

## **Aneurin Bevan University Health Board Annual Report and Annual Accounts 2022/23**

Our Annual Report is a suite of documents that tell you about our organisation, the services and care we provide and what we do to plan, deliver and improve healthcare for you. It provides information about how we performed in 2022/23, what we have achieved, how we plan to continue to improve next year and our plans for the future. This report also explains how important it is for us to work with you and listen to your views, to better deliver services that meet your needs, as close to your home as possible.

### **Our Annual Report for the period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023 includes:**

- Our **Performance Report** which details how we have performed against our targets and the actions planned to maintain or improve our performance.
- Our **Accountability Report** which details our key accountability requirements and provides information about how we manage and control our resources, identify and respond to our risks, and comply with our own governance arrangements.
- Our **Financial Statements and Annual Accounts** which detail how we have spent our money and met our obligations.

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# Performance Report

## 1. Overview from the Chief Executive

Over the past twelve months our organisation has remained under sustained operational pressure at levels that, pre-Covid 19, would only have been seen in the winter period. 2022/23 brought increases in demand across our urgent and planned care systems, increased pressure on primary care and community services, as well as mental health services. We have continued to experience high walk-in demand at our emergency departments, significant pressures in social care and high levels of sickness and absence across our workforce. The sustained urgent care pressures together with challenges faced by the social care system continue to impact on service recovery.

Despite these challenges there have been improvements in performance, across the breadth of our priorities, as we seek to return to pre-pandemic levels of service and deliver the service transformation that underpins our plans to deliver a sustainable system of care for the future.

The Health Board's Integrated Medium-Term Plan (IMTP) for 2022/25 set out our core organisational priorities, underpinned by our focus on reducing health inequalities experienced by our communities, through improving population health. In doing so, the plan adopted a life course approach that optimised the health and wellbeing of our population, building on an approach first adopted in 2021. We are confident that this approach, over the long term, will provide high returns for health and sustainable development, both by limiting the accumulation of risks throughout life and associated ill-health for our citizens. Maintaining the focus on the long term is challenging in the face of operational pressures but vital in charting a course to sustainability. Our plan was underpinned by three core themes, optimism, realism and sustainability.

- **Optimism** stemming from a growing understanding of our system, we know where to focus our efforts, and with our renewed strength in partnership working, improved infrastructure (facilities and technology) together with our workforce have and continue to demonstrate that we can deliver change at pace to improve care.
- **Realism** - our priorities and delivery profiles (set out in the Minimum Data Set) were developed with frontline clinical teams. Through our dynamic planning approach we have a good understanding of potential demand, risks and capacity requirements for clinical teams and for our system.
- **Sustainability** - our plan focused on delivering the actions to maximise sustainable capacity, support people in the most appropriate place of care, and take preventative actions to help people live well in our communities.

Our Clinical Futures Strategy with tackling health inequalities at its core, has remained resilient and relevant for over a decade. Since the opening of the Grange University Hospital in November 2020 (a fundamental milestone in the delivery of the broader strategy)



#### Aneurin Bevan University Health Board – 10 Priority Programmes 2022/23

- Public Health Protection & Population Health Improvement
- Accelerated Cluster Development (placed based health and care)
- Redesigning Services for Older People
- Transforming Urgent & Emergency Care
- Planned Care Recovery
- Maximising Cancer Outcomes
- Transforming Mental Health Care
- Reconfiguration of enhance Local General Hospital Network
- Decarbonisation
- Agile Working

we have reshaped our Clinical Futures Programme to support the delivery of the Health Board's key organisational priorities which, based on our understanding of our system, will have the biggest impact on improving the sustainability of our system.

The following areas highlight some of the key achievements from 2022/23.

#### Improving the Health of our Population

In 2022/23 we were successful in establishing Gwent as a Marmot region (along with our Local Authority partners), which confirms our commitment to tackling health inequalities and launching the five-year Gwent Well Being Plan 2023-28.

Once again, we achieved exceptional childhood vaccination performance, with 94% of children receiving the '6 in 1' vaccination by the age of one and 90% of children receiving two doses of MMR by the age of five.

We also continued making great progress in reducing smoking prevalence across Gwent and we also have lots of great examples of supporting patients and citizens to lead a healthier lifestyle.

#### Primary Care Services

Face-to-face consultation rates were up to 58% in April 2023 (from 25% in June 2021). It's encouraging that 46% of GP practices are now using digital systems (such as Attend Anywhere and E-Consult) and our Dental Services have seen over 30,000 new patients.

Our pharmacies have continued to play a critical role in our primary care system, with all community pharmacies now signed up to provide key services such as Common Ailments Scheme (up 76% from 21/22) and flu vaccinations. In addition, we have also seen an increase in the number of pharmacies that can independently provide a prescription service.

### Urgent and Emergency Care System

The last year continued to be an exceptionally busy year, with the number of patients accessing our urgent care services reaching unprecedented levels. To help alleviate the pressure we saw the establishment of the Same Day Emergency Care (SDEC) unit at The Grange University Hospital and Ysbyty Ystrad Fawr, alongside the launch of the new ambulatory care services in respiratory, gynaecology and gastroenterology.

We have also been working hard with our Local Authority colleagues as to how we can reduce discharge delays for patients waiting to leave hospital and how we can support older people better in their own homes and avoid hospital admissions. Our Care with GRACE (Gwent Rapid Access Clinic for the Elderly) is one example of this; the clinic now operates on weekdays and provides a holistic assessment within 24 to 72 hours of referral.

### Planned Care and Cancer Services

Great progress was made during 2022/23 in reducing the backlog of patients waiting for diagnostic tests, outpatient appointments and operations, especially those who had been waiting more than 2 years for treatments.

We have increased the number of operations and outpatient appointments undertaken and are now closer to or above the levels we were operating at pre-pandemic.

We have also seen an improvement in cancer performance and have reduced the number of patients waiting, despite increasing referrals. We have also improved access to cataract surgery, as result of regional working with neighbouring Health Boards.

### Mental Health Services

The introduction of the 111 (Press 2) service now offers urgent mental health support and advice to our patients and communities 24-hours-a-day, seven days a week, supporting the most vulnerable in our communities.

Our Peer Mentors Service was recognised as 'best practice' by Welsh Government. Changes to the Psychology Service has also improved patient choice and we have seen a number of other innovations focussing on mental wellbeing, such as the 'Recovery Through Sport' programme and 'Project Wingman' (the wellbeing bus).

There has also been huge progress in our Child and Adolescent Mental Health services (CAMHS), with some great initiatives working with schools and significant efforts to reduce the waits for assessment.

### Strategic Developments

Our new Breast Unit was approved and is now under construction at Ysbyty Ystrad Fawr, with construction due to complete in December 2023 and the unit opening early in 2024.

Construction has also commenced on the Satellite Radiotherapy Unit at Nevill Hall Hospital, which is due to open in 2025.

The new Endoscopy suite at the Royal Gwent Hospital is also under development and due to open later this year, which will create a four-room facility to support improved patient access and a reduction in waiting times.

Dedicated accommodation for NICU parents at The Grange University Hospital was officially opened this year to help provide added support to families with very poorly babies.

### Our Workforce

Our People Plan 2022-25 was approved which focuses on staff health and wellbeing, workforce sustainability and being the employer of choice.

There has been a continued focus on recruitment and retention, a reduction in agency usage in the last quarter and an enhanced focus on employee wellbeing and staff recognition.

### Finance

Despite a hugely challenging environment, we ended the last financial year with an overspend of £37m. This was the first year the Health Board had not delivered a break-even position. However, whilst this was disappointing, at month six the forecast deficit was much greater and it was through the efforts of our staff and a renewed focus on efficiency that enabled us to keep the overspend to the £37m.

Despite all the financial challenges and service pressures that we continue to face, it is important to acknowledge the huge progress made over the last year.

Moving forward into 2023/24, we have plans in place to build on the progress made last year across our priority areas and further improve access and quality of services. However, we face the most significant financial challenge and we will need to further develop our services to make them even more effective and efficient.

## **2. Reporting Requirements**

The purpose of the Performance section of this Annual Report 2022/23, as set out in the guidance provided in the NHS Wales 2022/23 Manual for Accounts, is to provide information on Aneurin Bevan University Health Board, its main objectives and strategies and the principal risks that it faces. The requirements are based on the matters required to be dealt with as set out in Chapter 4A of Part 15 of the Companies Act 2006, as adapted in the Financial Reporting Manual and NHS Wales Guidance Manual.

The main features of the performance report flow from the organisation's agreed plan and demonstrate how the Health Board has delivered against these.

It should be noted that the duty of quality comes into legal force in April 2023 in line with the Health and Social Care (Quality and Engagement) (Wales) Act 2020. The new reporting requirements will therefore be captured through processes in place for 2023/24. In the interim, a non-statutory implementation of the duty of quality was introduced in autumn 2022. This will allow for testing the quality reporting indicators and qualitative measures being developed during the duty of quality implementation phase as a hybrid reporting process for 2022/23. Further information is available in the Annual Accountability Report, Page 81.

The Annual Accountability Report (Section 2), Page 90, includes an overview of the Health Board's work in relation to its Sustainability and Carbon Reduction Plans, with some detail also included below at page 29.

### **3. Aneurin Bevan University Health Board**

Aneurin Bevan University Health Board was established in October 2009 and achieved 'University' status in December 2013. The Health Board's principal role is to ensure the effective planning and delivery of our local NHS system, within a robust governance framework, to achieve the highest standards of patient safety and public service delivery, improve health and reduce inequalities and achieve the best possible outcomes for our citizens, and in a manner that promotes human rights. To fulfil this role, we are required to work with our partners and stakeholders in the best interests of the population we serve.

As a Health Board, we serve the population of Gwent which reflects the five local authority areas: Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen. The Demographics of Gwent are varied and include rural countryside areas, urban centres and the most easterly of the south Wales valleys.

The Population Needs Assessment for the region can be found here: [Demography - Gwentrbp](#).

The Health Board employed 12,648 whole time equivalent (WTE) staff as at 31<sup>st</sup> March 2023. It is the largest employer in Gwent. Our workforce is ageing, as is the demographic profile of our population and the health inequalities of our population are also found within our workforce. 80% of our staff live within our communities. Therefore, it is essential that staff health and wellbeing is a key priority and a feature of our preventative plans.

The Health Board has an annual budget from the Welsh Government of just over £1.6 billion per year from which we plan and deliver services for the population of Gwent. The Health Board, as well as providing services locally, works in partnership to seek to improve health and well-being in the area, particularly through our partnership arrangements to respond to the Social Services and Well-Being (Wales) Act 2014 and the Well Being of Future Generations (Wales) Act 2015.

Detail on how the Health Board is governed is set out within the Accountability Report (Section 2 of the Annual Report and Accounts 2022/23).

#### **4. Integrated Medium Term Plan 2022/23 – Life Course**

The IMTP 2022/23 set out the Health Board's priorities based on adopting a life course approach. Unlike a disease-oriented approach, which focuses on interventions for a single condition often at a single life stage, the life course approach considers the critical stages, transitions and settings where differences can be made in promoting or restoring the health and wellbeing of both current and future generations. This approach requires working with our citizens (as individuals, families and communities) to deliver the change our communities need.

This approach requires holistic, long-term policy and investment strategies that promote better health outcomes for individuals and greater health equity in the population. We are confident this approach can provide good returns for health and sustainable development, both by limiting ill health and the accumulation of risk throughout life and by contributing to social and economic development.

We know that the direct and indirect harms of Covid-19 have amplified health inequalities for our population, further heightened by the cost-of-living crisis. Balancing our efforts to respond to the substantial and unprecedented demand for urgent, emergency and routine health services and embedding our life course approach has been a key challenge this year and will remain a challenge as we approach 2023/24.



Over the past year we have developed a set of supporting measures for each stage of the life course, together with 43 associated indicators that help us to monitor and measure the progress that we are making and the impact of our actions on the health and wellbeing of our population.

### Our Outcomes Framework






## Delivering the IMTP Priorities 2022/23

### Priority 1

Every child has the best start in life

Early childhood experiences, including before birth, are key to ensuring improved health outcomes. The Health Board's IMTP committed us to working with partners to take forward actions and activities that have a positive impact on the first 1000 days of life. We seek to deliver three outcomes, and an overview of our progress in 2022/23 is shown in the table below.




Our Commitments	Our Measures	Our Performance
Improving Good Health in Pregnancy 	Decrease Low Birth Rates	Improving (5.6% 2020 to 5.1% 2021)
	Decrease smoking rates @ birth	Improving (16% to 13.7%)
	Decrease still births	Improving (4.8% to 3.9%)
Optimising a child's long term potential 	Increase uptake of women breastfeeding	Similar (56.6%)
	Increase eligible children measured and weighed at 8 weeks	Deteriorated (62.5 to 28.3%)
	Increase of eligible children with contact at 3.5 years (preschool)	Deteriorated (64.4 to 42.1%)
Increasing childhood immunisation 	% Children who received 2 doses of MMR by age 5	Similar (90%)
	% Children who receive 3 doses of hexavalent '6in1' vaccine by age 1	Similar (94%)

Whilst our targets for optimising a child's long-term potential have not been met, largely because of significant workforce challenges, the Health Board is making good progress in implementing its local plans to increase contact in line with the overall Welsh Performance levels.

### Priority 2

Getting it right for children and young adults

Nurturing future generations is essential for our communities. There is strong evidence that healthy behaviours in childhood impact throughout life; targeting actions to improve outcomes in these areas has a long-lasting impact on delivery and development. Young adult mental health is a Ministerial priority area with CAMHS a priority in the national performance framework. We seek to deliver three outcomes, and an overview of our progress in 2022/23 is shown in the table overleaf.





<b>Our Commitments</b>	<b>Our Measures</b>	<b>Our Performance</b>
<b>Improve mental health resilience</b> 	Improvement in the mean mental health and wellbeing score for children	Indicator being developed as part of Marmot work
	Decrease in 4-week CAMHS waiting lists	Similar 97.4% at June 2022 unable to provide year end due to change in informatics system
	Increased compliance in neurodevelopmental (SCAN) waiting list	Deteriorated (80% to 42.2%) over the year
<b>Support being a healthy weight</b> 	Increase in children aged 5 a healthy weight	Improving (73 to 75%)
	Increase in adolescents of health weight	Indicator being developed
<b>Improve healthy lifestyle behaviours</b> 	Increase % children (aged 2 – 7 years) who are active for at least 1 hour each day	Similar (63%)
	Increase % of children who eat vegetables each day	Similar (68%)

Increases in demand, together with the restart of face-to-face appointments, has resulted in a backlog of children undergoing neurodevelopmental assessments. The recovery plan working with Local Education Teams, supported by our School-in-reach, school nurses, locality community support services and school staff has seen an improvement in performance, particularly for assessments. Full recovery is anticipated in Quarter 2 of 2023/24.

### Priority 3

Adults living healthily and ageing well

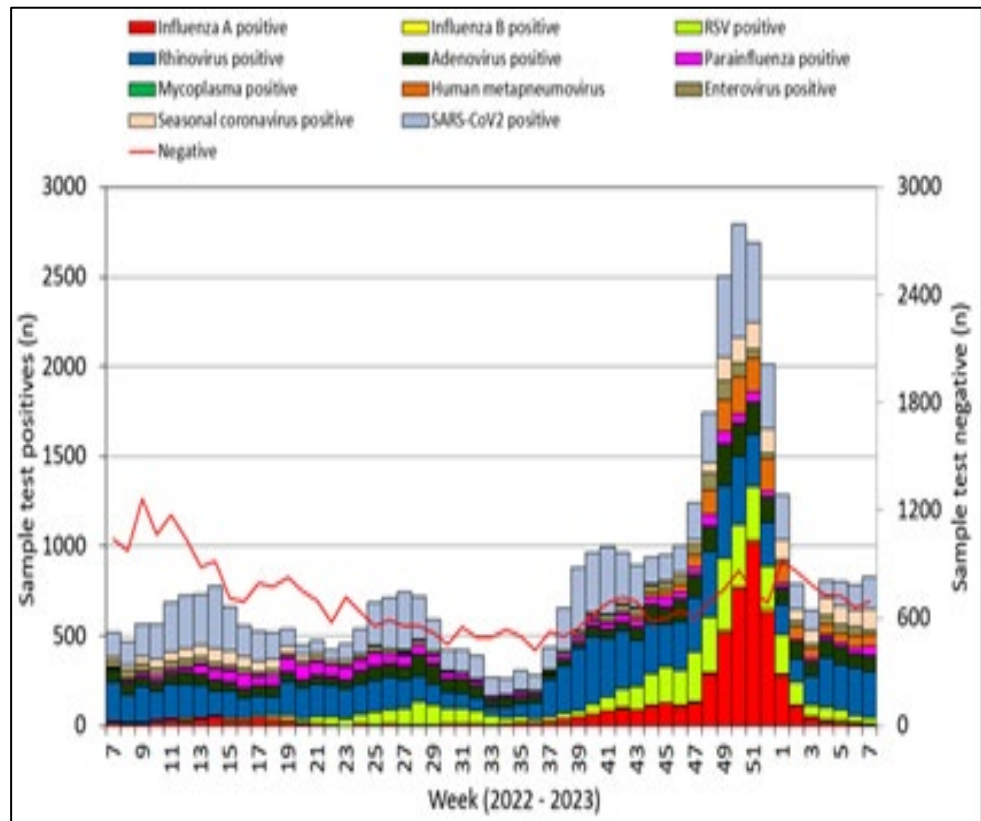
Our ambition is for citizens to enjoy a high quality of life and to be empowered to take responsibility for their own health and care. A significant number of measures fall within this area. The outcomes and performance set out below underpin the work of 4 of the Health Board's Priority Programmes, spanning transforming urgent and emergency care, planned care recovery, maximising cancer outcomes and transforming mental health care. An overview of our progress in 2022/23 is shown in the table overleaf.

