

## Wales Centre for Health Annual Report and Accounts 2008-09

1. Chair's introduction	2
2. Overview	4
3. Key achievements:	
i. Make information about matters related to the protection and improvement of health in Wales available to the public	5
ii. Support the training and development of the public health workforce	6
iii. Enhance the link between public health research, policy and practice	8
iv. Support the development and dissemination of the evidence base in public health	10
v. Making connections and enhancing links between Wales and the rest of the world on global health issues	11
4. Governance arrangements	13
5. WCfH financial summary:	
i. Remuneration report	16
ii. Statement of the WCfH and Chief Executive's responsibilities	19
iii. Statement on internal control	20
iv. The certificate and report of the Auditor General for Wales to the National Assembly for Wales	23
6. Financial Statements	
i. Operating cost statement	26
ii. Balance sheet	27
iii. Cashflow statement	28
7. Notes to the Financial Statements	29

## 1. Chair's Introduction

It is very likely that this will be the last time the Wales Centre for Health reports on its activities and successes for a complete calendar year. So I approach this Introduction with mixed feelings: one of regret at the passing of the Wales Centre for Health which has punched well above its size in the field of public health in a few short years of its existence; yet overcome by a sense of exhilaration at what the future holds for us. The unified public health organisation to be known as Public Health Wales will come into being during the coming year, bringing together the Wales Centre for Health, the National Public Health Service, Welsh Cancer Intelligence and Surveillance Unit, Congenital Anomaly Register and Information Service, and Screening Services Wales. The fusion of these organisations in a new National Health Trust will create a unique organisation drawing on the legacies, expertise and successes of the constituent elements to form a new entity with a renewed spirit of commitment, corporate identity and vibrancy to achieve the desired step change in improving the health of the people in Wales.

The Wales Centre for Health has worked hard throughout the last year in contributing to the development of Public Health Wales. I have witnessed first hand how well we have worked with others in a common cause which bodes well for the future.

This report is full of examples of work where partnerships have been developed between staff from the different organisations being brought together. That work goes well beyond a mere mechanical approach to structuring a new organisation.

I wish to highlight two pieces of work in which I have been involved personally, that demonstrate the added value brought by the Wales Centre for Health in diverse areas.

With the agreement of our Minister for Health and Social Services and the support of senior colleagues in the Welsh Assembly Government, I visited the Ministry of Health in New Zealand to explore further a collaboration between New Zealand and Wales on several health-related matters which are of common interest in the two countries. The ground had been well laid by colleagues during earlier visits to New Zealand. In particular, I was delighted in sharing our experiences of the 1000 Lives Campaign and the development of our Faculty for Healthcare Improvement - signal achievements - which were so well received.

The year also saw completion of the sizeable and demanding review of Health Commission Wales which the Minister asked me to lead. Subsequently the

Minister also asked us to take forward some of the recommendations in the report of that review.

For all our other achievements and the progress we have made in the past year, I offer my great thanks on behalf of the board to our staff for their dedication and hard work. They have, once again, been well led by Dr Cerilan Rogers, our Interim Chief Executive, to achieve our strategic and operational objectives set out in the annual remit letter from the Minister for Health and Social Services.

I am also most grateful to members of the board who have continued to work together well and fully demonstrated their variety of skills, expertise and passion. The Audit Committee has ensured we remain transparent and accountable with robust governance arrangements. In no small measure the members of the board have provided leadership and vision which have greatly assisted the progress of the Wales Centre for Health throughout the year and set the tone for our leap into the future.

So, welcome to our fourth annual report. It demonstrates our commitment to achieving our objectives and working with partners, stakeholders and communities to improve public health in Wales. We shall eagerly take that commitment forward in the exciting new world which opens up to us.

**Professor Mansel Aylward CB MD FFPM FFOM FRCP HonFFPH**  
**Chair of the Wales Centre for Health**

## 2. Overview

The WCfH and its partners have been actively involved in the re-organisation of the NHS in Wales throughout 2008-09. The Centre has consistently demonstrated its commitment to providing the best healthcare possible for the people of Wales by working with the Welsh Assembly Government to build on the organisational form, governance and support arrangements of the new organisation.

The WCfH continued its joint programme of work with the National Public Health Service for Wales (NPHS) through regular Executive Meetings and the first joint NPHS and WCfH staff conference, held in October 2008. Staff from both organisations came together to share innovative practice and research across the organisations and help staff understanding of the public health system by bringing them together from across many parts of the two organisations.

The WCfH has overseen the establishment of the first Public Health Observatory in Wales in March 2009. The Observatory brings together staff from the WCfH and NPHS to increase the health intelligence capacity and provide public health information to those with an interest and influence on health in Wales.

Operationally, the WCfH has demonstrated its commitment to collaborative working by the appointment of a joint Planning and Performance Manager and the unification of the NPHS and WCfH communication teams to ensure staff are kept informed of all developments in the process of re-organisation.

The WCfH has not only worked successfully with partners on national public health projects such as the Stroke Services Improvement Programme and the Profile of Alcohol in Wales, but also on international public health projects such as the 1000 Lives Campaign and Wales for Africa Health Links Group.

In January 2009 it was announced that Professor Jonathon Gray, Director of Healthcare Improvement, had been appointed Cardiff University's, and the UK's only, designated Chair responsible for driving forward research in healthcare improvement. This was a first in healthcare and is a joint collaboration between the WCfH, the School of Medicine and the School of Social Sciences (Cardiff University).

When the WCfH was established in 2005, it had a statutory remit to communicate public health information, commission research and provide training in such matters. Throughout the years the strategic and operational objectives have changed and are expected to grow further to take into account the emerging priorities that the re-organisation of the NHS in Wales will bring.

### 3. Key Achievements

#### i. Make information about matters related to the protection and improvement of health in Wales available to the public

##### Review of Health Commission Wales

In June 2008 Professor Mansel Aylward CB, supported by the WCfH, completed the review of the role and function of Health Commission Wales.

The WCfH continued to provide administrative support to Professor Aylward as he took forward the recommendations in his report, 'Health Commission Wales: A Review'.

The WCfH continued to provide support when Professor Aylward was asked to further advise the Minister for Health and Social Services in September 2008, on which of Health Commission Wales' responsibilities might, in future, be allocated to the new Local Health Boards and the implications of that for the governance of the organisation. The WCfH carried out the subsequent consultation and the work was completed in February 2008.

