	Expenditure to related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Welsh Government		7	403,399	1	148
Aneurin Bevan University Health Board		14,754	323	1,827	121
Betsi Cadwaladr University Health Board		4,322	549	626	101
Cardiff & Vale University Health Board		2,405	53	655	28
Cwm Taf Morgannwg University Health Board		5,307	168	134	162
Hywel Dda University Local Health Board		10,049	227	859	22
Public Health Wales NHS Trust		449	1,310	58	191
Swansea Bay University Health Board		10,315	1,481	988	171
Velindre University NHS Trust (inc. WRP)		3,334	1,275	399	1,300
Welsh Ambulance Services Trust		21	45	12	18
Welsh Health Specialised Services Committee (WHSSC)	Ian Phillips Chair of Welsh Renal Clinical Network (Sub-Committee of WHSSC)	50,202	104	192	58
Health Education and Improvement Wales (HEIW)		0	1,048	0	151
Digital Health & Care Wales (DHCW)		1,746	524	532	27
Powys County Council	Councillor Chris Walsh & Councillor Matthew Dorrance Councillors, Powys County Council	15,481	2,313	2,716	838
NHS Confederation	Professor Vivienne Harpwood Chair of the Welsh NHS Confederation & Independent Member and Trustee of the Central NHS Confederation	36	0	0	0
Neath Port Talbot College Group	Rhobert Lewis Chair of Governers, Corporation Board of Neath Port Talbot College Group	0	3	0	0
Powys Association of Voluntary Organisations	Carl Cooper Recently retired as CEO of Powys Association of Voluntary Organisations	1,293	0	409	0
Freedom Leisure	Jennifer Owen Adams Close relative is senior manager for Freedom Leisure with strategic responsibility for Powys.	11	0	6	0
		119,732	**412,822**	**9,414**	**3,336**

Powys LHB has hosted the following functions on behalf of NHS Wales on which it receives income from the Welsh Government and other LHB's:
- Residual Clinical Negligence
- Community Health Councils
- Health and Care Research Wales (HCRW)

Powys LHB also has material transactions with English NHS Trusts with whom it commissions healthcare including:
- Shrewsbury and Telford NHS Trust
- Wye Valley NHS Trust
- The Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust

Powys LHB has also received items donated from the Powys LHB Charitable Fund, for which the Board is the Corporate Trustee.

31. Third Party assets

The LHB held £160 cash at bank and in hand at 31 March 2023 (31st March 2022, £200) which relates to monies held by the LHB on behalf of patients. This has been excluded from the Cash and Cash equivalents figure reported in the accounts.

None of this cash was held in Patients' Investment Accounts in either 2022-23 or 2021-22.

32. Pooled budgets

A Funded Nursing Care

Powys Teaching Health Board and Powys County Council have entered into a partnership agreement in accordance with Section 33 of the Health Act 1999. The health related function which is subject to these arrangements is the provision of care by a registered nurse in care homes, which is a service provided by the NHS Body under section 2 of the National Health Service Act 1977. In accordance with the Social Care Act 2001 Section 49 care from a registered nurse is funded by the NHS regardless of the setting in which it is delivered. (Circular 12/2003)
The agreement will not affect the liability of the parties for the exercise of their respective statutory functions and obligations. The partnership agreement operates in accordance with the Welsh Government Guidance NHS Funded Nursing Care 2004.

	Funding	Expenditure	Total
	£	£	£
Gross Funding			
Powys Teaching Health Board	*2,108,424*		*2,108,424*
Total Funding	*2,108,424*		*2,108,424*
Expenditure			
Monies spent in accordance with			
Pooled budget arrangement		2,130,956	2,130,956
Total Expenditure		*2,130,956*	*2,130,956*
Net under/(over) spend			*(22,532)*

The above memorandum account is subject to the audit of the Pooled Budget statements of Powys County Council (the Host).

B Provision of Community Equipment

Powys Teaching Health Board and Powys County Council have entered into a partnership agreement in respect of lead commissioning from a pooled fund for the provision of community equipment in accordance with Section 33 of the National Health Services Act 2006. Powys County Council is the host partner for the purposes of the Regulations. The purpose of the agreement is to facilitate the provision of a community equipment service and the development of this service in Powys. The service is provided from a pooled fund and is within the THB's and the Council's powers.