Our Commitments	Our Measures	Our Performance
<b>Maximise an individuals time</b> 	Reduction in the number of patients waiting more than 36 weeks for treatment	Deteriorated (6.6% increase)
	Reduction in the number of patients waiting for a follow-up outpatient appointment	Deteriorated (4.7% increase)
	Increase in Urgent Primary Care Contacts	Improving (148% increase)
	Increase in Think 111 calls	Improving
	Reduction of ambulance handovers over 1 hour	Deteriorated (737 to 846)
	Reduction in patients never waiting in ED over 16 hours	Deteriorated (417 to 498, 19% increase)
	Reduction in time for patients to be seen by first clinician	Deteriorated (1.6 to 2.3 hours)
	Reduction in time for bed allocation from request	Deteriorated (13.9 hours = increase of 20% from baseline)
<b>Adults living healthily and aging well</b> 	Increase in adults active at least 150 minutes a week	Similar (51%)
	Decrease in the % of adults smoking	Improved (19% to 12%)
	Decrease in the number overweight or obese adults (BMI over 25)	Similar (67%)
	Increase in working age adults in good or very good health	Similar (69%)
	Increase uptake of National Screening Programmes	Improved (64 to 70.2%)
<b>Maximise cancer outcomes</b> 	Increased compliance of the number of patients starting their first definitive cancer treatment within 62 days from point of suspicion	Similar (56%)
	Increase in 5-year cancer survival	Improved (49.1% to 54%)
<b>Improve mental health resilience</b> 	Increase in Mental Health Well-being score for adults	Similar (50.5%)
	Increase % of Health Board residents in receipt of secondary mental health services who have a valid care and treatment plan (18 years and over)	Deteriorated (80 – 75%)



**Urgent and Emergency Care** services continue to be under significant pressure both nationally, regionally and locally, making delivering timely care challenging. The end of Quarter 3 and beginning of quarter 4 saw a large number of patients presenting with respiratory viruses – particularly flu and Covid-19.

This significant increase in respiratory viruses across our communities also caused high levels of staff sickness which placed additional pressure on urgent care services. In addition to this, there has been increasing demand for urgent



primary care, increased ambulance call demand, increasing numbers of self-presenters at Emergency Departments and Minor Injury Units, increased acuity linked to post lockdown impact, increased bed occupancy for emergency care and high levels of delayed discharges linked with significant social care workforce challenges.

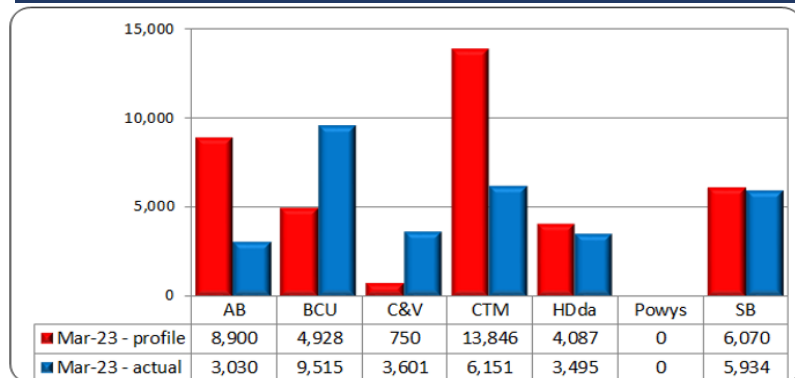
This pressure on the urgent care system has resulted in patients staying in hospital for longer. The average time from arrival to departure in the Grange University Hospital Emergency Department (ED) continues to be above target and increased during January in line with peaks in respiratory illness. We continue to have patients waiting longer than 50 minutes to be transferred to the Emergency Department from an ambulance. This is a result of poor flow through the system for those who need to be admitted. The sustained numbers referred to a specialty but discharged from ED is a key indicator of the pressure across the system.

The extreme pressures upon the urgent care system this winter have impacted on the performance measures of patients waiting under 4 hours and over 12 hours in Emergency Departments. As of March 2023, compliance against patients treated within 4 hours deteriorated from 73.7% (March 22) to 72.5%. During 2022/23, Aneurin Bevan consistently remained the highest performing Health Board across Wales, excluding Powys, and whilst the 95% target has not been met, its performance is significantly higher than the all-Wales average. Additionally, during March,

there was an increase in the number of patients waiting over 12 hours from 1,509 (March 22) to 1,606.

Maximising an individual's time is a core element of **planned care**. The Health Board has made considerable progress throughout the year in treating the **longest waiting patients**, i.e. those waiting over 104 weeks. We have achieved and surpassed the 104-week target and have the smallest proportion of patients waiting across Wales.

Patients waiting >104 weeks for referral to treatment

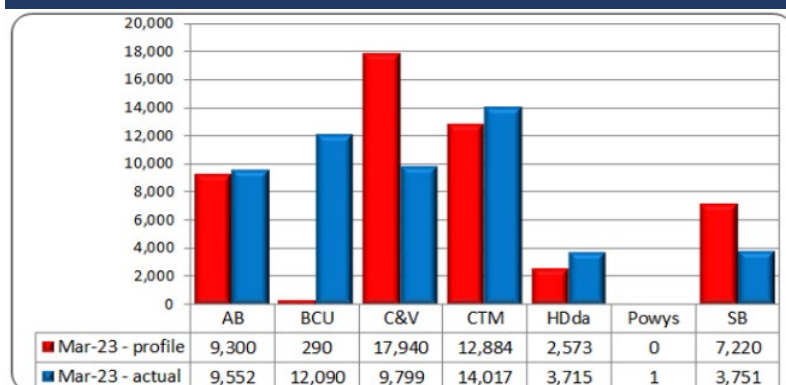


Despite achieving the trajectories, there remain a number of specialty areas with long waiting times (Orthopaedics, Ophthalmology, and ENT). There continues to be targeted work in all three specialties to treat the longest waiting cohort with the exception on ENT, where the total capacity available for ENT care is less than the capacity to meet the target. For Ophthalmology, a Business Case seeks to provide a 14-month solution to provide additional regional capacity for cataract outpatient and inpatient stages to enact a collaborative regional approach to recovery and to maximise the use of our assets across the region has been developed for approval in Quarter1 23/24.

Clinical Specialties are balancing the principle of undertaking activity defined by **clinical prioritisation**, and a time-based approach for the longest waiting patients; this enables timely care for the most urgent patients and clinically-led decision making.

Improvement in **outpatient performance** remains essential is a core focus of the Planned Care Programme. Despite tracking just above the trajectory, Aneurin Bevan has one of the smallest proportion of patients waiting more than 52 weeks for a new outpatient appointment.

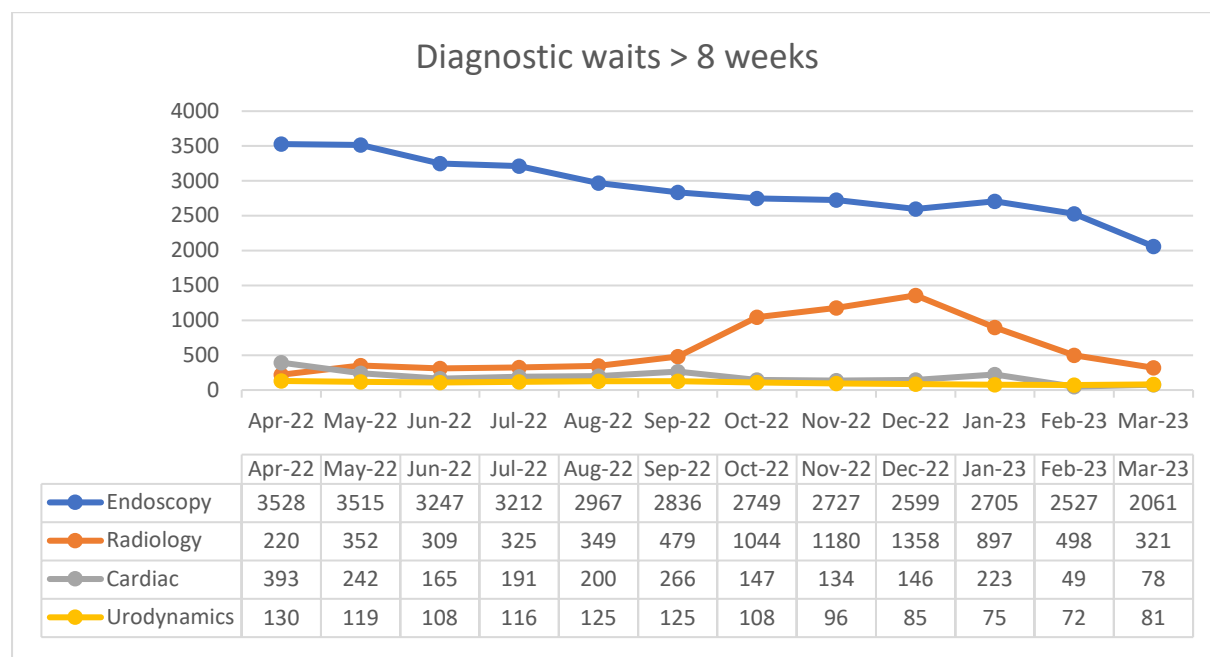
Patients waiting >52 weeks for new outpatient app



Progress has been made with the new **See on Symptom (SoS)** system. A '**Patient initiated follow-up**' (Pifu) Implementation Plan with **12 new pathways** developed. The Health Board has also worked hard to increase treatment capacity post COVID and following the opening of the Outpatient

Treatment Unit at the Royal Gwent Hospital, capacity is currently 105% of pre COVID levels. The outpatient treatment unit has two treatment rooms and whilst the first is fully staffed, a plan has been developed and is in place to staff the second room.

Access to timely and effective **diagnostics** is critical in providing high quality care, reducing waiting times for treatment and improving health outcomes. As seen in the graph below cardiology has seen significant improvement, driven by use of an insourcing company to deliver additional echo capacity.



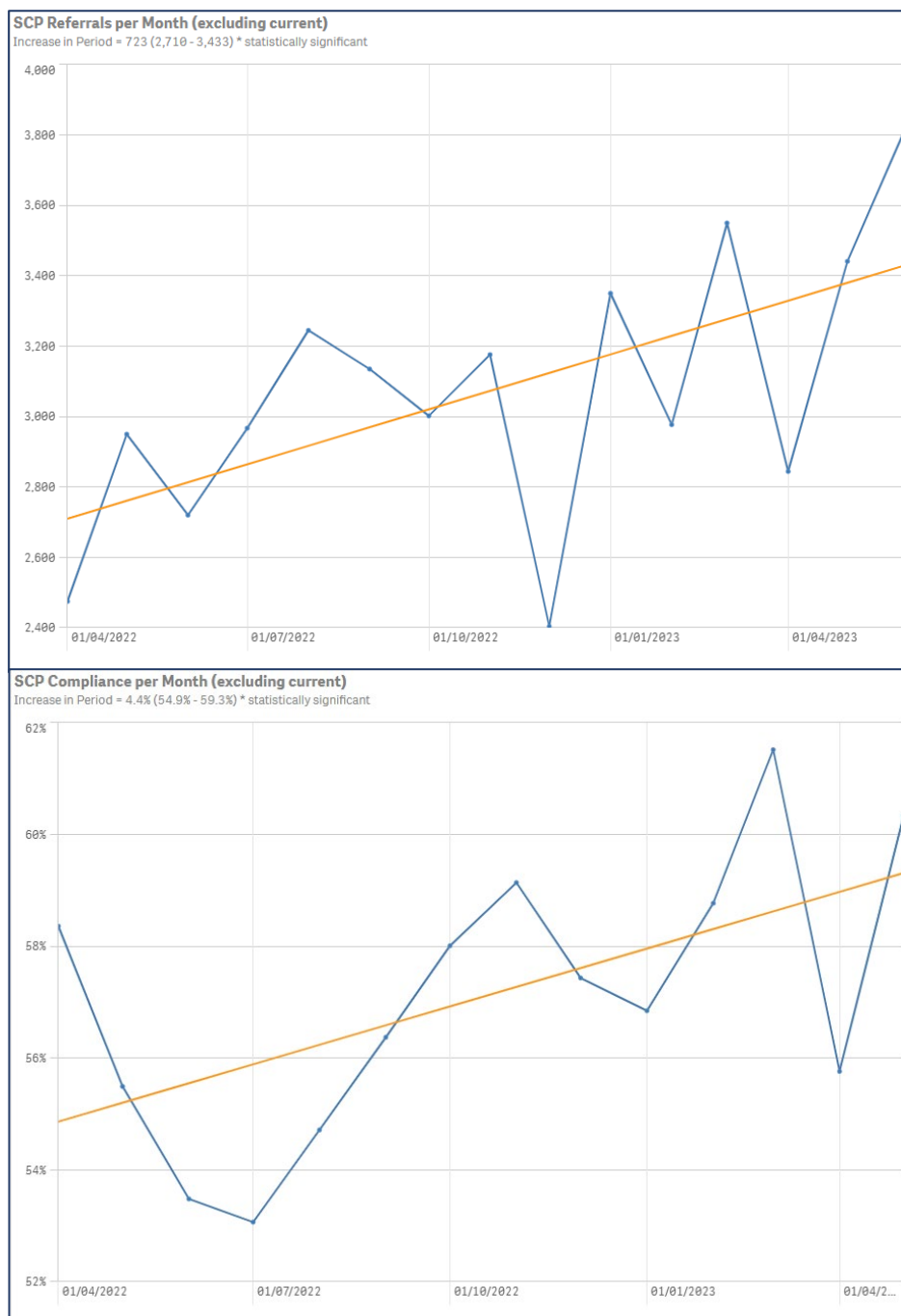
Further key areas in diagnostics include:

- Continued insourcing of additional endoscopy capacity has supported a maintenance in the 8-week backlog with a small decrease in the numbers of people waiting at the end of March (2,061).
- Radiology diagnostics waiting times have reduced during Quarter 4.
- The future developments of the RGH endoscopy unit has progressed with approval to recruit ahead of the new unit opening in 2023. It should be noted that this is to sustain services and is predicated on the backlog being cleared by the point of opening of the new unit.