##### All Wales Mental Health Promotion Network

The All Wales Mental Health Promotion Network, with the support of its Advisory Board chaired by Professor Mansel Aylward CB, has continued its work towards improving the mental health and wellbeing of the population of Wales.

The Network has held quarterly Advisory Board meetings, produced its quarterly 'Mental Health Promotion Wales' newsletter and continued to develop its bilingual website. The Network has attracted a growing number of members and has also organised and hosted its second annual conference entitled 'Adjusting to Life Events and the Impact They Can Have on Mental Health'.

##### Physical Activity and Nutrition Network for Wales

The Physical Activity and Nutrition Networks for Wales continued developing a joint website and producing a quarterly bilingual newsletter, Bitesize.

Between the two networks there are now over 1,600 members with the joint website receiving an average of 9500 visits each month.

The Nutrition Network for Wales, in partnership with the Professional and Organisational Development Team, held a workshop for public health practitioners and facilitated a CPD event "Obesity - is it all in the Mind?". This was an interactive workshop exploring psychological approaches to weight reduction and was heavily oversubscribed with excellent feedback on learning and applications in practice. Due to the high levels of demand for the event, a further workshop was held in May 2009.

### All Wales Sexual Health Network

The links between sexual health and substance misuse was the theme of the fifth All Wales Sexual Health Network national conference in October 2008. The conference explored the impact of drugs and alcohol on sexual decision making and risk taking as experienced by the individual and by public services, including perspectives from the Police, the Health Service and education professionals.

### Evaluation of the networks

The Wales Centre for Health commissioned an evaluation of the networks (All Wales Sexual Health Network, All Wales Mental Health Promotion Network and Physical Activity and Nutrition Networks for Wales) both to measure the effectiveness of the networks to date, and to shape their development in the future. The comprehensive evaluation- completed in March 2009- involved a range of methods including telephone and face to face interviews, surveys, focus groups and desk top research.

The report concluded that the networks have been successful in achieving their stated outputs and there are very high levels of satisfaction, with members being consistently positive about the information provided by the networks.

### Welsh Health Analyst Network

The WCfH continued its role as secretariat to the Welsh Health Analyst Network (WHAN) in 2008-09. The WHAN provides a forum for the health information and intelligence community across Wales to discuss and share knowledge and good practice.

### Stroke

The WCfH continued to lead on the communications aspect of the Stroke Services Improvement Programme to raise awareness of the symptoms of stroke among GPs, hospital staff and the general public, as well as communicating the aims and purpose of the project itself.

A review of research of professional and public attitudes and awareness of stroke and a review of existing information about stroke have been completed. Bilingual promotional material has also been produced in readiness for the public awareness campaign which will be launched in 2009/10.

## **ii. Support the training and development of the public health workforce**

### Workforce Development

The WCfH continued to support the public health workforce through providing continuing professional development events. In 2008-09, these have included

five portfolio development workshops, three workshops in conjunction with the Physical Activity and Nutrition Networks on obesity, and presenting at a number of partner events on portfolio and professional development.

The WCfH has also worked on a number of papers and initiatives including contributing to phase one of the development of a Public Health Foundation Course and the development of a proposal to scope Health Protection Training for professionals working in Wales.

The WCfH awarded 18 Bursaries and continued with its support of the Top Up Support Programme. The WCfH contributed to the Institute of Leadership and Management course for first line managers provided by Velindre NHS Trust by developing and delivering a course on Change in the Workplace

Professionals from a range of disciplines attended a Public Health Practitioner Workforce Development event held in Swansea in November 2008 to review progress and work to date and set the vision for the future.

The Public Health Exchange (PHEX), an electronic communications system from the WCfH to Higher Education Institutions across Wales on developments within public health, was established by the WCfH. Higher Education Institutes use this system as a means of communicating with each other as well as with the WCfH as the hub.

#### Lead officer training programme

The WCfH delivered three events under its lead officer training programme: Interviewing and Investigation Skills; Epidemiology and Statistics; and Bio Terrorism and Emergency Planning. The highly successful Bio Terrorism and Emergency Planning event was supported by all of the emergency services and local government emergency planning. The event ran over two days and was attended by 75 delegates.

#### Service level agreement for Public Health training in Wales

In 2008/09, the WCfH signed a one year service level agreement (SLA) with the Welsh Assembly Government, in relation to the provision of public health training in Wales. The scope of this SLA was:

1. To support the development and delivery of an All Wales Masters in Public Health which fits with the requirements of the Faculty of Public Health.
2. To provide academic support for Public Health Specialists at all levels (including non-medical professionals)
3. To deliver an annual Public Health Training conference in Wales.

The sum allocated for this work was £207,000 in 2008/09. The Welsh Assembly Government requested that the reporting on this activity be via the WCfH's Annual Report.

The WCfH are pleased to report that the terms of this SLA have been met.

1. The All Wales Masters in Public Health, redeveloped and re-launched in 2007/08, enrolled students for the academic year 2008/09 and continues to deliver the full range of modules to address the “know how” competences required. This has involved collaboration from Bangor, Cardiff, Swansea and other Universities in Wales in its planning and delivery.
2. The Review of Public Health Training in Wales conducted in 2008/09 revealed a pass rate of 87 percent for trainees recruited between 1998 and 2005 in sittings of the Part A examination after joining the scheme, objective outcome data which demonstrates the effectiveness of the academic support provided to trainees as a result of the previous SLA arrangements. This rate compared very favourably with the UK national pass rates for the last 6 sittings, which stands at 41 percent.

In addition, support from academic staff and resources have been made available, on request, for those pursuing public health pathways outside of the traditional route, including attendance at specific modules of the MPH and ad hoc requests of those seeking registration on the UK Public Health Register.

3. The 15<sup>th</sup> Annual Public Health Training Conference was held on the 14<sup>th</sup> and 15<sup>th</sup> October 2008 at the Metropole Hotel, Llandrindod Wells, Powys. The conference is held as part of the Specialist Registrar / Specialist Trainee training programme.

### **iii. Enhance the link between public health research, policy and practice**

#### Faculty for Healthcare Improvement

Since the launch of the Faculty for Healthcare Improvement in October 2007 it has been responsible for the development, launch and successful driving forward of the 1000 Lives Campaign across Wales. Success is evident as Faculty members provide clinical and managerial leadership to healthcare improvement work nationally, enthuse and engage frontline teams in organisations across Wales.

The Faculty in its second year is positioning itself to contribute more widely to the healthcare quality improvement agenda in Wales through developing strategic direction to influence and inform healthcare policy; clinical delivery and the education and academic agenda underpinning improvement in Wales.