	Funding	Expenditure	Total
	£	£	£
Gross Funding			
Powys County Council	*675,000*		*675,000*
Powys Teaching Health Board	*675,000*		*675,000*
Total Funding	*1,350,000*		*1,350,000*
Expenditure			
Monies spent in accordance with			
Pooled budget arrangement		*1,350,000*	*1,350,000*
Total Expenditure			*1,350,000*
Net under/(over) spend			*0*

The above memorandum account is subject to the audit of the Pooled Budget statements of Powys County Council (the Host).

C Provision of Section 33 Joint Agreement for the provision of IT Services

Powys Teaching Health Board and Powys County Council have entered into a partnership agreement in accordance with Section 33 of the National Health Services Act 2006.
The agreement will not affect the liability of the parties for the exercise of their respective statutory functions and obligations.
Powys County Council is the lead commissioner and the host partner for the purposes of the regulations.
The purpose of the agreement is to facilitate the provision of ICT services within Powys.

	Funding	Net Expenditure	Total
			£
Gross Funding	£	£	
Powys County Council	*1,411,720*		*1,411,720*
Powys Teaching Health Board	*839,630*		*839,630*
Total Funding	*2,251,350*		*2,251,350*
Net Expenditure			
Monies spent in accordance with Pooled budget arrangement			
Expenditure		*2,639,132*	*2,639,132*
Income		(465,329)	*(465,329)*
Total Expenditure			*2,173,803*
Net under/(over) spend			*77,547*

The above memorandum account is subject to the audit of the Pooled Budget statements of Powys County Council (the Host).

32. Pooled budgets (Continued)

D Provision of Section 33 Joint Agreement for the provision of a Reablement Service

Powys Teaching Health Board and Powys County Council have entered into a partnership agreement in respect of lead commissioning from a pooled fund for the provision of an effective and sustainable joint reablement service which meets the needs of the Powys communities in accordance with Section 33 of the National Health Services Act 2006. Powys County Council is the host partner for the purposes of the Regulations. This service is provided from a pooled fund and is within the THB's and the Council's powers.

	Funding	Expenditure	Total
	£	£	£
Gross Funding			
Powys County Council	*413,380*		*413,380*
Powys Teaching Health Board	*828,000*		*828,000*
Total Funding	*1,241,380*		*1,241,380*
Expenditure			
Monies spent in accordance with		*1,273,398*	1,273,398
Pooled budget arrangement			
Total Expenditure		*1,273,398*	*1,273,398*
Net under/(over) spend			*(32,018)*

The above memorandum account is subject to the audit of the Pooled Budget statements of Powys County Council (the Host).

E Provision of Section 33 Joint Agreement for the provision of Tier 2/3 Psycho-social Treatment Services

Powys Teaching Health Board and Powys County Council have entered into a partnership agreement in accordance with Section 33 of the National Health Services Act 2006. Powys County Council is the lead commissioner and the host partner for the purposes of the Regulations.
The agreement will not affect the liability of the parties from the exercise of their respective statutory functions and obligations.
The purpose of the agreement is to provide a Tier 2 and 3 service provision for drug and alcohol users and their concerned others.

	Funding	Expenditure	Total
	£	£	£
Gross Funding			
Powys County Council	*672,808*		*672,808*
Powys Teaching Health Board	*121,864*		*121,864*
Total Funding	*794,672*		*794,672*
Expenditure			
Monies spent in accordance with			
Joint Arrangement		794,672	794,672
Total Expenditure		*794,672*	*794,672*
Net under/(over) spend			*0*

The above memorandum account is subject to the audit of the Pooled Budget statements of Powys County Council (the Host).

F Provision of Section 33 Joint Agreement for the provision of Personal Care at Glan Irfon Integrated Health and Social Care Unit, Builth Wells

Powys Teaching Health Board and Powys County Council have entered into a partnership agreement to enable the use of resources relating to the Inpatient Services at the Glan Irfon Health and Social Centre, Builth Wells.
This agreement will not affect the liability of the parties from the exercise of their respective statutory functions and obligations.

Powys County Council is the lead commissioner and the host partner for the purposes of the Regulations.