## Compliance against the Suspected Cancer Pathway (SCP)

has increased from 55.6% (November 2022) to 58% at the end of March 2023. Whilst performance is compliant with the planned care recovery level of 55%, this remains lower than the national target. Significant increases in demand relating to suspected cancer referrals have continued to exceed 2,500 referrals per month and is continuing to have an impact on performance creating capacity challenges throughout the pathway for services

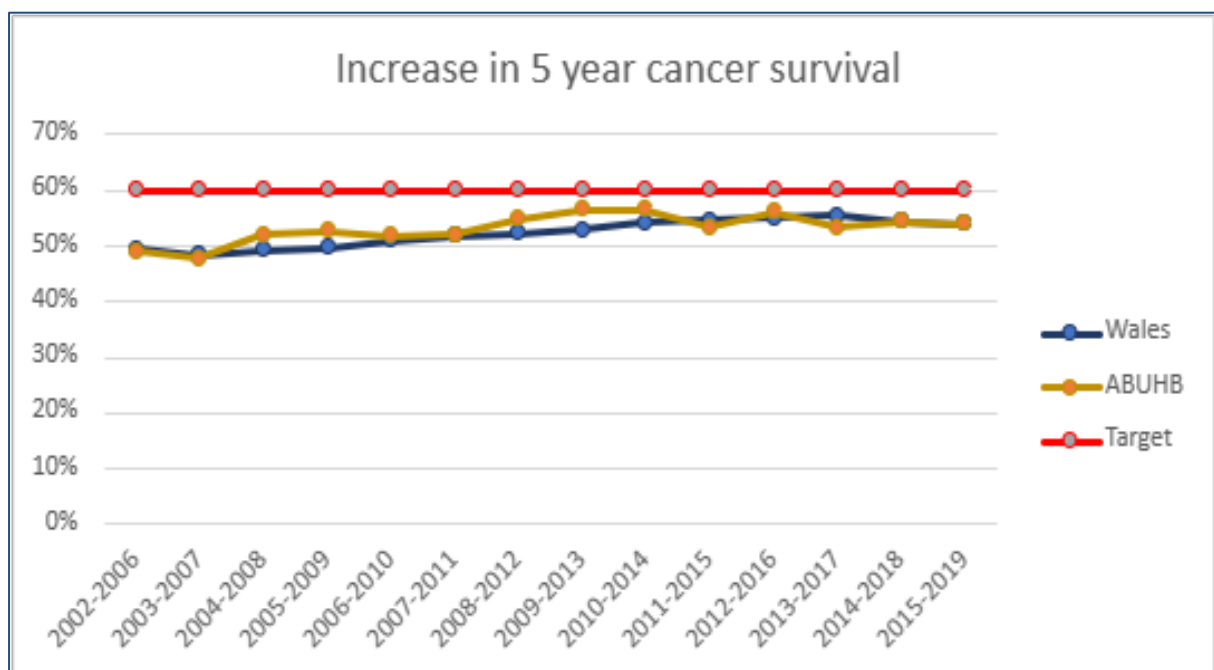
provided by the Health Board and those provided at tertiary centres.



There are a number of factors which have had an impact on overall performance. A primary driver is a considerable reduction in skin treatments. The volumes for this specialty have historically contributed in increasing the performance denominator. This reduction has been influenced by the capacity challenges faced by histopathology and an action plan is in place to improve the position through outsourcing. The capacity to deliver the diagnostic component of the pathway is a significant constraint to delivering the SCP.






Overall, there has been significant improvement in the rate of 5-year cancer survival reported over the last 10 years.



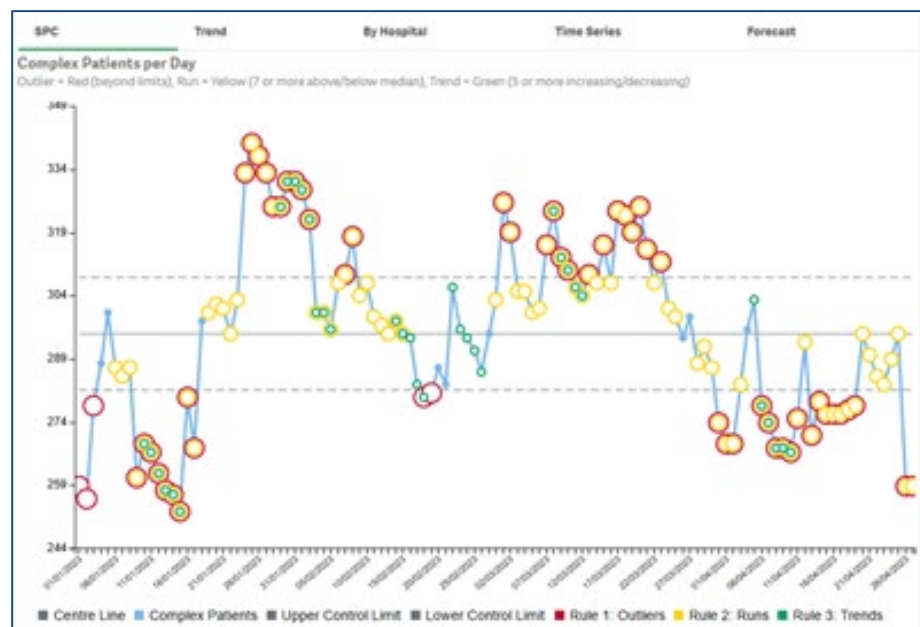
A similar score was reported for the mental health well-being of adults in the Health Board, although a small increase has been observed from 50.3% to 50.5% in 2018/19, contributing to the progress towards the achievement of the improved mental health resilience in adults outcome.



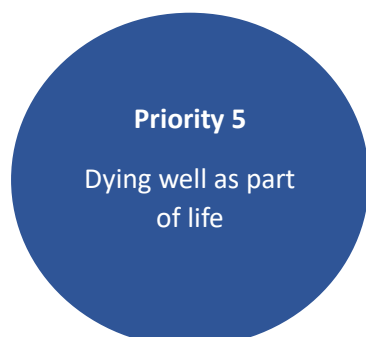
Supporting **older adults** to live well and independently is a core component of the Health Boards' plan for a sustainable health and care system. We know we need to deliver improvement for this population in our service offer. Redesigning services for older people is a Clinical Futures priority programme. We seek to deliver three outcomes, and an overview of our progress in 2022/23 is shown in the table overleaf.

Our Commitments	Our Measures	Our Performance
Prevention and keeping older adults well 	Increase in older people in good health	Indicator being developed as part of Marmot work
Delivering care closer to home 	Increase in Rapid Response within 4 hours	Similar(38%)
	Reduction in the number of short stay patients (<7 days)	Similar (12%)
	Reduction in average LOS case load	Deteriorated (52.7 days against 40-day baseline)
Reducing admissions and time spent in hospital 	Increase in Admission avoidance (month)	Improved (across 4 Local Authority Areas)
	Decrease in number of patients whose LOS is over 21 days	Improved (65% (134/206) to 56% (145/264))



The 'Delivering Care Closer to Home' outcome has seen a deterioration in 1 indicator values; however, a Cyber incident in August 2022 has impacted the system that captures and hosts the data therefore it is not possible to provide a Quarter 4 update for 3 of the metrics. At the end of Quarter 1, rapid response within 4 hours had decreased across all 4 reported Borough areas (data excludes Monmouthshire) from 38% to 35%. There was also an increase reported in the average length of stay of people. This is most notable in Blaenau Gwent and Newport Boroughs. The 'reduction in the number of short stay patients' indicator value has been sustained at around 12%.



This is an area of focus for the next financial year, in partnership with the Integrated Service Partnership Board and Regional Partnership Board structures, to support the care home sector, enhance our Rapid Response Model, and access to hot clinics, providing single points of access and direct admissions pathways.



The IMTP sets out our commitment to improve continuously what we do to meet the need of people of all ages who are at the end of life. The measures represent indicators to support the organisations understanding of how it is delivering in this area to support the population to die in their place of choice and have access to good care. We seek to deliver two outcomes, and an overview of our progress in 2022/23 is shown in the table below.

Our Commitments	Our Measures	Our Performance
<b>Improved end of life care experience</b> 	Decrease in the % of hospital as a place of death	Improved (50%)
	Increase in compliance of issuing of Medical Certificates within 5 days	Improved (83% within 5 days)
	Reduction in complaints	Indicator being developed
<b>Improved planning and provision of end of life care</b> 	Increase in proportion of Urgent Palliative Care referrals assessed within 2 days	Improved (91 to 99%)
	Increase in the number of Advanced Care Plans in place	Indicator being developed

For the 'Improved planning and provision of end-of-life care' outcome, there has been a significant increase in the proportion of Urgent Palliative Care referrals assessed within 2 days since July 2020 and a further increase from 97% to 99% during Quarter 2 and Quarter 3.

Further outcome measures and indicators are still being developed nationally and this priority will evolve to incorporate the relevant outcomes.

## 5. Integrated Medium Term Plan 2022/23 – Priority Programmes

Our organisational priority areas of work are designed to create and optimise the right capacity to meet the needs of our population through service development, redesign and/or transformation and to positively impact on population health and achieve improvement across the life course of an individual. These programmes are underpinned by a relentless focus on quality and safety.

By their very nature, these key strategy priority programmes are complex, system wide and will be delivered over the life of the 3-year IMTP and beyond. This section provides an overview on progress that has been delivered during 2022/23.

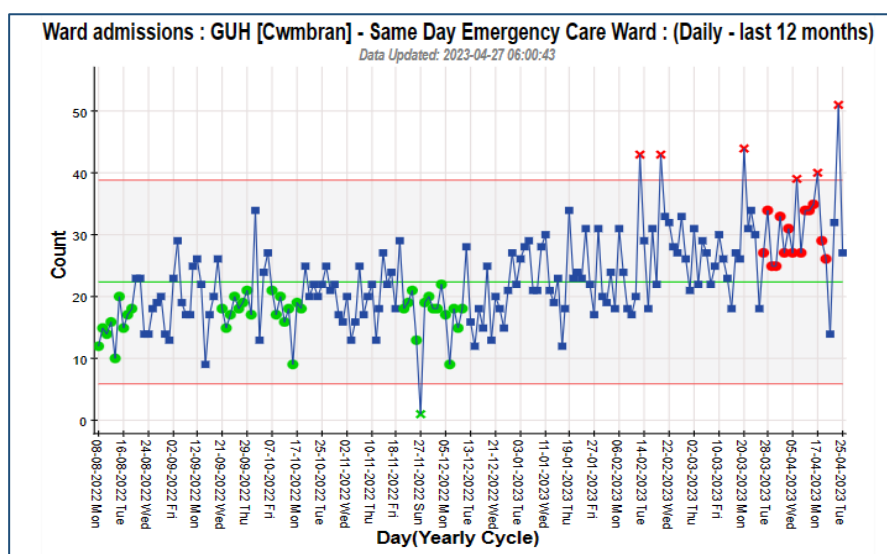
Prior to the pandemic, the situation in Emergency Departments was increasingly difficult, with demand soaring and the percentage of people being seen within the four-hour target reaching an all-time low over the 2019/20 winter. Since lockdown eased, demand has steadily risen, and a greater number of people with serious problems are presenting themselves in our urgent and emergency care system.

**Urgent and  
Emergency Care  
Improvement**  
  
**(6 Goals)**

Welsh Government published a handbook to assist Health Boards to **improve urgent and emergency care** focusing on strengthening signposting, clinically safe alternatives to admission, rapid emergency care response, good discharge practice and preventing readmission. During 2022/23, we have seen broadly positive momentum through each of the goals in the context of significant operational pressure.

### Some areas of progress include:

- A 'high intensity user service model' exists, where referrals are made to a Lead Nurse who is able to make the right social referral required to support the patient in safe discharge.
- Following the opening of Same Day



- Emergency Care (SDEC) at Ysbyty Ystrad Fawr non recurrent funding has now been secured.
- The establishment of SDEC is an important addition to our emergency care services and provides significant opportunities to stream patients from same day to next day and act as a catalyst for speciality ambulatory service development. Since the opening of SDEC at the Grange University Hospital, 4,054 patients have been seen (average 20-25 daily attendances) all discharged the same day with a median length of stay time of 3.6 hours. Since the opening of SDEC at YYF, 678 patients have been seen.
- Urgent Primary Care continues to be strengthened and receive referrals from re-directions, 111 and in-hours primary care escalation.

- We have received funding via the Six Goals national 'Innovation Fund' to support implementation of an electronic Triage solution for ED in order to improve clinical visibility and improve patient experience.
- Elderly Frailty Assessment pilot has now been completed at GUH with a number of positive learnings and actions for follow-up.
- Ambulance handover improvement is a key focus for the programme and there are plans to pilot a push model of flow to encourage timely referrals of patients to specialities at given times of the day.
- A business case has been approved to provide additional Front Door Therapies staff dedicated to ED to support a 'home first' approach.
- An Integrated Discharge Board has been established with engagement from Local Authority partners, Welsh Ambulance and medicine, nursing and therapy colleagues.
- Good progress has been made with the Royal Gwent Hospital Discharge Hub pilot with health and social care teams now integrated and co-located.
- The Nevill Hall Hospital Pull Model has already provided improved communication with multi-disciplinary teams, which is evidenced in an increase in timely discharges and positive patient feedback.

#### Risks and Further Development Areas

- As set out in the performance information, developing urgent care services is being delivered in parallel with responding to significant pressure. Much of the development of this programme has supported responding to the pressures rather than fundamental service change
- Goals 5 and 6 of the programme focus on discharge to home, further progress is needed in this area which can only be achieved through partnership.
- Areas of focus for the programme include greater development of SDEC medical services, further preventative and redirection service and a prioritisation of discharge

The **Enhanced Local General Hospital** (eLGH) network was made possible when the Grange University Hospital opened in November 2020. The roles of the Royal Gwent (RGH) and Nevill Hall (NHH) Hospitals changed to be more similar to Ysbyty Ystrad Fawr (YYF). The eLGH model provides local emergency care services, outpatients and diagnostics, planned care day case and inpatient and/or daycase surgery and medical inpatient beds on all 3 sites. They hold key roles in providing direct emergency care and supporting patients who have received emergency and inpatient care at the GUH but who are not yet ready for discharge due to ongoing care needs including rehabilitation. In addition, each eLGH is developing specialist Health Board wide or regional services roles, for example the Breast Care Unit at YYF and the proposed developments of local cancer and radiotherapy services at NHH.



This workstream is focused on optimising the design of the hospital network across the Health Board, focusing on the clinical models. In addition, the remit has been expanded to consider the future acute medical model for the eLGH sites and options for the long term sustainability of service delivery.

**Some areas of progress include:**

- Completed reconfiguration of ward A1 at the Grange University Hospital to optimise patient flow through Emergency Department, Surgical Assessment and Acute Medical Unit
- A review of Stroke services by the national Getting it Right First Time team has been undertaken, along with scenario modelling for reconfiguration of stroke services, to address stroke sustainability issues. Early 2023/24 will see the mapping of workforce elements across medical, nursing and therapies.
- Building works began on the Breast Unit at Ysbyty Ystrad Fawr, this unit will offer a wide range of services, tailored to meet the specific needs of patients. It will focus on timely, effective access to treatment, ensuring person centred care is at the forefront when delivering our breast care services.
- Works have commenced in readiness of building the Satellite Radiotherapy Centre at Nevill Hall Hospital. It is anticipated this unit will open Autumn 2024.
- Evaluation of the 'Homeward Bound Wards' reviewing the support to those who are medically optimised to discharge has been completed.
- Establishment of Acute Medicine workstream to review workforce and patient flows since the opening of the GUH and to create a sustainable eLGH acute medicine model.
- Stabilisation of junior medical staffing for the acute medicine model with collaboration from HEIW.

**Risks and Further Development Areas**

- The most significant risk to optimising our ELGH model is availability of sufficient workforce. National and local shortages in specialist areas means it is not possible to enable all parts of our model.
- Therefore the focus for the next period will be considering clinical models in context of workforce and pathway developments

The importance of improving care and support for **older people** has been reinforced through our dynamic planning approach. It shows, in the starkest of terms, the cost to our system because the offer to older people falls short of what is needed to support them to live well and independently. The system needs further transformation urgently to ensure that older people can access evidence based clinical interventions that respond to their needs, in the context of what matters to them by ensuring that the care they receive helps prevent dependency now and later in life.



Redesigning  
Services for Older  
People



### Some areas of Progress include:

- Early intervention workstream was supported by three workforce sustainability and transformation winter bids which included additional Community Resource Team staff to bolster out of hospital care and prevent avoidable hospital admissions and expedite discharge, increased Urgent Responsive Care (Emergency Care at Home); and focus on supporting the Proactive Frailty (HRAC) cohort who we know are high users of our hospital system. This is to support system safety over the winter and test intervention to support capacity gaps.
- Engagement events have commenced with key stakeholders and staff to inform the optimal care pathway and describe the future model of care for older people.
- The mapping of resources to target limited resources in the right area has begun supported by the Value Based Health Care team. A proposed model for ambulatory care has now been developed and an audit is planned to ascertain patient needs and numbers of people who could access this pathway.
- Assessment of unmet need has been progressed to inform plans for further 'Hot Clinics'.
- Work is progressing to develop an Emergency Care at Home model to support people at home, including out of hours, across all areas and to recruit overnight HCSWs.

### Risks and Further Development Areas

System pressure has impacted progress in this programme with high occupancy in community hospitals and wider facilities limiting ability to drive transformation.