#### 1000 Lives Campaign

The 1000 Lives Campaign has calculated that an estimated 410 lives have been saved in the first six months of the programme.

The Campaign is run as a collaborative involving the WCfH, the National Public Health Service for Wales, the National Leadership and Innovation Agency for



Healthcare, the National Patient Safety Agency, and the Welsh Assembly Government's Clinical Governance Support and Development Unit.

Every Trust and Local Health Board in Wales has signed up to the Campaign and has been implementing agreed interventions, monitoring their impact and reporting on progress. Progress is clearly visible in each of the Campaign's six content areas: Improving Leadership for Quality, Reducing Healthcare Associated Infections, Improving Critical Care, Improving Medicines Management, Reducing Surgical Complications and Improving General Medical and Surgical Care.

#### Wales Chapter for Healthcare Improvement

Work was carried out by the WCfH in collaboration with the Institute of Healthcare Improvement's Open School for Health Professions to develop the Wales Chapter for Healthcare Improvement, a multi-professional healthcare student body. Its aim is to advance healthcare quality improvement and patient safety competencies amongst the next generation of healthcare professionals studying in Wales, and contribute to world class healthcare in Wales.

#### Welsh Health Impact Assessment Support Unit (WHIASU)

The year 2008-09 was an important one in respect of advancing the use of Health Impact Assessment in Wales. Important developments have included the Wales Waste Strategy Review Health Impact Assessment, which has been completed in conjunction with the consultants on behalf of Welsh Assembly Government.

The Unit contributed to the Welsh Transport Appraisal Guidance in June 2008. Significantly, this guidance - which commits all new road transportation schemes in Wales to consider health impacts - has led to the first Health Impact Assessment's (HIA) being completed in this planning domain.

On a more local basis, community and voluntary groups have used HIA for projects, including in supporting funding bids such as the proposed Multi-sensory Centre for North Wales.

The Unit has provided training sessions for Local Public Health Teams and university students to enhance their knowledge of HIA and its use. . Other presentations on the use of HIA in Wales have been made at National conferences including the UK Public Health Conference in March 2009.

WHIASU held a 'Sharing of HIA Best Practice in Wales' event in Cardiff in November 2008. Attended by over 30 practitioners from local authorities, public health teams, consultants and academics, this event resulted in the publication of a summary paper on the "Health impacts of the dousing of street lighting in Wales".

The 9th International Health Impact Assessment conference was held in Liverpool in October 2008 and an employee from the WCfH contributed by leading a practical pre-conference HIA training session and spoke on 'Adding Value to Planning; A HIA of the preferred strategy of the LDP in Wrexham'. There were over 200 delegates from across the world who attended this conference.

#### **iv. Support the development and dissemination of the evidence base in public health**

##### Public Health Observatory

The WCfH worked in collaboration with the National Public Health Service for Wales to establish the Public Health Observatory for Wales. An acting director has been identified and staff from the WCfH and National Public Health Service for Wales work together under Observatory to provide public health information to those with an interest and influence on health in Wales, including the people of Wales.

##### A Profile of Alcohol and Health in Wales

The WCfH, in collaboration with the National Public Health Service for Wales, published the health intelligence report 'A profile of alcohol and health in Wales' in March 2009.

The report presented information and data relating to alcohol and health from a number of sources, using the latest methods, and for the first time, alcohol-attributable indicators (mortality and hospital admission) were calculated and analysed for Wales.

##### Rural and Urban Mortality rates

The differences in mortality rates between rural and urban areas in England and Wales have been outlined in an article published in Health Statistics Quarterly.

The article was co-written by an employee of the WCfH and challenges the assumption that people living in rural areas live longer by examining whether differences in death rates could be explained by differences in the distribution of deprivation.

##### CAPIC

The Collaboration for Accident Prevention and Injuries Control (CAPIC) is a collaboration of individuals and organisations which support injury prevention initiatives across Wales. It is supported by the WCfH and the National Public Health Service for Wales as a contribution to Health Challenge Wales in the field of injury prevention. Through its website, databases and activities of the staff co-ordinating CAPIC, policies, strategies, research and action to reduce

the occurrence of injuries are shared with professionals across Wales, the UK and internationally. The Convenor of CAPIC represents the WCfH in developing the Injury Observatory for Britain and Ireland.

### Wellbeing in Work

The Wellbeing in Work partnership was formed to investigate the complex relationship between health and work and to explore ways in which individuals can have better, healthier working lives. The project is being carried out jointly by Cardiff, Keele and Swansea Universities, and is funded via the Wales Centre for Health. Stage 1 involved setting the socio-economic context of health and work in Merthyr Tydfil. Stage 2 investigated the impact of health on work with major employers in the Merthyr Tydfil area. Stage 3 of the project commenced in 2008/09 with a focus on developing practical workplace interventions.

### Professional Advisory Groups

The WCfH continues to provide support to the Professional Advisory Committees and the Joint Professional Forum. This year the WCfH has involved developing the agenda and identifying speakers for the Welsh Medical Committee's annual conference and for the Joint Professional Forum's symposium in June 2008, "End of Life Care - Dignity in the Last Years and Days of Life". The WCfH has written conference reports for each of these events. In addition, a review of the impact of previous JPF symposia was conducted in order to inform the planning and evaluation of future events.

## **v. Making connections and enhancing links between Wales and the rest of the world on global health issues**

### Making Links with New Zealand

Dr Jonathon Gray was invited by the Ministry of Health New Zealand to visit and share experiences from the *1000 Lives Campaign* and Faculty for Healthcare Improvement in July 2008. The opportunity for creating a stronger link between the two countries and to specifically further Campaign and Faculty work was raised by the Chair of the Quality Improvement Committee, Pat Sneddon, and encouraged by the Director General during that visit.

To build on this existing relationship with New Zealand, Professor Mansel Aylward CB, visited the Ministry of Health in January 2009 to discuss a more formalized collaboration in the future between New Zealand and Wales.

Since these visits, the Minister for Health in New Zealand has approved the concept of a 1000 lives Campaign in New Zealand and they hope to launch the work in Spring 2010.

### Wales for Africa Links Group

The WCfH continued to provide administrative and organisational support for the Wales for Africa Health Links Group which is made up of representatives from the National Public Health Service for Wales, the Welsh Assembly Government and the Tropical Health and Education Trust.

### EuroHealthNet

The Wales Centre for Health has continued to be an active member of EuroHealthNet, responding to a wide range of policy consultations, advising on a number of key documents and been partners in a number of initiatives related to health inequalities, social determinants and healthy ageing.