The purpose of the agreement is to facilitate the provision of person centred care at Glan Irfon, for 12 residents within the short stay shared care reablement unit with in-reach clinical, nursing and reablement support (registered under CSSIW for Residential Care).

	Funding	Expenditure	Total
	£	£	£
Gross Funding			
Powys County Council	*269,627*		*269,627*
Powys Teaching Health Board	*269,627*		*269,627*
Total Funding	*539,254*		*539,254*
Expenditure			
Monies spent in accordance with			
Pooled budget arrangement		546,762	546,762
Total Expenditure		*546,762*	*546,762*
Net under/(over) spend			*(7,508)*

The above memorandum account is subject to the audit of the Pooled Budget statements of Powys County Council (the Host).

33. Operating segments

IFRS 8 requires bodies to report information about each of its operating segments. On 1st April 2023, the hosted function of Community Health Councils ceased and has been replaced by a new organisation Citizens Voice Body/Llais. There will be a transfer during 23/24 for any assets and liabilities held in respec of this function at the balance sheet date

2022/23

	Note	Total Total Powys "Health" £'000	Total Residual Clinical Negligence £'000	Total Community Health Councils £'000	Total Health and Care Research Wales (HCRW) £'000	Consolidation Adjustments £'000	Total £'000
Expenditure on Primary Healthcare Services	3.1	74,960	0	0	0	0	74,960
Expenditure on healthcare from other providers	3.2	200,680	0	0	861	0	201,541
Expenditure on Hospital and Community Health Services	3.3	125,720	25	4,760	4,859	(75)	135,289
		401,360	**25**	**4,760**	**5,720**	**(75)**	**411,790**
Less: Miscellaneous Income	4	10,867	0	0	5,302	(75)	16,094
THB net operating costs before interest and other gains and losses		**390,493**	**25**	**4,760**	**418**	**0**	**395,696**
Investment Income	5	0	0	0	0	0	0
Other (Gains) / Losses	6	0	0	0	0	0	0
Finance costs	7	3	0	(2)	0	0	1
THB Net Operating Costs		**390,496**	**25**	**4,758**	**418**	**0**	**395,697**
Add Non Discretionary Expenditure	3.1	1,609	0	0	0	0	1,609
Revenue Resource Limit	2.1	385,103	25	4,758	418	0	390,304
Under / (over) spend against Revenue Resource Limit		**(7,002)**	**0**	**0**	**0**	**0**	**(7,002)**

2021/22

	Note	Total Total Powys "Health" £'000	Total Residual Clinical Negligence £'000	Total Community Health Councils £'000	Total Health and Care Research Wales (HCRW) £'000	Consolidation Adjustments £'000	Total £'000
Expenditure on Primary Healthcare Services	3.1	72,389	0	0	0	0	72,389
Expenditure on healthcare from other providers	3.2	191,784	0	0	2,718	0	194,502
Expenditure on Hospital and Community Health Services	3.3	122,592	25	4,562	4,855	(75)	131,959
		386,765	**25**	**4,562**	**7,573**	**(75)**	**398,850**
Less: Miscellaneous Income	4	8,461	0	0	7,364	(75)	15,750
THB net operating costs before interest and other gains and losses		**378,304**	**25**	**4,562**	**209**	**0**	**383,100**
Investment Income	5	0	0	0	0	0	0
Other (Gains) / Losses	6	(19)	0	0	0	0	(19)
Finance costs	7	(61)	0	1	0	0	(60)
THB Net Operating Costs		**378,224**	**25**	**4,563**	**209**	**0**	**383,021**
Add Non Discretionary Expenditure	3.1	1,355	0	0	0	0	1,355
Revenue Resource Limit	2.1	379,659	25	4,563	209	0	384,456
Under / (over) spend against Revenue Resource Limit		**80**	**0**	**0**	**0**	**0**	**80**

34. Other Information

34.1. 6.3% Staff Employer Pension Contributions - Notional Element

The value of notional transactions is based on estimated costs for the twelve month period 1 April 2022 to 31 March 2023. This has been calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions between April 2022 and February 2023 alongside Health Board/Trust/SHA data for March 2023.