The programme has identified key interdependencies with the six goals programme therefore greater alignment will be a focus in the next period.

The **Primary Care Model** for Wales sets out how primary and community health services will work within the whole public sector system to deliver **Place-Based Care**. Collaborative work is at the core of this bringing together local health and care services to ensure care is better coordinated to provide care closest to home and promote the wellbeing of people and communities. We have a core programme team which includes the Clinical Director for Primary Care, Workforce, Finance, Planning and Clinical Futures Programme support to develop a local programme plan to deliver a regional response to the nationally set ministerial milestones. The focus to date has been to undertake core briefing and engagement work to establish the professional collaboratives, and a Neighbourhood Care Network (NCN) office to enhance support for front line staff in planning and delivering for their local population, and undertake the readiness assessment exercise and closing the required actions.



### Some areas of progress include:

- Alignment of the work of our NCN plans, pan-Cluster Plans (ISPB plans) and the Regional Partnership Board Area Plan.
- Good progress within the communication and engagement strategy including the 'Be Kind' campaign roll out across social media and independent contractors, receiving positive feedback. Additional NCN branding has been developed along with a website and newsletter featuring GP Practice role videos
- Following the establishment of NCN Office, organisation development and sustainability has been a key priority with development sessions planned and delivered for NCNs and professional collaboratives.
- NCN and draft ISPB plans submitted to the Regional Partnership Board
- Engagement with partners in developing an NCN Business cycle.
- Population needs based planning framework developed and socialised.
- Engagement with RPB and Integrated Service Partnership Boards regarding the latter adopting the function of the Pan-Cluster-Planning Groups.
- NCN office supported NCNs in delivery of their plans including supporting evaluating and scaling up projects.
- Professional Collaboratives were established and have begun to respond to published population needs assessments and to identify their service gaps.

### Risks and Further Development Areas

- The programme has focussed on establishing the governance foundations for integrated working at a NCN level, the next phase is to move to defining actions and delivery programmes focussed against needs assessments
- creating headspace and time for busy primary care professionals is a key risk area for this programme as well as sufficient workforce with shortage professions such as general practice

In April 2022, Welsh Government published the 'Transforming and modernising **planned care** and reducing waiting lists' plan to encourage a focus on key areas. These are: transforming outpatient services; prioritising diagnostic services; early diagnosis and treatment of suspected cancer patients; patient prioritisation to minimise health inequalities; very long waiters; building sustainable planned care capacity; and improving communication and support. These national objectives are in line with those identified in our IMTP and continue to endorse our focus on these key areas of recovery. An update on performance measures can be found within the outcomes and performance summary.

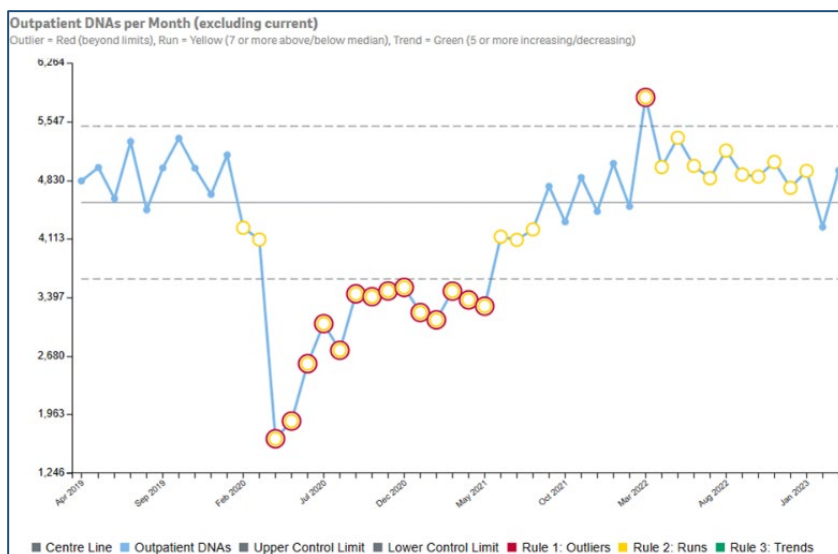


Planned Care  
Recovery



## Some areas of progress include:


- Collaborative working between clinicians and Value-Based Health Care team to prioritise initial health care pathways for localisation based on national and local priorities. During the last quarter, a business case was agreed and funding for health pathways has been allocated.
- ABB Waiting Well website has been launched to support patients to keep well before surgery or planned treatments to help give patients the best chance as possible as well as supporting recovery.
- The outpatient transformation programme continues to develop and roll response plans including 'See on Symptoms' and 'Patient Initiated Follow Ups'. Implementation of outpatients DNA Plan (currently 6.5% against a 5% target) and Hospital Cancellation Plan (currently 18,950 compared to 40,952 in 21/22).
- A Diagnostics Board has now been established with a direct link into the national and regional planning. A National and regional diagnostic plan is due to developed from Quarter 1 23/24 with a local solution to be approved.
- A time and motion study was undertaken and a theatres stakeholder event took place, detailing improvements being rolled out across teams.
- The Planned Care Academy concept was detailed to the Delivery Unit, receiving a positive response and offer of support secured. The model will be refined during the next quarter with a plan to roll out during the next financial year.



## Risks and Further Development Areas

- The impact of system pressures has affected planned care performance and development with the compromising of bed spaces and the need to move staff to support urgent and emergency care
- The balancing of financial pressure and tackling long waiting lists also remains a risk area.

**Cancer outcomes** need to be improved. The Single Cancer Pathway, supported by Optimal Cancer Pathways for individual tumour sites, provides the roadmap to shorten diagnostic and treatment pathways once a person is suspected of having cancer. The Cancer Strategy, 'Delivering a Vision 2020-2025' sets out the broader context with prevention, early detection, patient experience, living and dying with cancer, cancer research and access to novel therapies are also key components of the approach to transforming cancer services for our population.



Maximising  
Cancer Outcomes

Whilst it is too early to be able to measure the impact of successive pandemic waves on morbidity and mortality for cancers, there is concern that a reluctance by patients to attend primary care and hospital, together with the temporary suspension of national screening programmes and longer waiting times for diagnostic tests and treatment will result in patients presenting at a later stage in their cancers which will make improving cancer outcomes more challenging. Planned Care and Cancer Services are inextricably interconnected; it is the same workforce, accessing the same diagnostic and treatment capacity.

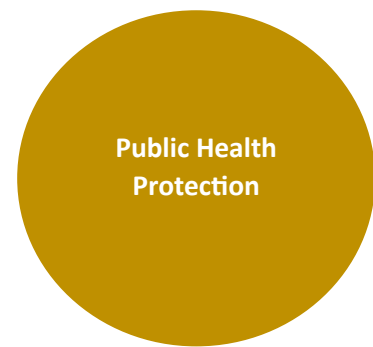
**Some areas of progress include:**

- Significant progress has been made in establishing the Transforming Cancer Services Programme and identifying and distinguishing areas of work and activity
- Continued focus on delivery against the 62 day pathway, and ministerial challenge to achieve 70%. Improved 62.5% adherence to Single Cancer Pathway in March 2023.
- Reporting arrangements for Histopathology outsourcing have been agreed. The newly formed Diagnostics Board receives assurance on delivery against trajectories and plans will receive escalations, apart from those areas that impact on Cancer.
- Patient Navigator for Endoscopy has resulted in a notable improvement in days of first contact from 68.8% in January to 85.5% in April.
- Demand and capacity dashboard have been created and have now been rolled out to all specialities with the aim to embed within day-to-day management.
- At the beginning of Quarter 4, Welsh Government announced a £38 million investment to improve cancer radiotherapy services with a new radiotherapy 'Satellite' centre at Nevill Hall hospital, which will be open by 2024.

**Risks and Further Development areas**

- Significant backlogs and increases in referrals have challenged progress in programme delivery
- As with other programmes key workforce challenges in particular tumour sites has slowed progress and required consideration of revised models of care

COVID-19 has shone a spotlight on the inadequate level of preparedness for the challenges faced by our population, our workforce, and our services. The level of ambition for **Public Health Protection** including preparedness for managing infectious outbreaks, contact tracing, protecting most vulnerable populations and workforce, effective surveillance and higher vaccination uptake must be stronger.



As a population health organisation **reducing health inequality and improving health** is at the core of everything we do. Our long-term ambition to reduce demand for healthcare is fundamental to a sustainable system of care. This can only be achieved through systematic, population scale interventions that target the underlying causes of poor health, such as lifestyle choices and socio-economic deprivation, and the uptake of screening to improve early detection and optimal treatment of disease.

**Some areas of progress include:**

- Covid-19 spring booster commenced April 2023. Vaccinations to 25<sup>th</sup> April: 2,219 care home residents, 1,350 house bound, 5,789 over 80s, 4,142 Monmouthshire residences via GPs and community pharmacy.
- Multi agency steering group has been established to focus on the Hep B and C Elimination programme with a key priority to explore an outreach model.
- A review has been initiated of the post-arrival pathway for asylum seeking initial TB screening and Blood Borne Viruses (BBVs).
- Significant progress has been made towards a full implementation of Health Protection Services transition with the redesign of services and structures beginning to be populated. The testing function transitioned to Public Health in April.
- Integrated Health Protection Service Business case development is on track and scheduled for the Pre-investment panel during Quarter 2.
- Continued Monkeypox vaccine clinic organisation and delivery with the embedding of the Monkeypox vaccination as business as usual.
- Support Hepatitis B and C elimination plan through reviewing action plan and population level data review.

**Risks and Further Development Areas**

Developing from a responsive to proactive health protection service has been challenging due to the requirements of responding to the pandemic and other public health outbreaks.

Focus in the next period will be on shifting to a proactive model of prevention services.

Our vision is to provide high quality, compassionate, person-centred **mental health and learning disabilities services**, striving for excellent outcomes for the people of Gwent. There are 2 transformational Programmes (Whole System, Whole Person Crisis Support Transformation and Complex Needs) that will deliver this vision. There are multiple projects that sit under both Programmes including:



111 Press 2 for mental health ▪ Primary Care Mental Health Service ▪ Redesign of inpatient care (service model, configuration, workforce and estate) ▪ Complex needs pathway ▪ Strengthening crisis assessment and home treatment services ▪ Improving transport for patients in crisis ▪

Through a single point of access, we are developing a variety of sanctuary services (in Emergency Department and community), shared lives scheme, acute inpatient provision, housing tenancy and support, mental health support for first aiders, crisis assessment, home treatment and liaison, and Support House.

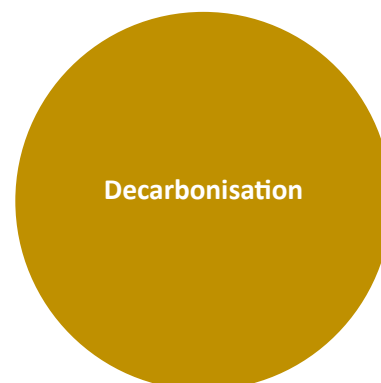
### **Some areas of progress include:**

- Mental Health 111 has launched and is embedded as a 24/7 service.
- Since the implementation of the Adult Mental Health Shared Lives scheme, a total of 166 placements have taken place, with an average length of stay of 14 days, 49 of which were as an alternative to hospital admissions. Some key benefits of the scheme realised include delivering care closer to home across all 5 boroughs; improved efficiency and effectiveness across the system with service users, as appropriate, provided an alternative to a ward stay; reduction in onward referrals into traditional inpatients settings or acute interventions; improved person-centred outcomes and excellent host/carer experience. The scheme has won and been nominated for a number of awards including 'Scheme Innovation Award' at the Shared Lives Plus 2022 awards. Additionally, a paper by Dr Benna Waites, Consultant Clinical Psychologist, has been published by the World Health Organisation.
- Outline Business Case for 65 bedded Mental Health Speciality Inpatient Services Unit has been agreed by the Health Board and has been submitted to Welsh Government for approval. Next steps include preparing for a public consultation for the SISU location.
- Since the opening of Ty Cannol Crisis/Support House at the end of 2021/22, 90% of the patients that have been admitted onto Ty Cannol have prevented them from being admitted into the wards.
- Improvements in eating disorder services supporting early identification and treatment to optimise outcomes.
- Older Adult (OPAL) and our Primary Care Learning Disability Liaison Services are recognised as Welsh Exemplars.
- Implemented changes to models of delivering psychological therapies to improve access and patient choice.
- Peer mentors, peer supported open dialogue and road to staff wellbeing
- Continuation of Emergency Department sanctuary service.

## Risks and Further Areas of Development

- There remains significant pressure on services in meeting the emotional and wellbeing demand created by the pandemic
- Greater focus on the next period will be on working through partnership to establish robust tier 1 services with and for communities

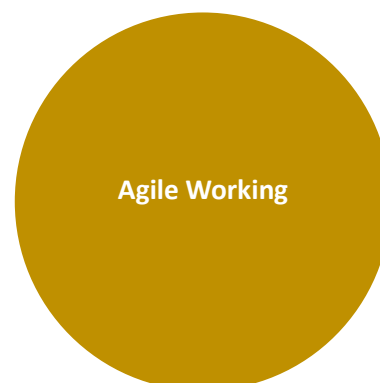
Welsh Government declared a Climate Emergency in 2019 and set out their ambition that the public sector in Wales should be in a carbon '**Net Zero**' position by 2030. The response to the pandemic had demonstrated how significant and impactful changes can be incorporated into day-to-day life of the public and the approach to work for example remote working. Our ambition, now, is for a sustainable and healthy recovery with concerted actions within and across our system to tackle the climate emergency.



### **Some areas of progress include:**

- The Health Boards carbon emissions are tracking -3.1% at year end.
- All biodiversity reports have been received and are being reviewed to incorporate into plans, along with a review of net zero data.
- Work is progressing with the communications, digital and training workstream, with digital representation being identified.
- Endoscopy is currently reviewing and researching into the use of alternatives to Entonox for sedation/ analgesia.
- Roll out of Electric Vehicle Charging points has been completed and additional charging points for RGH as part of a new capital bid have been provided.
- Progression of the outcomes of the solar panel report looking at roof space alternatives for solar panel systems.
- Pharmacy and Respiratory services are reviewing opportunities for decarbonisation in the use and provision of inhalers.
- A metrics format has been updated and available data has been prepared and shared with the board. This will be refined further to support reporting for the Welsh Government Carbon return later this year.

Welsh Government has developed an approach to **agile working** following the need to work differently through the recent Covid 19 Pandemic, based on service needs, providing a variety of options for employees on where, and how they want to work. It means offering mixed-use spaces with a variety of services, workspaces, and environments. More modern agile workspaces are not just about working from home, hot desking and sharing office space, but changing the cultural mind-set and ensuring working environments support break-out spaces to encourage communication, providing areas for impromptu meetings and collaborative work.



### Some areas of progress include:

- Delivery plan to support the roll out of the Agile Framework has been developed.
- Mapping of staff at St Woolos has been completed to support the assessment of re-accommodation of existing requirements on the RGH site and other sites. Assessment is due to be validated during the next quarter.
- Revised vision for agile working presented to the Executive Team and further updates provided to the Agile Programme Board in April.
- Engagement with all 5 local authorities to scope out joint working options. An agreement has been sought to set up a network with local authority and health to share good practice and look at estate opportunities jointly.
- Engagement with staff to promote agile/hybrid working principles via engagement with Divisions and retention cafes.
- Additional space at Caerleon House with 8 agile spaces created within the open plan area and an additional 3 meeting rooms that can also be utilised.

## 6. Integrated Medium Term Plan 2022/23 – Quality and Safety

Quality and safety are at the centre of our work to secure improvements in the quality of care and services we deliver and to improve outcomes for the population we serve. The Board has approved its Quality Strategy, confirming the quality pillars. These 'pillars of quality' run through our organisation, ensuring that we deliver the highest standards of care under these domains.