### Determine

Determine is a 3 year project that started in 2007 with a number of strands linked to addressing social determinants of health and health inequalities. As with its predecessor 'Closing the Gap', the Wales Centre for Health has been closely involved along with 21 other European countries.

The elements to which the WCfH has significantly contributed relate to Health in all Policies, Health Impact Assessment and Health Economics, with work now being developed on Capacity Building & Awareness Raising.

## 4. Governance Arrangements

### Background

3.1 The Wales Centre for Health (WCfH) was established as an Assembly Government Sponsored Body (AGSB) on 1 April 2005 with the following statutory remit:

- To develop and maintain arrangements for making information about matters related to the protection and improvement of health available to the public in Wales
- To undertake and commission research into such matters
- To contribute to the development and provision of training.

### The board and senior management

3.2 As well as a close working relationship with the Welsh Assembly Government's sponsor division, during the year the WCfH's work was overseen by an active board. The board members throughout 2008-09 were:

Professor M Aylward CB (Chair)  
Mr D Hugh Thomas CBE KStJ DL<sup>1</sup> (Deputy Chair and Audit Committee Chair)  
Dr C Clowes  
Mr B Foday  
Mr M Hughes<sup>1</sup>  
Mr N Jellings  
Mrs H Taylor OBE<sup>1</sup>

Note 1: These board members were also members of the WCfH's Audit Committee

3.3 During the year the WCfH's senior management team comprised of:

Name	Position	Employment Status	Dates of Appointment
Dr C Rogers	Interim Chief Executive	Secondment	1 June 2007 to present
Professor J Gray	Director of Health Improvement	Permanent	21 November 2005 to present
Mr K Cox*	Director of Corporate Services	Permanent	1 August 2006 to present
Mrs S Mably**	Director of Health and Environment	Fixed Term	1 August 2007 to 31 March 2009

\*Mr K Cox was initially on a part time secondment but was permanently appointed full time Director of Corporate Services from 31 March 2008 following an external recruitment exercise.

\*\*Mrs S Mably was permanently appointed Consultant in Public Health from 1 April 2009 following an external recruitment exercise.

The terms of appointment of board members and senior managers can be found in the Remuneration Report in Section 5 of this report.

### Accounts direction

3.4 The accounts have been prepared in accordance with an Accounts Direction issued by the Welsh Assembly Government, with the agreement of the Treasury.

### Register of interests

3.5 A register of company directorships and other significant interests is maintained and held at the WCfH's offices in Cathedral Road, Cardiff and is available for inspection by the public on request.

### Appointment of auditors

3.6 The accounts of the WCfH are audited by the Auditor General for Wales as required by the Government for Wales Act 1998 and Statutory Instrument 2003/749 made there under. In common with other AGSBs and at the request of the Welsh Assembly Government, the Auditor General for Wales also undertakes Additional Assurance work on the WCfH's activities. Audit fees are disclosed in note 6 to the statement of accounts included within this document.

3.7 The Audit Committee is chaired by Mr D Hugh Thomas CBE KStJ DL. Board Members Mrs H M Taylor OBE and Mr C G M Hughes also serve as members of the Audit Committee. The Audit Committee's main duties are to consider the effectiveness of the WCfH's overall internal control and risk management systems and to ensure adequate processes and mechanisms are in place for the assessment and management of risk. It considers the scope of audit coverage and adequacy of management responses to the audit recommendations and advises the Chief Executive on audit and compliance matters. The Audit Committee met on four occasions during the year 2008-09.

### Disclosure of audit information

3.8 As far as the Accounting Officer is aware there is no relevant audit information of which the WCfH's auditors are unaware. It is confirmed that all the steps that should be taken to make the Accounting Officer aware of any relevant audit information and to establish that the WCfH's auditors are aware of any such information have been taken.

## Financial review

3.9 The net operating costs for the year were £1,224,000 (£1,169,000 in 2007-08). The cumulative general fund at 31 March 2009, after crediting grant in aid of £1,405,000, was £295,000 (£107,000 2007-08). The WCfH's expenditure is planned on the basis of the funds available to it through annual receipts of grant in aid and from other income and general fund balances. The financial statements will therefore always show a net operating cost for the year as a result of the crediting of funding received to the general fund in the balance sheet. The Wales Centre for Health's activities are also planned to ensure that its cash carry forward remains within the two per cent of total grant in aid and other income for the year allowed by the Welsh Assembly Government.

## Payment policy

3.10 Under the terms of its financial memorandum with the Welsh Assembly Government, the WCfH is obliged to pay its invoices within the terms of contract or 30 days. During 2008-09 the WCfH paid 99 per cent (98 per cent in 2007-08) of its invoices within 30 days.

The WCfH is aware of the recent commitment by the Government in Westminster to aim to pay bills of small and medium enterprises within 10 days of receipt of a valid invoice. During 2009/10, the WCfH will aim to meet the 10 day target and will report the outcome, along with the current 30 day target, in the next published accounts.

## Pension scheme

3.11 Details of the WCfH's pension scheme are disclosed in the Remuneration Report, in section 5 of this document.

## Post balance sheet events

3.12 On 2 June 2009, the Minister for Health and Social Services announced in the National Assembly for Wales that, with effect from 1 October 2009 all the functions, assets and liabilities relating to the Wales Centre for Health will be transferred to a new NHS Trust to be known as Public Health Wales.

## 5. Financial summary 2008-09

### i. Remuneration report

#### Introduction

5.1 During 2008-09 board members ratified decisions on remuneration for senior management and principles of payment for other staff. A remuneration committee comprising all board members has been established. This section sets out the remuneration arrangements of both the WCfH's senior management and board members.

#### Member's remuneration

5.2 Details of board members' remuneration are set out below. Members' salaries related entirely for services rendered during the year. No pension contributions were payable as these posts do not attract any pension benefits.

Name	2008-09 Salary £'000	2007-08 Salary £'000
Professor M Aylward CB (Chair)	25	25
Dr C Clowes	12*	18*
Mr B Foday	5	5
Mr M Hughes	5	5
Mr N Jellings	5	5
Mrs H Taylor OBE	5	5
Mr D Hugh Thomas CBE	5	5

\*Dr Carl Clowes had changed his time commitment from 5 days to 3 days per month with effect from 1 April 2008. Included in his remuneration for 07/08 is back pay of £6,600.