Transactions include notional expenditure in relation to the 6.3% paid to NHS BSA by Welsh Government and notional funding to cover that expenditure as follows:

	2022-23
Statement of Comprehensive Net Expenditure for the year ended 31 March 2023	**£000**
Expenditure on Primary Healthcare Services	**76**
Expenditure on Hospital and Community Health Services	**4,178**
Statement of Changes in Taxpayers' Equity For the year ended 31 March 2023	
Net operating cost for the year	**4,254**
Notional Welsh Government Funding	**4,254**
Statement of Cash Flows for year ended 31 March 2023	
Net operating cost for the financial year	**4,254**
Other cash flow adjustments	**4,254**
2.1 Revenue Resource Performance	
Revenue Resource Allocation	**4,254**
3. Analysis of gross operating costs	
3.1 Expenditure on Primary Healthcare Services	
General Medical Services	**0**
General Dental Services	**46**
Other Primary Healthcare Expenditure	**30**
Prescribed Drugs and Appliance	**0**
3.3 Expenditure on Hospital and Community Health Services	
Directors' costs	**66**
Staff costs	**4,112**
9.1 Employee costs	
Permanent Staff	
Employer contributions to NHS Pension Scheme	**4,254**
Charged to capital	**19**
Charged to revenue	**4,235**
18. Trade and other payables	
Current	
Pensions: staff	**0**
28. Other cash flow adjustments	
Other movements	**4,254**

34. Other Information

34.2 Welsh Government Covid 19 Funding

Details of Covid 19 Pandemic Welsh Government funding amounts provided to NHS Wales bodies:

	2022-23 £000	2021-22 £000
Capital		
Capital Funding Field Hospitals		0
Capital Funding Equipment & Works		1612
Capital Funding other (Specify)		0
Welsh Government Covid 19 Capital Funding	**0**	**1,612**

	2022-23 £000	2021-22 £000
Revenue		
Stability Funding	5,747	13,984
Covid Recovery	0	7,578
Cleaning Standards	0	564
PPE (including All Wales Equipment via NWSSP)	0	321
Testing / TTP- Testing & Sampling - Pay & Non Pay	651	1,123
Tracing / TTP - NHS & LA Tracing - Pay & Non Pay	2,049	5,150
Extended Flu Vaccination / Vaccination - Extended Flu Programme	345	309
Mass Covid-19 Vaccination / Vaccination - COVID-19	3,552	8,385
Annual Leave Accrual - Increase due to Covid		0
Urgent & Emergency Care		399
Private Providers Adult Care / Support for Adult Social Care Providers		1,470
Hospices		0
Other Mental Health / Mental Health		1,642
Other Primary Care	0	0
Social Care		0
Other	931	0
Welsh Government Covid 19 Revenue Funding	**13,275**	**40,925**

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

LOCAL HEALTH BOARDS

1. Welsh Ministers direct that an account shall be prepared for the financial year ended 31 March 2011 and subsequent financial years in respect of the Local Health Boards (LHB)1, in the form specified in paragraphs [2] to [7] below.

BASIS OF PREPARATION

2. The account of the LHB shall comply with:

(a) the accounting guidance of the Government Financial Reporting Manual (FReM), which is in force for the financial year in which the accounts are being prepared, and has been applied by the Welsh Government and detailed in the NHS Wales LHB Manual for Accounts;

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

FORM AND CONTENT

3. The account of the LHB for the year ended 31 March 2011 and subsequent years shall comprise a statement of comprehensive net expenditure, a statement of financial position, a statement of cash flows and a statement of changes in taxpayers' equity as long as these statements are required by the FReM and applied by the Welsh Assembly Government, including such notes as are necessary to ensure a proper understanding of the accounts.

4. For the financial year ended 31 March 2011 and subsequent years, the account of the LHB shall give a true and fair view of the state of affairs as at the end of the financial year and the operating costs, changes in taxpayers' equity and cash flows during the year.

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

MISCELLANEOUS

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

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

Signed by the authority of Welsh Ministers

Signed : Chris Hurst Dated :

1. Please see regulation 3 of the 2009 No.1559 (W.154); NATIONAL HEALTH SERVICE, WALES; The Local Health Boards (Transfer of Staff, Property, Rights and Liabilities) (Wales) Order 2009.