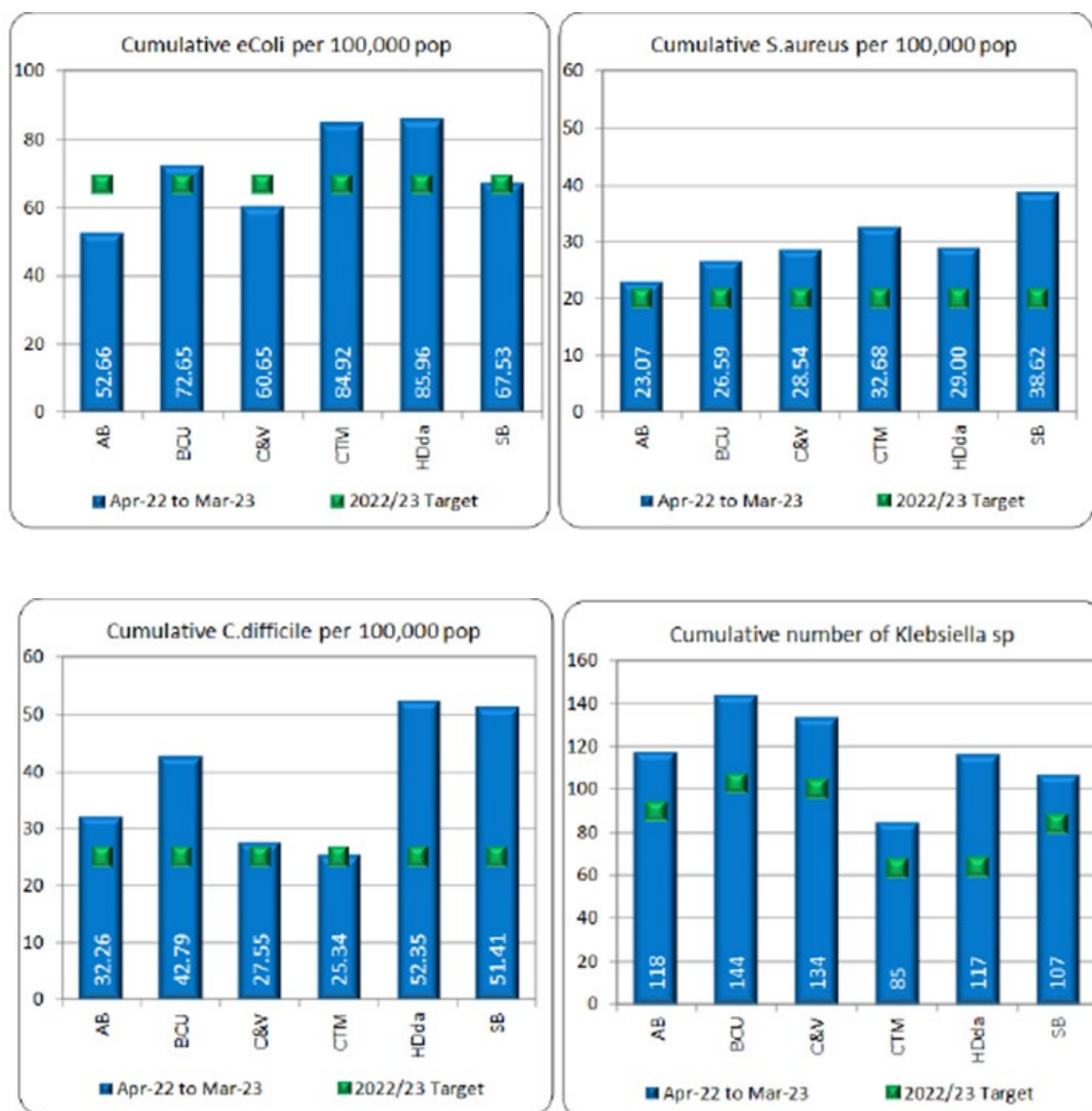


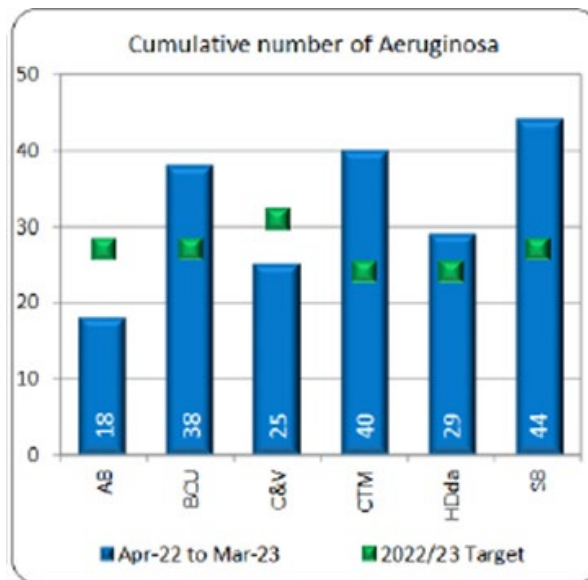
- Urgent Care remains one of the top organisational risks, an issue mirrored nationally, with the Emergency Department at the Grange University Hospital seeing an increasing trend in the number of attendances. The Health Board is committed to delivering safe and effective care to the population of Gwent and in order to be able to identify the level of risk within the department, a clear focus has been placed on triage which will have an impact on the time for a patient to be seen by a clinician. Knowing the triage category of patients helps to manage the risk for individuals. Whilst the target of <15minutes for triage has not yet been met, the Health Board has been operating either in-line or below forecasted levels. A focus has been on addressing the increasing trend in ambulance handover times and a review of criteria, which enable patients to be moved from an ambulance to sit within the department has been undertaken. In addition, a Standard Operating



Process (SOP) has been developed which references the actions required when there are off-loading delays for patients, and in particular, to ensure the release of red requests.

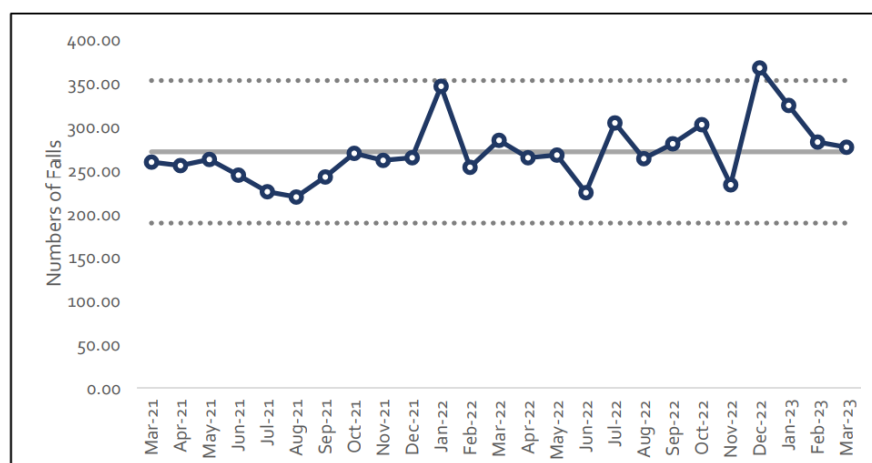
- There were on average 469 patients per month waiting in ED over 16 hours during quarter 4, which is a reduction from 674 reported during Quarter 3. Time from request to bed allocation has also reduced from 13.6 hours to 10.4 hours. Quality metrics are regularly monitored by the Senior Management Team (SMT), the Divisional Management Team (DMT) and escalated accordingly. Patient falls, medication incidents and violence and aggression incidents are reducing.
- The Health Board has the lowest rates of eColi, S.aureus and Aeruginosa per 100,000 population across Wales. Whilst the 22/23 target rates of C.difficile have not yet been met, there has been a reduction in rates from 33.77 (Quarter 2) to 32.26 (Quarter 3) per 100,000 population.





## Falls

Analysis of data associated with Inpatient (IP) falls management continues to be monitored over a two-year rolling period to provide assurance. This approach identifies any changing trajectories or statistical variation in the numbers of falls incidents. The mean average number of monthly falls has been maintained circa 270 per month. For the year 2022/23, incident reporting numbers have been subject to a greater degree of variation as compared to 2021/22, with December 2022 being marginally above the upper control limit. Quarter 4 has seen a return to a downward trend with values for February and March being more closely aligned to the mean average. 91% of the fall's incidents reported are categorised as no or minimal harm.



## 7. Putting Things Right

Patient experience and listening and learning from feedback is a key element of evaluating services and outcomes and a measure of the impact of how we are performing. One way of evaluating patient experience is via complaints data.



Throughout 2022–2023, Aneurin Bevan University Health Board complied with the National Health Service (Concerns, Complaints, and Redress Arrangements) (Wales) Regulations 2011 regarding the Putting Things Right process.

The Health Board received 3044 complaints in the financial year 2022-23 (including, in the case of Welsh NHS bodies, concerns reported under Part 7 of the Regulations relating to cross border services). This is a 9% decrease when compared with 2021/22, when 3,295 complaints were received.

- 1,484 complaints were classified as Managed through PTR (formal complaints).
- 1,560 were managed under the Early Resolution process.

Of the 1,117,572 patient interactions that took place in the 5 largest divisions (admissions and outpatients) the 3044 complaints raised equate to a 0.27%.

*The top three themes raised during this period were:*

1. Clinical treatment/assessment
2. Appointments
3. Communication/Information

### **Clinical Treatment/Assessment**

Waiting times remain a key concern for patients both for planned and unplanned care. The pandemic impact on waiting lists is a key concern for those waiting, along with the challenges in accessing urgent care for Covid and non-Covid reasons.

The establishment of a formal Planned Care recovery oversight Programme continues to focus upon this issue and provide support for patients whilst awaiting surgery including optimising their health pre surgery. Regional plans for cataract surgery are being explored in order to optimise capacity, assets and resources across the region. A similar model is being adopted across diagnostic radiology.

The Urgent Care Board continues to focus on patient's assessments and ambulance waiting times.

### **Appointments**

The Covid-19 pandemic recovery continues within the Health Board in order to reduce waiting times and cancellations for patients on waiting lists. This has intensified concerns related directly to delays to receiving an appointment and further delays to starting treatment plans. Throughout the reporting period, these remained consistent. There is an increased use of text communication/reminders to patients in addition to traditional paper letters.

## **Communication**

A recurring theme of concerns resolved through 'early resolution' has highlighted that communication issues persist. This is reflected in 313 out of 392 complaints related to communication being dealt with under Early resolution. The main themes of these complaints relate to frustrations from families being kept up-to-date regarding their relatives care at ward level and their subsequent discharge, and an increase attributed to the long waits in A & E. Capacity of staff has meant that often they are unable to consistently update the person on their progress through their pathway on presentation to the department and relatives who are waiting to hear the admission/treatment plan.

The Health Board has continued with the previously piloted Patient Liaison Officer Service to support Health Board Communication. This service runs from 8am-8pm, 7 days a week at the 3 acute sites, linking in with the other hospitals, acting as a link between the caller and the wards. Relatives are encouraged to telephone the wards first and if no response to ring a dedicated telephone line.

There is a proposal that the Health Board that in order to formalise the success of the PLO service to implement that a new service the Patient Advice and Liaison Service (PALS) will be launched. This will offer confidential advice, support and information on health-related matters. This service that will be a visual on-site presence for patients and families to access to further support to address urgent issues that can be resolved informally and at source.

Following ABUHB being identified as a pilot site for 'SignLive', last year, the service for the Health Boards BSL deaf community is now operational on all hospital sites. Patients can access BSL services where an interpreter is not immediately available 24 hours a day/365 day of the year. This was introduced following increasing complaints about the lack of BSL provision, delays in interpreters being available for face-to-face consultations and appointments jeopardised as a result and has been positively received by patients.

## **Redress**

The Health Board has a well-established Redress Panel to make these determinations, meeting monthly to ensure cases heard timely. This is a high-level panel with quorate membership for Medical, Nursing and Therapies Executives or nominees, together with the Chair. In addition to determinations of qualifying liability, there is a strong emphasis on ensuring that learning and actions have taken place to try to prevent future patient harm. Areas of good practice are also highlighted and shared.

It is nationally recognised that the Redress aspect of the all-Wales 'Putting Things Right Regulations' has provided a much-needed alternative to formal legal proceedings for patients and their families, achieving resolution within much shorter timeframes, and cost savings of legal proceedings.

During 2022/23, the Redress Panel heard 68 cases. Whilst clinical treatment, including delays and diagnosis, were the largest class of cases, there continues to be a very mixed picture in the detail of the cases, spread over multiple Divisions/Directorates, sites and timescales, with no evident area of concern or outlier identified.

### **Public Services Ombudsman Wales (PSOW)**

During 2022/23, the PSOW received 165 referrals. Of these, 33 were taken on as full investigations for the Health Board and 35 cases were not considered for further investigation. The remaining 97 referrals were anonymous, requiring no action from the Health Board.

There has been an increase in complainants going to the PSOW who are experiencing significant delays in receiving a Health Board response to their original complaint. This is leading to PSOW recommendation for financial compensation or apology. The Health Board paid out £4550 in PSOW settlements in 2022/23.

### **Improving Safety - Learning from Serious Incidents**

From 14th June 2021, the National Reporting Framework replaced the Welsh Government Serious Incident reporting criteria. The focus of incident reporting previously at a national level has been to examine in detail specific Serious Incidents as set out NHS (Concerns, Complaints and Redress Arrangements) (Wales) Regulations 2011 (the Regulations), primarily through the use of Root Cause Analysis. The National Patient Safety Incident Reporting Policy (May 2021) (phase one) has brought about a number of key changes to national incident reporting. Phase Two is due for rollout in April 2023. This will focus on themes of learning.

A robust internal investigative process, in collaboration with external partners, is maintained across the Health Board, ensuring that actions and, more importantly, learning continues. An example of this is the initiation of a collaborative Health Board/WAST weekly panel that explores joint investigations, identifies the lead reporting and investigative organisations, and shares information to inform these.

In 2022/23, there were 34 new reportable incidents that were managed through the Serious Incident Process as Red 1 (Corporate-led) or Red 2 (Division-led) investigations.

### **Learning**

A work programme has been developed for 2023/24 based on the issues identified in 2022/23. In July 2023, a PTR Annual Report will be published which will outline in detail the work undertaken over the past financial year, lessons learned and practice improvements made in the endeavour to optimise resources and the service delivered to the community served by the Health Board.

## 8. Well-Being of Future Generations

The Wellbeing of Future Generations (Wales) Act (2015) ('the Act') is about improving the social, economic, environmental and cultural wellbeing of Wales, while also reducing health inequalities through long term prevention and the delivery of sustainable, outcome focused services. The Act has seven wellbeing goals and tells organisations how to work more sustainably together to meet their duties under the Act by following five ways of working.



During 2022/23, the Health Board has worked closely with partners to produce robust well-being and population needs assessments, as required under the Well-being of Future Generations Act and the Social Services and Well-being Act. The Gwent well-being assessment was published in May 2022 and assesses the state of economic, social, environmental and cultural well-being in the Gwent area. Copies of both the Gwent well-being assessment and population needs assessment are available here:

Gwent Well-being Assessment: <http://www.gwentpsb.org/>

Gwent Population Assessment: <https://www.gwentrbp.wales/home>

Following publication of the Gwent well-being assessment, the Health Board has worked closely with partners to turn the findings of the assessment into a plan for Gwent - the Gwent Public Services Board Well-being Plan. Using the five ways of working, partners have come together to develop a plan which will deliver ambitious and transformational changes that cannot be achieved by individual organisations alone. The plan will cover the five-year period 2023-28, and is based on two strategic objectives and five steps. These are:

Gwent Well-being Plan strategic objectives:

1. We want to create a fairer, more equitable and inclusive Gwent for all.
2. We want a climate-ready Gwent, where our environment is valued and protected, benefitting our well-being now and for future generations.

Gwent Well-being Plan steps:

1. Take action to reduce the cost-of-living crisis in the longer term.
2. Provide and enable the supply of good quality, affordable, appropriate homes.
3. Taking action to reduce our carbon emissions, help Gwent adapt to climate change, and protect and restore our natural environment.
4. Take action to address inequities, particularly in relation to health, through the framework of the Marmot Principles.
5. Enable and support people, neighbourhoods, and communities to be resilient, connected, thriving and safe.

The plan is due to be published in June 2023. Following this, the Health Board will undertake a review of its existing well-being objectives to ensure wherever possible, they are consistent with the Gwent Well-being Plan. The Health Board's self-assessed progress against its existing ten Well-Being Objectives for 2022/23 financial year can be seen in the table overleaf.