#### Senior managers' remuneration

Name	Salary £'000	Benefits In Kind £'000	Total Remuneration 2008-09 £'000	Total Remuneration 2007-08 £'000
Dr C Rogers	70	-	70	78
Professor J Gray	120	-	120	107
Mr K Cox	74	-	74	55



Mrs S Mably	65	-	65	60
-------------	----	---	----	----

Salary includes, gross pay and pay awards agreed by the Assembly.

Dr C Rogers was seconded to the WCfH on a full time basis for 3 months during 07/08, reducing to part time for the remainder of the year. In 08/09 Dr Rogers continued with the part-time secondment.

With effect from September 2008, Professor Gray was appointed Chair in Healthcare Improvement at Cardiff University. As part of a collaboration between the WCfH and Cardiff University, a proportion of Professor Gray's salary is paid to him via Cardiff University.

During 2007/08, Mr K Cox was seconded, on a part time basis, to the WCfH from the Welsh Assembly Government. He was permanently appointed as full time Director of Corporate Services on 31 March 2008.

Mrs S Mably's salary included back pay relating to a pay award for 2006/07 and 2007/08.

### Pensions

	Accrued pension and related lump Sum at 31 March 2009	Real increase in Accrued pension and lump sum in 2008-09	CETV as at 31 March 2009	Real increase in CETV in 2008-09
	£'000	£'000	£'000	£'000
Dr J Gray	99	(2)	395	76*
Mr K Cox	3	3	18	18
Mrs S Mably	6	3	22	9

CETV = Cash Equivalent Transfer Value

Dr Rogers, interim Chief Executive, is on secondment to the WCfH from the National Public Health Service. Her employing organisation is responsible for administering her pension details.

\* This difference is due to a change in the factors used to calculate CETV's, which came into force on 1 October 2008 as a result of the Occupational Pension Scheme (Transfer Value Amendment) regulations. These placed responsibility for the calculation method for CETV's (following actuarial advice) on Scheme Managers or Trustees. Further regulations from the Department for Work and Pensions to determine cash equivalent transfer values (CETV) from Public Sector Pension Schemes came into force on 13 October 2008.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised 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 disclosure applies. The figures include the value of any pension benefit 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 pension benefits at their cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

5.3 All WCfH employees are entitled to join the NHS pension scheme. Full details of the scheme are included in accounting policy note 1.

**Dr Cerilan Rogers**  
**Accounting Officer**  
**10 July 2009**

## **ii Statement of the WCfH and Chief Executive's responsibilities**

1. Under the Government of Wales Act 1998, the Welsh Assembly Government directed the WCfH to prepare for each financial year a statement of accounts in the form and on the basis determined by the Welsh Assembly Government with the consent of the Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the WCfH, of its income and expenditure, recognised gains and losses, and cash flows for the financial year.

2. In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the accounts direction issued by the Welsh Assembly Government with the consent of the Treasury including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the entity will continue in operation.

3. For the 2008-09 financial year, the Additional Accounting Officer for the Department of Health and Social Services of the Welsh Assembly Government designated the senior official, the Interim Chief Executive, as the Accounting Officer for the WCfH. The relevant responsibilities as Accounting Officer include responsibility for the propriety and regularity of the public finances and for the keeping of proper records, as set out in the Welsh Assembly Government Accounting Officers' Memorandum issued by the Treasury

### **iii. Statement on Internal Control**

#### **Scope of responsibility**

1. For the 2008-09 financial year, as Interim Chief Executive and Accounting Officer, I had responsibility for maintaining a sound system of internal control, which supports the achievement of the WCfH's aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible. This is in accordance with the responsibilities assigned to me in Government Accounting and in the WCfH's Management Statement and Financial Memorandum issued by the Welsh Assembly Government.

2. The WCfH is an Assembly Government Sponsored Public Body (AGSB), established under the Health (Wales) Act 2003. As Accounting Officer, I am accountable to the Board of WCfH, which is appointed by the Welsh Assembly Government, for the overall organisation, management and staffing of the WCfH. The WCfH's Risk Management arrangements have been approved, and are subject to scrutiny, by the WCfH Board. The key strategic and operational risks faced by the WCfH are regularly brought to the Board's attention.

#### **The purpose of the system of internal control**

3. The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve 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 WCfH's aims and objectives;
- evaluate the likelihood of those risks being realised and the impact should they be realised; and
- to manage them efficiently, effectively and economically.

4. The system of internal control has been progressively developed since the WCfH was established as an AGBS with a robust framework having been put in place. This has been maintained to the date of publication of this Annual Report and Accounts, and accords with Treasury guidance.

#### **Capacity to handle risk**

5. As Interim Chief Executive and Accounting Officer, I have the responsibility of ensuring that appropriate activities take place within WCfH to manage risk. A Risk Management Policy has been developed and an organisation wide Risk Register is in place. Managers regularly consider the risks facing the

organisation, and the Risk Register is regularly updated. The Risk Register is also reported to and scrutinised by the Audit Committee and WCfH Board.

### **The risk and control environment**

6. The management of risk is an under-pinning part of the culture within the WCfH. The following points describe the key features of the control environment developed:

- regular risk assessment including full annual assessment undertaken by the Corporate Management Team;
- continuous review and maintenance of the organisation-wide Risk Register;
- procurement of specialist NHS internal audit services;
- strong open relationship with the external auditors, the Wales Audit Office;
- inclusion of risk management principles in corporate planning and decision making processes;
- an awareness of the importance of information security. During 2008/09, management commissioned an internal audit review of information security
- adoption of Standing Orders and Standing Financial Instructions;
- formation of an Audit Committee whose remit covers performance management in addition to systems of control;
- formal systems of delegation; and
- monthly meetings with sponsor division and biannual review meetings with the Welsh Assembly Government.

### **Review of effectiveness**

7. For the 2008-09 financial year, I also had responsibility for the review and effectiveness of the system of internal control. My review was informed by:

- the work of the internal auditors;
- the executive managers within WCfH who have responsibility for the development and maintenance of the internal audit framework, and ensuring appropriate follow up and implementation of all agreed actions arising from internal and external audit report recommendations; and
- comments made by the external auditors.

8. The results of my review of the effectiveness of the system of internal control have been discussed with the Audit Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

### **Matters of note**

10. There were no matters of note during the year.

## **Statement of assurance**

**11.** I am satisfied that a sound system of control has operated within the areas for which I am the Accounting Officer.