<i><b>Our Well-Being Objectives</b></i>	<i><b>Where we are now</b></i>
1 – Support every parent expecting a child and give every child in Gwent support to ensure the best start in life	Being More Adventurous
2 – Support adults and children in Gwent to live healthily and to age well, so that they can retain independence and enjoy a high quality of life into old age	Making Simple Changes
3 – Promote Mental Well-Being as a foundation for health, building personal and community resilience	Being More Adventurous
4 – Encourage involvement of people who use our services and those they support, in jointly owned decisions regarding their own health and care plans, and in wider service planning and evaluation, so that we, with our partners, deliver the outcomes that matter most to people	Making Simple Changes
5 – Ensure that we maximise the effective use of NHS resources in achieving planned outcomes for services and patients, by excellent communication, monitoring and tracking systems in all clinical areas	Owning Our Ambition
6 – Promote a diverse Workforce able to express their cultural heritage, with opportunities to learn and use Welsh in the workplace	Making Simple Changes
7 – Develop our staff to be the best that they can be with high levels of employee well-being and, as the largest employer in Gwent, promote NHS careers and provide volunteering and work experience opportunities	Being More Adventurous
8 – Reduce our negative environmental impact through a responsible capital building programme and a sustainable approach to the provision of building services including; carbon and waste management, undertaking procurement on a whole life cycle cost basis and support local sourcing, promoting sustainable and active travel, and advocating improvements in environmental health	Making Simple Changes
9 – Plan and secure sustainable and accessible healthcare services ranging from prevention through to treatment, rehabilitation and recovery that meet current and future needs and address health inequalities and differing levels of need across our communities	Owning Our Ambition
10 – Continue to integrate our actions with wider public, independent and voluntary sector partners with the aim of developing streamlined, whole system services for people who use our services and those they support.	Owning Our Ambition

The new ways of working set out in the Act have continued to be embedded in the Health Board during 2022/23. Through the regional partnership arrangements of the Regional Partnership Board, **integration** has been demonstrated through joint approaches to health and social care delivery. The Health Board's communications team have undertaken a number of public **involvement** and engagement activities during 2022/23. Through work on the Well-being Plan and Area Plan, the Health Board has worked in partnership to establish a **long-term** vision for transformation in Gwent. Through 'Building a Fairer Gwent': the Gwent Marmot Programme the Health Board is working in partnership to deliver an approach to **prevention** embedded in the social determinants of health. Finally, the

work of both Gwent Regional Partnership Board and Gwent Public Services Board demonstrate how the Health Board is working in **collaboration** to achieve gains for the population of Gwent that cannot be delivered by individual organisations alone. Further detail is contained within Gwent Regional Partnership Board and Gwent Public Services Board's websites.

## 9. Equality and Diversity

Equality, diversity, inclusion and human rights are embedded in all aspects of the Health Board through our Values and Behaviours Framework and the Governance Framework. Furthermore, implementation of Standard 2 of the Healthcare Standards for Wales, ensures that the Health Board embeds equality and human rights across the functions and delivery of services, recognising the diversity of the population and rights of individuals under equality, diversity and human rights legislation.

The Health Board ensures that strategic decisions we make are informed by the Health and Care Quality Standards and are required to report annually on progress against the Duty of Quality using indicators and measures, patient and staff experience and stories, clinical audit, and inspection reports. Departments and services are required to use quality-related information to review how well they are doing, this is supported by regular patient surveying, including the implementation of the Cwpa Experience Wales system to collect real-time feedback from users of our services.

The Health Board runs a comprehensive community engagement program that ensures communities can speak directly with Health Board staff and share their views on health services and help assure us in our relation to public involvement. A Diverse Communities Health Forum was established by the Health Board in January 2020 to engage directly with seldom-heard voices in our communities.

The Health Board employs a comprehensive system of Equality Analysis, also referred to as Equality Impact Assessments (EqIAs). This ensures any proposed service, strategy, policy, function, or similar directive is systematically analysed by us under support and direction from our Equality, Diversity and Inclusion function. The process identifies what effect, or likely effect, it may have on the people who come into contact with the Health Board, including service users and patients.

The Health Board provides interpretation and translation services to support individuals accessing our services who have a difficulty in hearing or seeing, or there is a difficulty in understanding each other's language. In early 2023, the Health Board launched the SignLive service, to support our Deaf and British Sign Language (BSL) users to access our services. Users are able to use SignLive to make phone calls and aid in person communication in situations where a face-to-face interpreter is not available.

We strive to reflect the local population in our workforce. We do this by ensuring staff are equipped with the necessary knowledge and information to understand and work with individuals, groups and populations that historically have not accessed appropriate health services, or have sought the services at a later stage of their illness or condition.

Further information is available in the Accountability Report.

## **9. Welsh Language Regulations**

The Health Board continues to make good progress in our work in relation to Welsh language service delivery. We recognise that communication is key to deliver the best care to all those we service and we therefore note the importance for our Welsh speaking community to be able to receive care and support in their mother tongue.

The Annual Report 2021/22 addresses the statutory duty of Aneurin Bevan University Health Board to provide an annual account to the Welsh Language Commissioner on compliance with its Welsh Language Standards under the Welsh Language (Wales) Measure 2011. The report has been prepared in accordance with Welsh Language Standard 120. This report sets out how the Health Board has complied with the Welsh Language Standards requirements from 01 April 2021 - 31 March 2022.

The Annual Report for 2021/22 is available on-line in both Welsh and English

<https://abuhb.nhs.wales/files/key-documents/other-reports/welsh-language-standards-annual-report-2021-22pdf/> English

<https://bipab.gig.cymru/ffeiliau/key-documents/adroddiad-blynyddol-safonaur-gymraeg-2021-22pdf1/> Welsh

The report for 2022-2023 will be published in September 2023.

## **10. Financial Management and Performance**

The Annual Accounts 2022/23, at Section 3 of the Annual Report and Accounts 2022/23, Page 170, sets out the detailed accounts for the full year to 31 March 2023 for Aneurin Bevan University Health Board. These accounts are prepared under International Financial Reporting Standards (IFRS).

The Health Board has two statutory financial duties:

- To breakeven over a rolling three-year period; and
- To submit an Integrated Medium-Term Plan (IMTP) to secure compliance with breakeven over three years.

Under the rolling 3-year duty, introduced with the NHS (Wales) Act 2014, the first assessment of the first statutory financial duty took place at the end of 2016/17 when it was achieved. The Health Board has **not** met its



financial duty to breakeven against its Revenue Resource Limit over 3 years 2020-21 to 2022-23.

In relation to the second duty the Health Board did secure WG approval to the IMTP on 13<sup>th</sup> July 2022. The note in the accounts shows that this duty was achieved. (*Note 2.3 of the Annual Accounts 2022/23*).

### Revenue Resource Performance

The Health Board did not meet its financial duty to break-even against its Revenue Resource Limit over the 3 years 2020-21 to 2022-23 period, the Board reported an overspend of £36,348k as shown below:

<b>3 Year Revenue Breakeven Duty</b>	<b>2020/21</b> £000	<b>2021/22</b> £000	<b>2022/23</b> £000	<b>Total</b> £000
Underspend Against Allocation	245	249	- 36,842	- 36,348

### Capital Resource Performance

In addition to a revenue resource limit the Health Board has a capital resource limit (CRL) that sets the target for capital expenditure. The target of £40.723m was met in 2022/23 with a small underspend of £43k. The target is measured over a 3-year period as shown in the table below:

3-year capital breakeven duty	2020/21 £000	2021/22 £000	2022/23 £000	Total £000
Underspend against allocation	13	50	43	106

### Other Related Targets

- Public Sector Payment Policy  
This target for the Health Board relates to the payment of 95% of its trade creditors within 30 days. In 2022/23, the target was achieved with full year figure of 95.2%.
- Cash Balance  
Welsh Government sets a notional target for Health Boards in Wales to have end of period cash balances not exceeding £6m. For 2022/23, the Health Board ended with an actual cash balance of £4.704m and was therefore within the target.

## Long Term Expenditure Trend

### 3. Analysis of gross operating costs

<b>3.1 Expenditure on Primary Healthcare Services</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
General Medical Services	99,491	103,343	108,993	112,524	116,217
Pharmaceutical Services	24,995	22,900	27,109	25,082	25,273
General Dental Services	36,232	36,608	33,079	38,030	39,817
General Ophthalmic Services	8,419	8,911	8,734	9,343	8,866
Other Primary Health Care expenditure	2,738	2,872	2,289	2,487	2,612
Prescribed drugs and appliances	95,557	102,280	106,852	106,282	114,331
<b>Total</b>	<b>267,432</b>	<b>276,914</b>	<b>287,056</b>	<b>293,748</b>	<b>307,116</b>

	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>3.2 Expenditure on healthcare from other providers</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
Goods and Services from Other NHS bodies	95,505	103,179	103,278	117,637	117,587
Goods and services from WHSSC / EASC	136,682	144,458	161,384	177,035	198,320
Continuing Care	71,481	71,005	81,347	83,675	86,006
Other	46,323	61,107	71,795	85,054	72,240
<b>Total</b>	<b>349,991</b>	<b>379,749</b>	<b>417,804</b>	<b>463,401</b>	<b>474,153</b>

<b>3.3 Expenditure on Hospital and Community Health Services</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
Staff Costs	524,092	579,760	671,972	714,255	762,081
Non Pay	149,022	152,277	172,611	191,827	200,118
Depreciation and Impairments	23,596	23,197	96,361	31,056	30,804
Losses, special payments and irrecoverable debts	2,024	3,154	1,886	2,831	1,526
Other operating expenses	7,875	7,990	8,526	11,009	9,538
<b>Total</b>	<b>706,609</b>	<b>766,378</b>	<b>951,356</b>	<b>950,978</b>	<b>1,004,067</b>

# Long Term Revenue Performance Trend

## 2. Financial Duties Performance

### 2.1 Revenue Resource Performance

	Annual financial performance					Total
	2018-19 £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	
<b>Net operating costs for the year</b>	<b>1,226,261</b>	<b>1,319,803</b>	<b>1,551,819</b>	<b>1,598,803</b>	<b>1,676,282</b>	<b>4,826,904</b>
Less general ophthalmic services expenditure and other non-cash limited expenditure	(2,149)	(161)	(1,423)	(58)	148	(1,333)
Less revenue consequences of bringing PFI schemes onto SoFP	0	0	0	0		0
Total operating expenses	<b>1,224,112</b>	<b>1,319,642</b>	<b>1,550,396</b>	<b>1,598,745</b>	<b>1,676,430</b>	<b>4,825,571</b>
Revenue Resource Allocation	<b>1,224,347</b>	<b>1,319,674</b>	<b>1,550,641</b>	<b>1,598,994</b>	<b>1,639,588</b>	<b>4,789,223</b>
<b>Under / (over) spend against Allocation</b>	<b>235</b>	<b>32</b>	<b>245</b>	<b>249</b>	<b>(36,842)</b>	<b>(36,348)</b>

Aneurin Bevan University LHB 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 will, in dialogue with Welsh Government, confirm the implications for reporting this deficit as part of the 2023/24 IMTP.

The health board received £23m of strategic cash support in 2022-23.

### 2.2 Capital Resource Performance

	2018-19 £'000	2019-20 £'000	2020-21 £'000	2020-21 £'000	2022-23 £'000	Total £'000
	2018-19 £'000	2019-20 £'000	2020-21 £'000	2020-21 £'000	2022-23 £'000	Total £'000
<b>Gross capital expenditure</b>	<b>141,139</b>	<b>133,286</b>	<b>112,376</b>	<b>52,167</b>	<b>41,011</b>	<b>205,554</b>
Add: Losses on disposal of donated assets	0	7	0	0	2	2
Less NBV of property, plant and equipment and intangible assets disposed	(81)	(555)	(884)	(3,115)	(61)	(4,060)
Less capital grants received	(45)	(93)	(333)	(22)	(62)	(417)
Less donations received	(121)	(300)	(201)	(166)	(210)	(577)
Charge against Capital Resource Allocation	140,892	<b>132,345</b>	<b>110,958</b>	<b>48,864</b>	<b>40,680</b>	<b>200,502</b>
Capital Resource Allocation	<b>140,933</b>	<b>132,373</b>	<b>110,971</b>	<b>48,914</b>	<b>40,723</b>	<b>200,608</b>
<b>(Over) / Underspend against Capital Resource Allocation</b>	<b>41</b>	<b>28</b>	<b>13</b>	<b>50</b>	<b>43</b>	<b>106</b>

In 2018/19 £120m out of the £141m spend related to the new Grange University Hospital.

Aneurin Bevan University LHB has met its financial duty to break-even against its Capital Resource Limit over the 3 years 2020-21 to 2022-23.

The Health Board's financial statements have been prepared in accordance with the 2022-23 NHS Wales Manual for Accounts. The accounting policies contained in that manual follow the 2022-23 Financial Reporting Manual (FRM) 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.

The Manual for Accounts makes clear that accounts should be prepared on a going concern basis where there is the anticipated continuation of service in the future. The assumption has been made that the services of Aneurin Bevan University Health Board will continue in operation. Consequently the going concern basis has been adopted.

## **11. Conclusion and Forward Look**

As an organisation our mission is to improve population health, and, through doing this, reduce the health inequality that exists across our communities. The current 18-year gap in healthy life expectancy between our wealthiest and poorest communities is significant. It is the consequences of inequality that mean a greater number of citizens require our services. Sadly, the COVID-19 pandemic has worsened the gap. Therefore, as we look to the future, we must relentlessly focus on reducing health inequality as part of improving overall population health.

Our Integrated Medium-Term Plan (IMTP) 2022-25 and 2023-26 build on the life course approach, whilst recognising the current operational demands and then focussing on realistic, sustainable recovery.

The plan is based on a realistic assessment of delivery over the next three years; it is optimistic in its outlook, recognising the need to build on the service changes achieved over the last few years, and it focusses on making those changes sustainable, to meet the long-term needs of our communities.

At the forefront of all service delivery is person centred care. We remain committed to further improving patient related experience and outcomes, learning and listening to our staff and patients.

## **Aneurin Bevan University Health Board**

### **Section 2: Accountability Report**

**1<sup>st</sup> April 2022 – 31<sup>st</sup> March 2023**

## **INTRODUCTION TO THE ACCOUNTABILITY REPORT**

Aneurin Bevan University Health Board is required to publish, as part of our annual reporting, an Accountability Report. The purpose of the Accountability Report section of the Annual Report has been designed to demonstrate the ways in which the Health Board is meeting its key accountability and reporting requirements.

This Accountability Report has three sections:

### **1. Corporate Governance Report**

This explains the composition of the Health Board, its governance structures and arrangements and how the Health Board seeks to achieve its objectives and responsibilities to meet the needs of the people we serve. The Corporate Governance Report includes:

- A. The Directors' Report
- B. The Statement of the Chief Executive as the Accountable Officer and the Statement of Directors' Responsibilities in respect of the Accounts
- C. The Annual Governance Statement.

### **2. Remuneration and Staff Report**

This section contains information about the staff of the organisation, particularly focusing on the remuneration of its Board and senior management, fair pay ratios and other staff information, such as sickness absence rates.

### **3. Senedd Cymru/Welsh Parliament Accountability and Audit Report**

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

# **Corporate Governance Report 2022/23**

## **Including:**

- A. The Directors' Report**
- B. 1. The Statement of the Chief Executive as the Accountable Officer**
- B. 2. The Statement of Directors' Responsibilities in respect of the Accounts**
- C. The Annual Governance Statement**



## SECTION A: THE DIRECTORS' REPORT

Aneurin Bevan University Local Health Board is a statutory body that was established on 1st June 2009 and became operational on the 1 October 2009 under *The Local Health Boards (Establishment and Dissolution) (Wales) Order 2009 (S.I. 2009/778)*, "the Establishment Order".

*The Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009 (S.I. 2009/779)* ("The Constitution Regulations") set out the constitution and membership arrangements 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 Aneurin Bevan University 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, 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 *The Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009 (S.I. 2009/779)* ("The Constitution Regulations"), 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>

Further detail on the Board's membership and composition during 2022/23 is available within Section C: The Annual Governance Statement.

### Board Members' Interests

Details of company directorships and other significant interests held by members of the Board which may conflict with their responsibilities are maintained and updated on a regular basis.

The document, which can be accessed in the link below, shows details of directorships of other organisations or other interests that have been declared by the members of the Board of Aneurin Bevan University Health Board, and staff across the organisation, in line with the Standards of Business Conduct Policy, as at the 31<sup>st</sup> March 2023. This information is

available on the Health Board's Internet site and can be accessed by following this [link](#).

### **Personal Data Related Incidents**

Information on personal data related incidents formally reported to the Information Commissioner's Office and "serious untoward incidents" involving data loss or confidentiality breaches are detailed on page 41 of the Annual Governance Statement at Section C.

### **Environmental, Social and Community Issues**

The Board is aware of the potential impact that the operation of the Health Board has on the environment and it is committed to wherever possible:

- Ensuring compliance with all relevant legislation and Welsh Government Directives;
- Working in a manner that protects the environment for future generations by ensuring that long term and short-term environmental issues are considered; and
- Preventing pollution and reducing potential environmental impact.

The Health Board complies with Biodiversity and Resilience of Ecosystems Duty under Section 6 of the Environment (Wales) Act 2016, which seeks to enhance resilience and biodiversity across the Health Board's estate.

The Board's Annual Report for 2022/23 and Integrated Medium Term-Plan (IMTP) 2022-25 (approved March 2022) sets out the Board's strategic priorities which have been set within the context (environmental, social and community issues) in which the Health Board is operating within.

The Performance Report (Part A) of the Annual Report and Accounts 2022/23 provides greater detail in relation to the achievements of the Health Board in delivering the IMTP during 2022/23.

### **Statement for Public Sector Information Holders**

In-line with the disclosure requirements set out by the Welsh Government and HM Treasury, the Health Board confirms that it has complied with the cost allocation and charging requirements set out in HM Treasury guidance during the 2022/23 year.

## **SECTION B(1): STATEMENT OF THE CHIEF EXECUTIVE AS THE ACCOUNTABLE OFFICER OF ANEURIN BEVAN UNIVERSITY HEALTH BOARD**

The Welsh Ministers have directed that the Chief Executive should be the Accountable Officer for Aneurin Bevan University Local 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 Accountable Officer. As Accountable Officer, I confirm that, as far as I am aware, there is no relevant audit information of which the Health Board's Auditors are unaware, and I have taken all the steps that ought to have been taken to make myself aware of any relevant audit information and that the Health Board's auditors are aware of that information.

As Accountable Officer, I confirm that the Annual Report and Accounts 2022/23 as a whole is fair, balanced and understandable. I take personal responsibility for the Annual Report and Accounts and the judgements required for determining it as fair, balanced and understandable.

As Accountable Officer, I am responsible for authorising the issue of the financial statements on the date they are certified by the Auditor General for Wales.

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

**Nicola Prygodzicz**

**Name:** Nicola Prygodzicz, Chief Executive

**Date:** 19<sup>th</sup> July 2023

## **SECTION B(2): STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS FOR 2022/23**

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

In preparing those accounts, the directors are required to:

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

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

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

#### **Ann Lloyd**

Ann Lloyd, Chair

Dated: 19<sup>th</sup> July 2023

#### **Nicola Prygodzicz**

Nicola Prygodzicz, Chief Executive

Dated: 19<sup>th</sup> July 2023

#### **Robert Holcombe**

Robert Holcombe, Director of Finance and Procurement

Dated: 19<sup>th</sup> July 2023

## **SECTION C: ANNUAL GOVERNANCE STATEMENT, 2022/23**

### **SCOPE OF RESPONSIBILITY**

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

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. Where necessary additional information is provided in the Governance Statement, however the intention has been to reduce duplication where possible. It is therefore necessary to review other sections in the Annual Report alongside this Governance Statement.

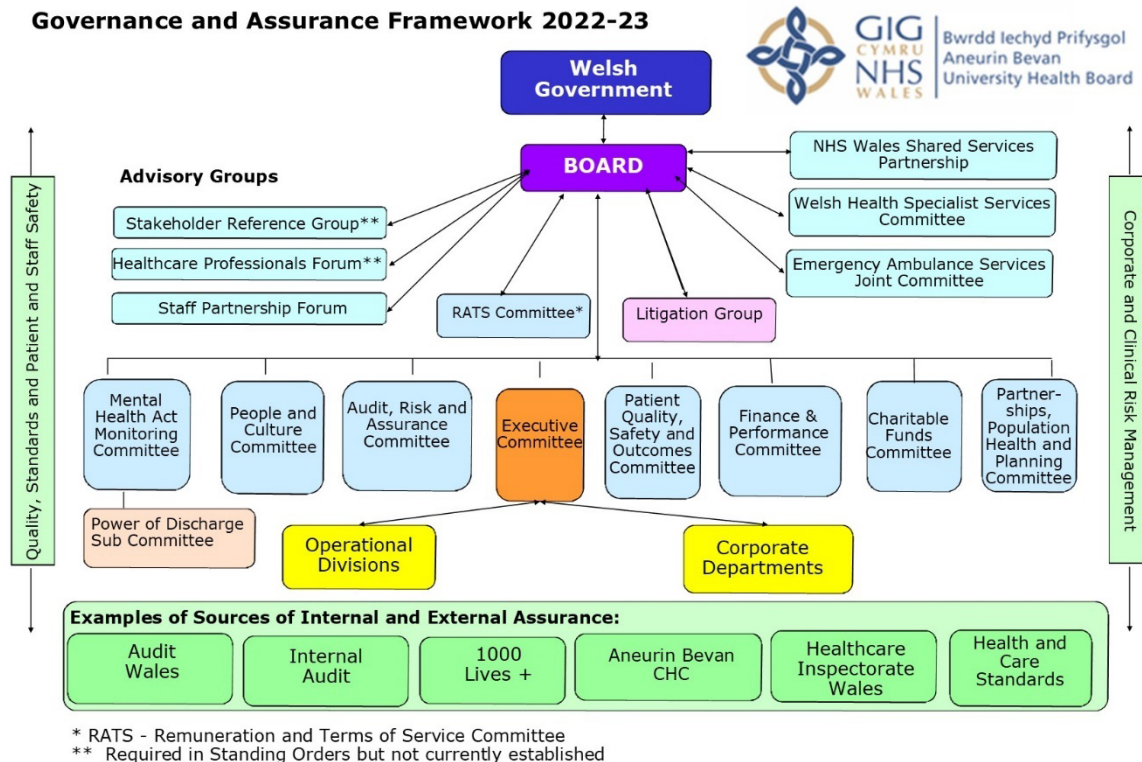
[Welsh Government's Escalation and Intervention Arrangements for NHS Wales](#) sets out the collective arrangements in place between the Welsh Government and external review bodies for identifying and responding to serious issues affecting NHS service delivery, quality and safety of care, and organisational effectiveness. In 2022/23, Aneurin Bevan University Health Board remained under routine arrangements.

### **OUR GOVERNANCE AND ASSURANCE FRAMEWORK**

Aneurin Bevan University Health Board has agreed Standing Orders for the regulation of proceedings and business of the organisation. These are designed to translate the statutory requirements set out in the LHB (Constitution, Membership and Procedures) (Wales) Regulations 2009 into day to day operating practice, and together with the adoption of a scheme of matters reserved to the Board, a scheme of delegation to officers and others and Standing Financial Instructions, they provide the regulatory framework for the business conduct of the Health Board and define its 'ways of working'. These documents, together with the Board's Assurance Framework and a range of corporate policies set by the Health Board make up the Governance and Assurance Framework and arrangements of the organisation.

The diagram overleaf outlines the governance and assurance framework in place during 2022/23:

## Governance and Assurance Framework 2022-23



## Membership of the Health Board and its Committees

**Attachment 1** provides the Board's membership during 2022/23 and attendance at Board and Committee meetings respectively for this period.

There has been significant change to the membership of the Board during 2022/23, as outlined in Table 1 below:

TABLE 1		
Name	Designation	Dates (if less than full year)
<b>Executive Directors</b>		
Nicola Prygodzicz	Chief Executive	From 05/09/2022
Nicola Prygodzicz	Director of Planning, Performance, Digital and IT/ Interim Deputy Chief Executive	Until 04/09/2022
Glyn Jones	Interim Chief Executive	Until 04/09/2023
Glyn Jones	Deputy Chief Executive	05/09/2022 to 23/09/2022
Christopher Dawson-Morris	Interim Director of Planning and Performance	From 05/09/2022 to 03/04/2023
Hannah Evans	Director of Strategy, Planning and Partnerships	From 01/04/2023
Rob Holcombe	Interim Director of Finance, Procurement and Value Based Healthcare	Until 13/11/2022
Rob Holcombe	Director of Finance and Procurement	From 14/11/2022



Dr James Calvert	Medical Director	Until 23/09/2022
Dr James Calvert	Medical Director / Deputy Chief Executive	From 24/09/2022
Sarah Simmonds	Director of Workforce and OD	Full Year
Rhiannon Jones	Director of Nursing	Until 05/07/2022
Jennifer Winslade	Director of Nursing	From 08/08/2022
Linda Alexander <sup>3</sup>	Interim Director of Nursing	25/06/22 to 14/08/2022
Peter Carr	Director of Therapies and Health Sciences	Full Year
Dr Sarah Aitken <sup>1</sup>	Director of Public Health and Strategic Partnerships	Until 05/01/2023
Tracy Daszkiewicz <sup>1</sup>	Director of Public Health	From 01/04/2023
Dr Chris O'Connor	Interim Director of Primary, Community and Mental Health Services	Full Year
<b>Independent Members</b>		
Ann Lloyd	Chair	Full Year
Pippa Britton	Interim Vice Chair	Full Year
Katija Dew <sup>2</sup>	Independent Member (Third Sector)	Full Year
Shelley Bosson	Independent Member (Community)	Full Year
Louise Wright	Independent Member (Trade Union)	Full Year
Richard G Clarke	Independent Member (Local Authority)	Full Year
Professor Helen Sweetland	Independent Member (University)	Full Year
Paul Deneen	Independent Member (Community)	Full Year
Iwan Jones	Independent Member (Finance)	From 04/04/2022
Dafydd Vaughan	Independent Member (Digital)	From 09/05/2022
Vacant (Pippa Britton's Substantive position)	Independent Member (Community)	Full Year
<b>Directors in Attendance**</b>		
Leanne Watkins	Director of Operations	Full Year
<b>Special Advisors to the Board***</b>		
Phil Robson	Special Advisor to the Board	Full Year
<b>Associate Members****</b>		
Keith Sutcliffe	Chair, Stakeholder Reference Group	Until 30/11/2022 and vacant thereafter
Vacant	Chair, Health Professionals Forum	Full Year
Vacant	Director of Social Services	Full Year
<b>Director of Corporate Governance*****</b>		
Rani Dash (nee Mallison)	Director of Corporate Governance	Full Year

*\* In October 2021, Emrys Elias, Vice Chair, began a temporary role as Chair of Cwm Taf Morgannwg University Health Board in October 2021. Whilst interim arrangements have been put in place, the Health Board has been advised by Welsh Government not to appoint a permanent replacement for 18 months. Pippa Britton has therefore been appointed Interim Vice Chair, leaving her substantive role as Independent Member (Community) vacant on a temporary basis. The appointment process for a Vice Chair has now been undertaken and an appointment by the Minister is awaited*

*\*\*The Director of Operations is not an Executive Post. The Director of Operations is therefore not a Board Member and attends meetings of the Board without voting rights.*

*\*\*\*The Board has discretion to appoint Special Advisors to support it in achieving its responsibilities. Special Advisors are not Board Members and therefore attend meetings of the Board without voting rights.*

*\*\*\*\*Associate Members are Members of the Board but do not hold voting rights.*

*\*\*\*\*\* Independent of the Board, the Director of Corporate Governance acts as the guardian of good governance within the LHB. The Director of Corporate Governance is responsible for providing advice to the Board as a whole and to individual Board members on all aspects of governance.*

*On 14<sup>th</sup> March 2022, the Remuneration and Terms of Service Committee approved a change of operating title for the Board Secretary role to Director of Corporate Governance.*

*<sup>1</sup> Director of Public Health - During the vacancy period 05/01/23 to 01/04/2023, Stuart Bourne and Eryl Powell, Deputy Directors of Public Health, provided advice to the Board and attended meetings in their deputy roles.*

*<sup>2</sup> Katija Dew – Term of office ended 31/3/2023*

*<sup>3</sup> Linda Alexander – Linda Alexander assumed interim executive director responsibilities from 25/06/22 due to Rhiannon Jones taking annual leave from 25/06/22 to 05/07/22. Linda Alexander held interim executive director responsibilities until 07/08/22 when Jennifer Winslade commenced in role as Executive Director of Nursing on 08/08/22. The period of 08/08/22 to 15/08/22 was used as a handover period.*

As at 31 March 2023, following Ministerial Public Appointment campaigns, the Minister for Health and Social Services is currently considering appointments to the role of Vice Chair and Independent Member (Third Sector).

Due to the number of interim positions within the Board during 2022/23, the Chair and Chief Executive Officer, with the Remuneration and Terms of Service Committee, worked to stabilise changes within the Executive Team and ensure robust induction, development and succession planning for Board Members. This included permanent recruitment to the roles of Chief Executive, Director of Finance and Procurement and Director of Nursing during 2022/23. In addition, the Director of Public Health and the Director of Strategy, Planning and Partnerships commenced in role on 1<sup>st</sup> April 2023.

## The Role of the Board

The Board, chaired by Ann Lloyd CBE, 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.

The Board is made up of individuals from a range of backgrounds, disciplines and areas of expertise. The Board comprises the Chair, Vice Chair and nine other Independent Members and the Chief Executive and eight Executive Directors. There are also Associate Independent Member positions, Special Advisors and other senior managers who routinely attend Board Meetings. The full membership of the Board and their lead roles and committee responsibilities are outlined in **Attachment 1**.

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 the Chief Executive as Accountable Officer, is 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;
- 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.

The Health Board must agree Standing Orders for the regulation of proceedings and business which are designed to translate the statutory requirements set out in the LHB (Constitution, Membership and Procedures) (Wales) Regulations 2009 into day to day operating practice, and, together with the adoption of a scheme of matters reserved to the Board; a scheme of delegations to officers and others; and Standing Financial Instructions, they provide the regulatory framework for the business conduct of the Health Board and define - its 'ways of working'. These documents, together with the range of corporate policies set by the Board make up the Governance Framework.

## Committees of the Board

Section 3 of Aneurin Bevan University Health Board's Standing Orders provides that *"The Board may and, where directed by 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 in the exercise of its functions"*. In line with these requirements, the Health Board had in place a Committee Structure for 2022/23.

In recognition of the Board's strategic priorities for 2022/23 and the strategic risks it holds, a revised committee structure was approved by the Board in March 2022 and implemented from 1<sup>st</sup> April 2022. There have been no changes to this structure in 2022/23. The committee structure has enabled an appropriate balance between strategy, delivery and performance, and culture and takes into consideration feedback from Board Members and Audit Wales in respect of effectiveness.

During 2022/23, the following Committees were in place:

- Audit, Risk & Assurance Committee
- Patient Quality, Safety & Outcomes Committee
- People & Culture Committee
- Finance & Performance Committee
- Partnerships, Population Health and Planning Committee
- Mental Health Act Monitoring Committee
- Remuneration and Terms of Service Committee
- Charitable Funds Committee
- Litigation Group

The Terms of Reference and Operating Arrangements, meeting agendas and papers for each of these Committees can be found on the Health Board's [website](#).

These Committees are Chaired by Independent Members of the Board. The Chair of each Committee reports regularly to the Board on the committee's activities. This contributes to the board's assessment of risk, level of assurance and scrutiny against the delivery of objectives. In addition, and in-line with Standing Orders, each committee is required to produce an annual report.

In addition to the Board's formal meetings and formal Committee meetings, the following informal arrangements have been established to support the Board to fulfil its responsibilities:

- Board Development Sessions, held bi-monthly (6 times yearly), to focus on the development and effectiveness of the Board as a cohesive and unitary Board;
- Board Briefing Sessions, held bi-monthly (6 times yearly), to focus on key matters where informal discussion is required and to raise awareness of matters such as changes in policy or legislation; and

- Board Strategic Planning Sessions, held quarterly, to allow the Board informal development time to discuss collectively strategic developments and horizon planning.

## **Conducting Business with Openness and Transparency**

In accordance with the Public Bodies (Admissions to Meetings) Act 1960 the Board and Committees are required to meet in public. Following the COVID-19 pandemic where the public health risk posed, resulted in limitations on public gatherings, the Board and its Committees moved to meeting in a virtual setting meaning that it was not possible to allow the public to attend meetings of the Board and Committees.

Board members resumed meeting in person to conduct Board meetings in May 2022. At this time, the Health Board did not have the capacity to enable physical attendance of observers, which meant that members of the public were unable to attend meetings in person. The Board took the decision at that time in the best interests of protecting the public, our staff and Board members.

Since November 2022, the Microsoft Teams link has been published with the agenda and on social media channels to enable members of the public to observe Board meetings in real time. Members of the public have been able to attend in person since January 2023. Meetings of all Board meetings in 2022/23 were recorded and published to the Health Board's You Tube Channel within 24 hours for public viewing.

During 2022/23, the Board's committees have continued to meet virtually and, due to capacity constraints, the Health Board has not been able to stream these in real-time for the public's viewing. Work is underway to address this in 2023/24 to ensure that the Health Board's business operates with full transparency and openness.