**Dr Cerilan Rogers  
Accounting Officer  
10 July 2009**

#### **iv. The Certificate and Report of the Auditor General for Wales to the National Assembly for Wales**

I certify that I have audited the financial statements of Wales Centre for Health for the year ended 31 March 2009 under Paragraph 24 of Schedule 2 of the Health (Wales) Act 2003. These comprise the Operating Cost Statement, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having being audited.

#### **Respective responsibilities of the Board, Accounting Officer and auditor**

The Interim Chief Executive as Accounting Officer is responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with Paragraph 23 of Schedule 2 of the Health (Wales) Act 2003 and Welsh Ministers' directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of the Wales Centre for Health and Chief Executive's Responsibilities.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with Paragraph 23 of Schedule 2 of the Health (Wales) Act 2003 and Welsh Ministers' directions made thereunder. I report to you whether, in my opinion, the information which comprises the Overview, the Governance Arrangements and the unaudited part of the Remuneration Report, given in the Annual Report, is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

In addition, I report to you if in my opinion Wales Centre for Health has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects Wales Centre for Health's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of Wales Centre for Health's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Overview, the Governance Arrangements and the unaudited part of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

## Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Wales Centre for Health's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

## Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with Paragraph 24 of Schedule 2 of the Health (Wales) Act 2003 and directions made thereunder by Welsh Ministers', of the state of Wales Centre for Health's affairs as at 31 March 2009 and of its net operating costs and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Paragraph 23 of Schedule 2 of the Health (Wales) Act 2003 and Welsh Ministers' directions made thereunder; and
- information which comprises the Overview, Management Commentary and the unaudited part of the Remuneration Report, given within the Annual Report, is consistent with the financial statements.

## Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.



## Report

I have no observations to make on these financial statements.

Jeremy Colman  
Auditor General for Wales  
24 Cathedral Road  
Cardiff  
CF11 9LJ  
21 July 2009

## 6. Financial Statements

### i. Operating cost statement

	Notes	2008-09 £'000	2007-08 £'000
<b>Expenditure</b>			
Staff cost	4	1,396	1,389
Depreciation	7	11	6
Notional cost of capital charge		7	5
Other operating costs	6	1,248	704
<b>Total Expenditure</b>		<b>2,662</b>	<b>2,104</b>
Income from Activities	3	1,428	929
Transfer from Government Grant Reserve	11	10	6
<b>Net Operating Costs before Interest</b>		<b>(1,224)</b>	<b>(1,169)</b>
Interest received		3	7
Interest surrendered to Welsh Assembly Government		(3)	(7)
<b>Net Operating Cost for the year transferred to General Fund</b>		<b>(1,224)</b>	<b>(1,169)</b>
<b>Movement on General Fund</b>			
Balance brought forward		107	138
Net operating costs for the year		(1,224)	(1,169)
Welsh Assembly Government Grant in Aid	2	1,405	1,133
Notional cost of capital adjustment		7	5
Balance carried forward		<b>295</b>	<b>107</b>

All activities are continuing.

There were no recognised gains and losses in either 2008-09 or in 2007-08.

The notes on pages 29 to 40 form part of these accounts.

ii. Balance sheet

	Notes	31 March 2009		31 March 2008	
		£'000	£'000	£'000	£'000
<b>Fixed Assets</b>					
Tangible Fixed Assets	7		22		18
<b>Current Assets</b>					
Debtors	8	356		247	
Cash at bank and in hand		2		279	
		<u>358</u>		<u>526</u>	
<b>Creditors</b>					
Amounts falling due within one year	9	(62)		(419)	
		<u></u>		<u></u>	
<b>Net Current Assets</b>			296		107
			<u></u>		<u></u>
<b>Total Net Assets</b>			<b>318</b>		<b>125</b>
			<u></u>		<u></u>
<b>Financed by</b>					
General Reserve	11		295		107
Government Grant Reserve	11		23		18
			<u>318</u>		<u>125</u>

The notes on pages 29 to 40 form part of these accounts.

Dr Cerilan Rogers  
Accounting Officer  
10 July 2009

### iii. Cash flow statement

	Notes	2008-09 £'000	2007-08 £'000
Net cash outflow from operating activities	12	(1,458)	(1,161)
Returns on investment		3	7
Capital expenditure		-	-
Grant-in-aid applied for capital expenditure and disposals	2	(15)	(5)
Interest Surrendered to Welsh Assembly Government		(7)	-
		<u>(1,477)</u>	<u>(1,159)</u>
<b>Net cash outflow</b>			
<b>Financing</b>			
Welsh Assembly Government Funding	2	1,200	1,358
<b>Increase/(decrease) in cash for the period</b>		<u>(277)</u>	<u>199</u>
<b>Movement in Cash</b>			
Opening Cash		(279)	(80)
Closing Cash		2	279
<b>Movement in Year</b>		<u>(277)</u>	<u>199</u>
All Cash is held in commercial bank accounts.			

The notes on pages 29 to 40 form part of these accounts.

## 7. Notes to the financial statements

### 1. Accounting policies

#### a) Accounting convention

The accounts are prepared on a going concern basis, under the historical cost convention and in accordance with the Financial Reporting Manual (FRM). Without limiting the information given, the accounts meet the accounting and disclosure requirements of the Companies Act 1985 and the accounting standards issued or adopted by the Accounting Standards Board so far as those requirements are appropriate. The WCfH is exempt from the requirement to produce a note of historical cost profits and losses under Financial Reporting Standard No. 3.

#### b) Valuation of fixed assets

Fixed assets are stated at their value to the WCfH by reference to historic cost less depreciation. Fixed assets are capitalised at the cost of acquisition and installation where that cost exceeds £1,000. In the opinion of the WCfH, there is no material difference between the historic and current replacement cost of office furniture and equipment. Computer software costs are written off as incurred.

#### c) Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation over their estimated useful lives. All fixed assets are depreciated as follows:

Fixtures, fittings and equipment	Straight line over 5 years
Computer equipment	Straight line over 3 years

However, included in assets is the cost of IT installation and carpets to the first floor accommodation at 14 Cathedral Road. These assets have been depreciated over a shorter period than the respective 3 and 5 years shown in the accounting policies. This is to reflect the fact that the lease on this accommodation is due to end in April 2010.

Depreciation is calculated and charged on a quarterly basis. The first charge occurs in the first full quarter following acquisition.

#### d) Government grants

Grants of a revenue nature are now regarded as funding and are credited to the General Fund. Government grants receivable for capital expenditure are also credited to the Government Grant Reserve and released to the Operating Cost Statement over the expected useful lives of the relevant assets by equal amounts.

e) Value Added Tax (VAT)

The WCfH is not registered for VAT. All expenditure and fixed asset purchases are inclusive of relevant VAT.

f) Pensions

Pension costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at [www.pensions.nhsbsa.nhs.uk](http://www.pensions.nhsbsa.nhs.uk). 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 total employer contribution payable in 2008-09 was £107,432.

The Scheme is subject to a full actuarial valuation every four years (until 2004, based on a five year valuation cycle), and a FRS17 accounting valuation every year. An outline of these follows:

Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates to be paid by employers and scheme members. The last such valuation, which determined current contribution rates was undertaken as at 31 March 2004 and covered the period from 1 April 1999 to that date.

The conclusion from the 2004 valuation was that the Scheme had accumulated a notional deficit of £3.3 billion against the notional assets as at 31 March 2004. However, after taking into account the changes in the benefit and contribution structure effective from 1 April 2008, the Scheme actuary reported that employer contributions could continue at the existing rate of 14% of pensionable pay. On advice from the Scheme actuary, scheme contributions may be varied from time to time to reflect changes in the scheme's liabilities. Up to 31 March 2008, the vast majority of employees paid contributions at the rate of 6% of pensionable pay. From 1 April 2008, employees contributions are on a tiered scale from 5% up to 8.5% of their pensionable pay depending on total earnings.

## FRS17 Accounting valuation

In accordance with FRS17, a valuation of the Scheme liability is carried out annually by the Scheme Actuary as at the balance sheet date by updating the results of the full actuarial valuation.

Between the full actuarial valuations at a two-year midpoint, a full and detailed member data-set is provided to the Scheme Actuary. At this point the assumptions regarding the composition of the Scheme membership are updated to allow the Scheme liability to be valued.

The valuation of the Scheme liability as at 31 March 2008, is based on detailed membership data as at 31 March 2006 (the latest midpoint) updated to 31 March 2008 with summary global member and accounting data.

The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

## Scheme provisions as at 31 March 2008

The Scheme is a “final salary” scheme. Annual pensions are normally based on  $1/80^{\text{th}}$  of the best of the last 3 years pensionable pay for each year of service. A lump sum normally equivalent to 3 years pension is payable on retirement. Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. On death, a pension of 50% of the member’s pension is normally payable to the surviving spouse.

Early payment of a pension, with enhancement, is available to members of the Scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year’s pensionable pay for death in service, and five times their annual pension for death after retirement, less pension already paid, subject to a maximum amount equal to twice the member’s final year’s pensionable pay less their retirement lump sum for those who die after retirement, is payable.

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 the income and expenditure account at the time the Trust commits itself to the retirement, regardless of the method of payment.

The Scheme provides the opportunity to members to increase their benefits through money purchase Additional Voluntary Contributions (AVCs) provided by an approved panel of life companies. Under the arrangement the employee/member can make contributions to enhance an employee’s pension benefits. The benefits payable relate directly to the value of the investments made.

## Scheme provisions from 1 April 2008

From 1 April 2008 changes have been made to the NHS Pension Scheme contribution rates and benefits. Further details of these changes can be found on the NHS Pensions website [www.pensions.nhsbsa.nhs.uk](http://www.pensions.nhsbsa.nhs.uk).

### g) Notional cost of capital

As directed by the National Assembly for Wales, a notional capital charge reflecting the cost of capital employed is included in operating costs and calculated at 3.5% of average capital employed.

### h) Management of financial risk

The WCfH has no borrowings and relies primarily on Welsh Assembly Government grants for its cash requirements. With exception of the cash balance at year end, it also has no material deposits and all material assets and liabilities are denominated in sterling, so it is not exposed to interest rate risk or currency risk.

### i) Income Recognition

Income is accounted for applying the accruals convention. The main source of income from activities is the Welsh Assembly Government.

### j) Leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Centre, the lease is accounted for as a finance lease. Other leases are regarded as operating leases and the rental are charged to the Operating Cost Statement on a straight line basis over the life of the lease.

### K) Provisions

The Centre provides for legal or constructive obligations 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. In accordance with FRS12 provisions are only recognised where the transfer of economic benefit is probable, and the amount can be reasonably estimated.

### l) Contingent liabilities

Contingent liabilities are recognised where the Centre has:

- a possible obligation arising from past events whose existence will be confirmed by the occurrence of future events not wholly within the Centre's control;



- a present obligation arising from past events for which it is not probable that a transfer of economic benefits will be required to settle the obligation; or
- a present obligation where the amount of the obligation cannot be measured with sufficient accuracy.

Contingent liabilities are not recognised where the probability of them becoming liabilities is considered to be remote.

m) Losses and special payments

Losses and special payments are items that the National Assembly for Wales would not have contemplated when it agreed funds for the Centre or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures. They are charged to the Operating Cost Statement on an accruals basis.

## 2. Grant in aid

	2008-09 £'000	2007-08 £'000
Grant-in-aid received from the Welsh Assembly Government	1,420	1,358
Grant-in-aid surplus repayable to WAG	0	(220)
Net Grant-in-aid	1,420	1,138
Grant-in-aid applied for capital expenditure and disposals	(15)	(5)
	<b>1,405</b>	<b>1,133</b>
Grant-in-aid received during 2008-09 was £1,200,000 representing £1,420,000 receivable for 2008-09 less the £220,000 repayable for 2007-08.		

## 3. Other income

	2008-09 £'000	2007-08 £'000
Welsh Assembly Government	1,321	828
Other	107	101
	<b>1,428</b>	<b>929</b>
Other income from the Welsh Assembly Government relates to other projects detailed in the Remit Letter but not funded through Grant in Aid. Income from costs involved in the review of Health Commission Wales is included in 'other'		

## 4. Staff and members' cost

	2008-09 £'000	2007-08 £'000
Board Members' remuneration	62	68
<b>Salaries</b>		
Permanent & fixed term	859	771
Social Security costs	75	79
Other pension costs	107	115
Staff secondment costs	293	356
<b>Total</b>	<b>1,396</b>	<b>1,389</b>

The emoluments of the Chair of the WCfH were £24,534. One member received £11,700. The other five members each received £5,387 or less during the year. Further details of remuneration can be found in the Remuneration Report on pages 16 to 18.

During the year the WCfH received reimbursement from outward seconded staff of £202,000 (£89,000 in 2007/08) which includes contributions towards salary costs from NLIH and Cardiff and Vale NHS Trust. These have been netted against permanent and fixed term salary costs.

## 5. Staff numbers

	2008-09 Numbers	2007-08 Numbers
The average numbers of whole-time equivalent persons employed during the year were as follows:		
Permanent	15	16
Fixed Term	14	8
Secondments	4	6
<b>Total</b>	<b>33</b>	<b>30</b>

## 6. Other operating costs

	2008-09 £'000	2007-08 £'000
Accommodation Costs	84	82
External Audit fee	11	9
Additional Assurance Audit Fee	2	2
Office Expenses	69	81
ICT Costs	10	24
Projects and Events	888	388
Corporate Services Contract	44	56
Staff related Costs (T&S, Training etc)	95	62
Other	45	-
	<b>1,248</b>	<b>704</b>
The cost of the operating lease rentals shown in note 13 is included in accommodation costs.		

## 7. Tangible fixed assets

	Computer Equipment £'000	Office Furniture & Equipment £'000	Total £'000
<b>Cost or valuation</b>			
At 1 April 2008	4	25	29
Additions	8	7	15
Disposals	-	-	-
<b>At 31 March 2009</b>	<b>12</b>	<b>32</b>	<b>44</b>
<b>Depreciation</b>			
At 1 April 2008	3	8	11
Provided during the year	4	7	11
Eliminated on disposal	-	-	-
<b>At 31 March 2009</b>	<b>7</b>	<b>15</b>	<b>22</b>
<b>Net Book Value</b>			
At 31 March 2009	5	17	22
<b>Net Book Value</b>			
At 31 March 2008	1	17	18

## 8. Debtors

	2008-09 £'000	2007-08 £'000
Trade Debtors	296	175
Other Debtors	2	20
Prepayments	58	52
<b>Total</b>	<b>356</b>	<b>247</b>

## 9. Creditors - Amounts falling due within one year

	2008-09 £'000	2007-08 £'000
Trade Creditors	8	151
Accruals and deferred income	51	41
GIA surplus and interest repayable to WAG	3	227
<b>Total</b>	<b>62</b>	<b>419</b>
The Centre has no finance leases in 2008/09 (2007/08: £nil).		

## 10. Intra Government Balances

	2008-09 £'000	2007-08 £'000
<b>Debtors</b>		
Balances with Welsh Assembly Government	267	151
Balances with Local Authorities	0	3
Balances with Health Bodies	29	22
<b>Total</b>	<b>296</b>	<b>176</b>
Balances with others	60	71
<b>Total Debtors</b>	<b>356</b>	<b>247</b>
<b>Creditors</b>		
Balances with Welsh Assembly Government	3	238
Balances with Local Authorities	0	0
Balances with Health Bodies	7	96
<b>Total</b>	<b>10</b>	<b>334</b>
Balance with others	52	85
<b>Total Creditors</b>	<b>62</b>	<b>419</b>

## 11. Movement in government funds

	Government Grant Reserve £'000	General Fund £'000	Total £'000
Net Operating Costs for the year	-	(1,224)	(1,224)
Welsh Assembly Government Grant-in-Aid	-	1,420	1,420
Notional costs of capital adjustment.	-	7	7
Grant applied for capital expenditure and disposals.	15	(15)	-
Grant released to operating income	(10)	-	(10)
	<hr/>	<hr/>	<hr/>
<b>Movement in Government Funds for the year</b>	<b>5</b>	<b>188</b>	<b>193</b>
Government Funds at 1 April 2008	18	107	125
	<hr/>	<hr/>	<hr/>
<b>Government Funds at 31 March 2009</b>	<b>23</b>	<b>295</b>	<b>318</b>

## 12. Reconciliation of operating surplus to net cash inflow from operating activities

	31 March 2009 £'000	31 March 2008 £'000
Net Operating Costs for the year	(1,224)	(1,169)
Adjustment for notional charge - cost of capital	7	5
Depreciation	11	6
(Increase)/decrease in debtors	(109)	16
Increase/(decrease) in creditors	(133)	23
Increase/(decrease) in provision for future liabilities	-	(36)
Transfer from Government Grant Reserve	(10)	(6)
	<hr/>	<hr/>
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(1,458)</b>	<b>(1,161)</b>

### 13. Operating lease commitments

The WCfH is committed to pay the following operating lease rentals in 2009-10:

	Land & Buildings 2008-09 £'000	Land & Buildings 2007-08 £'000
Expiring;		
Within 1 year	-	29
1-5 years	57	-
	<hr/>	<hr/>
	57	29

The original lease on the ground floor accommodation of 14 Cathedral Road expired in February 2009. This has now been extended until April 2010 to coincide with the end of the lease on the first floor accommodation. The total commitment for 2009-10 of £57,000 includes rent for the first floor accommodation of £30,000. Half of this cost is met by the National Public Health Service who share the accommodation with the WCfH.

### 14. Special payments and losses

The WCfH did not incur any losses or make any special payments in 2008-09.

### 15. Related party transactions

The Welsh Assembly Government is the ultimate controlling party. During the year, the WCfH has had various material transactions with the Welsh Assembly Government.

Professor Mansel Aylward, Chair WCfH Board, is a Professor and Director of the Unum Centre for Psychosocial and Disability Research, Cardiff University. Professor Jonathon Gray is a Professor of Healthcare Improvement also at Cardiff University. During the year WCfH had a number of transactions with the University. The two most significant were payments to the University for the Welsh Health Impact Assessment Unit amounting to £85,386. The University was also a member of a partnership of academic institutions that undertook research into wellbeing in work. Payment in respect of this research totalled £50,996 for 2008-09. Also, a Service Level Agreement for Public Health training had been drawn up between WCfH and the University which we paid £137,000.

Mr Ben Foday, a WCfH board member is also a non-executive director of Velindre NHS Trust. Dr Cerilan Rogers, part-time Interim Chief Executive, is also National Director of the National Public Health Service (NPHS). The NPHS is part of Velindre NHS Trust. This Trust provided a number of corporate services

to the WCfH under a service level agreement. In recognition of these services, WCfH paid the Trust £43,853 (inclusive of VAT) during 2008-09.

## **16. Provisions**

There were no provisions as at 31 March 2009 (nil as at 31 March 2008).

## **17. Contingent Liabilities**

There were no Contingent Liabilities as at 31 March 2009 (nil as at 31 March 2008).

## **18. Post Balance Sheet Events**

On 2 June 2009, the Minister for Health and Social Services announced in the National Assembly for Wales that, with effect from 1 October 2009 all the functions, assets and liabilities relating to the Wales Centre for Health will be transferred to a new NHS Trust to be known as Public Health Wales.