As the Health Board has not been able to allow the public to attend all meetings of its committees during 2022/23, the Health Board has not complied with its Standing Orders in this regard.

It is acknowledged that a hybrid approach to meetings will continue to be required in the future and the Health Board will work to ensure members of the public can attend meetings in person and/or virtually.

To ensure Board and Committee business was conducted in as open and transparent manner as possible the following actions were taken:

- All Board and Committee meeting agenda packs have been published to the Health Board's [website](#) in advance of meetings;
- Meetings of the Board have been recorded and published to the Health Board's You Tube Channel within 24 hours;
- The Health Board's Annual General Meeting in July 2022 was livestreamed;

The Health Board and its Committees have sought to undertake a minimum of its business in private sessions and ensure business, wherever possible, is published into the public domain. The Committees that do not publish information publicly is either because of the confidential nature of their business, such as the Remuneration and Terms of Service (RATS) Committee, or they are informal developmental type meetings such as the Board Strategic Planning Sessions discussing plans and ideas often in their formative stages.

Meetings of the Board and its Committees are formally recorded with minutes considered for approval at the next available meeting, respectively. In addition, the Director of Corporate Governance maintains Decision Logs for all decisions taken by the Board and the Executive Team.

### Items considered by the Board in 2022-23

During 2022-23, the Board held 7 meetings:

- 6 routinely scheduled bimonthly meetings
- 1 additional meeting in June 2022 to formally approve the Annual Report and Accounts for 2021/22, following detailed consideration by the Health Board's Audit, Risk and Assurance Committee.

In addition, the Board held its Annual General Meeting on 27<sup>th</sup> July 2022.

All the meetings of the Board in 2022/23 were appropriately constituted and quorate. The key business and risk matters considered by the Board during 2022/23 are outlined below.

Further information can be obtained from the published Board meeting papers on the Health Board's website via the following [link](#).

#### a) Business Cases:

- Approved the submission of the **Radiotherapy Satellite Unit Business Case** to Welsh Government.
- APPROVED the submission of the **Adult Mental Health and Learning Disabilities Specialist Inpatient Services Unit (SISU) Outline Business Case** to the Welsh Government.
- Supported, in principle, the case for change for the **Velindre Cancer Centre**. However, requested that Velindre NHST reconsider the finance and economic cases for the Board's further consideration.

#### b) Plans/Strategies/Policies/Service Change

- Approved the Health Board's **People Plan** and associated documentation.
- Approved a recommendation to establish a **Service for Adults with Attention Deficit Hyperactivity Disorder (ADHD)** in Aneurin Bevan University Health Board, noting that this would be subject to evaluation at an appropriate point.



- Endorsed the **Six Goals for Urgent and Emergency Care Programme Plan**.
- Approved the Aneurin Bevan University Health Board **Arts in Health Strategy 2022-2027**.
- Approved the implementation of the **Community Therapy MSK Pathway**, recognising that ongoing discussions to support implementation were required.
- Received the **Winter Plan 2021/22 evaluation**.
- Received an update on the implementation of the **Digital Strategy**, ongoing actions to mitigate risks and achieve progress.
- Approved the proposed targeted engagement regarding the future configuration of the **South Wales Cochlear Implant and Bone Conduction Hearing Implant Device Service**.
- Reviewed the current arrangements for **Midwifery Led Services within ABUHB** and supported a proposal to engage with the public on making a temporary service change permanent, with further staff consultation.
- Approved the Health Board's **Research and Development Strategy**.
- Agreed to the development and implementation of an **Anti-Racist action plan** for the Health Board.
- Approved the Draft Opening **Capital Programme for 2023/24**.
- Approved the **Integrated Medium-Term Plan 2023-26**.
- Approved the **Quality Strategy**.
- Approved the **Patient Experience and Involvement Strategy**.
- Endorsed the **South East Wales Regional Ophthalmology Strategy**.
- Endorsed the **Gwent Public Service Board Well Being Plan**.

### c) Governance and Assurance

- Received the **Board's Annual Review of Effectiveness 2021/22** report.
- Received assurance in respect of arrangements for compliance with the **Nurse Staffing Levels (Wales) Act**.
- Approved the **Annual Report and Accounts 2021-22**.
- Approved the **Charitable Funds Annual Accounts and Annual Report 2021-22**
- Received the following **Annual Reports**:
  - Trade Union Partnership Forum
  - Cancer Services
  - Welsh Language Standards
  - Equality Report
  - Director of Public Health
- Received the **Audit Wales Annual Audit Report and Structured Assessment**.
- Endorsed the **Accelerated Cluster Development programme governance arrangements** and approved the proposed **governance of Neighbourhood Care Networks**.

## d) Routine Business

- Ratified actions taken by the Chair, on behalf of the Board, to seal documents affixing the Health Board's Common Seal.
- Considered and discussed the Health Board's financial performance and the related risks being managed by the organisation.
- Considered the Board's performance against key local and national targets and the actions being taken forward to improve performance.
- Received assurance reports from the Committees and Advisory Groups of the Board.
- Received update reports from the Executive Team in respect of key issues locally, regionally and within NHS Wales.
- Reviewed the Corporate Risk Register and sought assurance on the management of mitigating actions.

## e) Patient Experience and Public Engagement

In March 2023, the Board approved its Patient Experience & Involvement Strategy. The Strategy's goals and objectives are to improve services and their effectiveness, and safety and to improve people's experiences. It encompasses the Health Board's intent to engage patients, families, carers, staff and the wider community, with a commitment to listen to feedback, learn and therefore improve healthcare across all of our services.

The Health Board's key principles, as set out in the Strategy, are to:

- Work in partnership with patients, families, carers, staff and communities, and listen to their perspective.
- Enhance our efforts to obtain real-time feedback.
- Use people's feedback proactively to identify quality improvement opportunities.
- To put things right that may have gone wrong, helping people to share their experience and to restore their confidence.
- Through listening and learning, develop best practice and support staff to deliver excellent person-centred care.

The Board has remained committed to hearing and learning from the experience of staff and patients. During 2022/23 the Board received patient/staff stories in respect of:

- **Long COVID – Adferiad** - experience of using the service and the impact of long-COVID on the individuals health & wellbeing
- **Virtual Ward** - a place based structured, face-to-face or virtual multi-disciplinary team (MDT) conversation between a range of multi-disciplinary and multi-sector professionals, where people/patients with a variety of complex and inter-related issues are discussed and care planning takes place.
- **'Bob's Story - What Matters to Me'** - highlighting the importance of dignity and respect for patients.

Throughout 2022/23, the **Aneurin Bevan Community Health Council** attended meetings of the Board to provide an overview of recent issues of

concern and positive observations or public feedback being addressed by the Community Health Council in relation to the planning and delivery of health services in Gwent. In addition, the Board held joint meetings with the Community Health Council's management team and full Council.

### Items considered by Committees of the Board

During 2022/23, Board Committees considered and scrutinised a range of reports and issues, in line with the matters delegated to them by the Board. These included a range of internal and external audit reports and reports from other review and regulatory bodies, including Healthcare Inspectorate Wales.

As was the case in previous years, the Committees' consideration and analysis of such information has played a key role in the 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.

An overview of the key areas considered by the Committees of the Board is provided below:

<b>Audit, Finance and Risk Committee</b>	<p>Among the key issues considered by the Committee during 2022-23, as outlined in the Committee's Work Programme, the following were also considered:</p> <ul style="list-style-type: none"> <li>• Update on the Health Board's Outpatient Transformation Project</li> <li>• Update on the Estates Efficiency Framework</li> <li>• Update on Asset Verification</li> <li>• Report on the Welsh Health Circular (WHC) Tracker</li> <li>• Report on the Implementation of the Governance Priorities set out within the IMTP 2022-25</li> <li>• Welsh Health Specialised Services Committee Governance Arrangements Audit Tracker Report (for those recommendations relating to Health Board governance arrangements)</li> <li>• Audit Wales Review of Quality Governance Arrangements</li> <li>• Audit Wales - Five-year Strategy 'Assure, Explain, Inspire' Report</li> <li>• Audit Wales - Welsh Community Care Information System Report</li> <li>• Audit Wales - Tackling the Planned Care Backlog in NHS Wales Report</li> <li>• Audit Wales - Public Sector Readiness for Net Zero Carbon by 2030: Evidence Report</li> <li>• Audit Wales - Continued COVID-19 response alongside growing patient demand Report</li> <li>• Audit Wales – Consultation on Fee Scales 2023 /2024</li> <li>• Audit Wales - £6.5 million of fraud and overpayments identified by National Fraud Initiative in Wales</li> <li>• Audit Wales - Making Equality Impact Assessments more than just a tick box exercise Report</li> <li>• Audit Wales Review of Efficiency Savings Arrangements Report</li> </ul>
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	<ul style="list-style-type: none"> <li>• Audit Wales – Audit of Accounts Report 2021/22</li> </ul> <p>The Committee reviewed and approved the audit strategies and plans from Audit Wales and Internal Auditors, NWSSP Audit &amp; Assurance Services and received audit reports produced in support of them during 2022-23.</p> <p>In approving the strategies and plans, the Committee ensured that they were robust and linked to the health board’s risk profile.</p> <p>During the year the Committee received Internal Audit reports in line with the agreed programme for 2021-22 and 2022-23, including the management response from the relevant Executive Director.</p> <p>In total, 32 internal audit reviews were carried out during the year, including six that were carried over from 2021/22. Further detail on the work of internal and external audit in 2022/23 is provided later on in this report, under the section on Internal Control.</p>
<b>Patient Quality, Safety and Outcomes Committee</b>	<p>Among the key issues considered by the Committee during 2022-23, as outlined in the Committee's Work Programme, the following were also considered:</p> <ul style="list-style-type: none"> <li>• An overview of the new <b>Dementia Standards</b> and the launch, on the 6<sup>th</sup> April 2022, of the All-Wales Hospital Dementia Charter</li> <li>• Overview of compliance and performance against <b>National Clinical Audit and Local Clinical Audit Arrangements</b></li> <li>• Compliance with <b>Cleaning Standards</b>, including Benchmarking Data, and Actions underway to address associated issues and risks</li> <li>• An update of progress following the initial presentation in September 2021 of the review of <b>Access Arrangements in General Medical Services (GMS)</b> undertaken in June 2021</li> <li>• An update on the work being undertaken in theatres and scheduled care, relating to <b>theatre safety</b>, following concerns regarding an increase in ‘Never Events’ in surgical and theatres directorates.</li> <li>• An overview of the <b>Covid-19 investigative framework</b></li> <li>• <b>Learning from Death Report</b> and the statutory requirement for all deaths in Wales, in both primary and secondary care, to be subject to scrutiny by the Medical Examiner.</li> <li>• Health Board’s approach to continued organisational learning in respect of <b>Operation Jasmine</b>.</li> <li>• Overview of Enhanced Care: linking provision, cost and outcomes</li> <li>• The Health Board’s plan and progress in response to the Welsh Government ‘<b>Six Goals for Urgent and Emergency Care</b>’ and how these plans have now been aligned within the Health Board’s ‘Six Goals’ Programme Plan.</li> <li>• Assurance in respect of work undertaken to address required improvements outlined in the <b>National Clinical Audit of Psychosis</b> with respect to the Early Intervention Service (EIS) (2020/2021).</li> <li>• <b>Cancer performance</b> including identified improvement actions to address the current challenges.</li> </ul>

	<ul style="list-style-type: none"> <li>• Report outlining the Health Board's action plan in response to the <b>national review of Venous Thromboembolisms</b>.</li> <li>• <b>Safeguarding Annual Report</b>, including progress, performance, risk and learning together with an overview of emerging themes and trends.</li> <li>• <b>Infection Prevention and Control Annual Report</b>, outlining the infection prevention work undertaken in 2021/22, management arrangements and progress against performance targets.</li> <li>• An update on the review of care for individuals with <b>Learning Disabilities</b></li> <li>• Overview of the Health Board's contractual arrangements for <b>WAST inter-site transfers</b>.</li> <li>• Health Board's current position and governance arrangements in relation to <b>Health and Safety Compliance</b>.</li> </ul> <p>The Committee also received various external reports, including:</p> <ul style="list-style-type: none"> <li>• Regular reports outlining progress of the delivery against recommendations and outstanding actions from <b>HIW inspections</b> conducted across the Health Board.</li> <li>• <b>Internal Audit Review, The Grange University Hospital Quality Assurance</b></li> <li>• <b>Internal Audit Review, Falls Management</b></li> <li>• <b>Audit Wales Review of ABUHB Quality Governance Arrangements</b>, which concluded that the Health Board had clear, articulated corporate arrangements for quality governance and key areas of quality and safety; however, further improvement was required at Divisional and Directorate level.</li> <li>• <b>HIW Unannounced visit to The Grange University Hospital</b>, triggered by ongoing pressures in the urgent care system. Overall, HIW were not assured that all systems and processes in place were sufficient to ensure all patients were consistently receiving acceptable standards of safe and effective care, although the hard work of staff was recognised. The Committee maintained a focus on progress on the issues identified.</li> <li>• Discussion of the key points from the <b>Ockenden Review</b> and identified actions being taken in Wales to review the report and extract learning.</li> <li>• <b>HMP Prison Services Self-Assessment</b>, based upon recommendations taken from HIW's review of the Quality Governance Arrangements within Swansea Bay University Health Board, for the delivery of healthcare services to Her Majesty's Prison Swansea.</li> </ul> <p>The Committee also approved the <b>Clinical Audit Strategy</b> - to support the delivery of a meaningful programme of audit designed to provide assurance and inform quality improvement across the Health Board.</p>
<b>Charitable Funds Committee</b>	<ul style="list-style-type: none"> <li>• Scrutinised applications for charitable funds</li> <li>• Reviewed charitable funds income and expenditure</li> </ul>

	<ul style="list-style-type: none"> <li>• Considered and endorsed the Charitable Funds Accounts and Annual Report 2021/22</li> <li>• Received the Audit Wales – Audit of Accounts Report 2021/22</li> </ul>
<b>Mental Health Act Monitoring Committee</b>	<p>The role of the Mental Health Act Monitoring Committee (MHAMC) is to monitor and review the way in which the Health Board discharges its functions and responsibilities under the Mental Health Act 1983. The Committee therefore receives a quarterly report which provides assurance to the Committee on the compliance with the legislative requirements of the Mental Health Act.</p> <p>Throughout 2022/23, the Committee has continuously discussed the impact the pandemic has had on demand and the level of acuity in mental health services.</p> <p>The Committee discussed the need to increase the number of Mental Health Act Managers and the need to strengthen recruitment processes in this area. A revised Mental Health Act Managers Policy has been developed for implementation in early 2023/24.</p> <p>A <b>Power of Discharge Sub-Committee</b> has been established as a formal sub-committee of the MHAMC. The membership of this Committee is comprised of Associate Hospital Managers and provides advice and assurance that the processes associated with the discharge of patients from compulsory powers, used by the Sub-Committee, are being performed correctly and in accordance with legal requirements.</p> <p>The Sub-Committee reports routinely to the Committee for assurance and developmental purposes.</p> <p>In addition, the MHAMC received an overview of the pilot projects and work to support people in the Gwent area who are experiencing a mental health crisis.</p>
<b>People and Culture Committee</b>	<p>Among the key issues considered by the Committee during 2022-23, as outlined in the Committee's Work Programme, the following were also considered:</p> <ul style="list-style-type: none"> <li>• Regular <b>Reports from the Director of Workforce and OD</b>, including overviews of employee relations matters.</li> <li>• An overview of the <b>People First Staff Engagement and Reconnection</b>, including a summary of the first two phases of the plan.</li> <li>• People Plan Updates</li> <li>• A <b>Review of the Equality Impact Assessment (EQIA) Process</b> (<i>More than Just a Tick Box Exercise</i>), including the proposal for the establishment of an integrated EQIA group.</li> <li>• Regular <b>Agile Working Updates</b>, including an overview of the work carried out by the Health Boards Agile Delivery Board.</li> </ul>



	<ul style="list-style-type: none"> <li>• Committee Strategic Risk Report, including the <b>Workforce Divisional Risk Register</b>, providing an overview of progress against mitigation of risk.</li> <li>• <b>Workforce Performance Dashboard</b> incorporating Key Performance Indicators.</li> <li>• <b>Employee Wellbeing Survey Update</b>, including results from the surveys to help inform programs of work and well-being interventions.</li> <li>• An overview of the Health Boards compliance with the Welsh Government <b>More Than Just Words 2022-2027</b> initiative.</li> <li>• Assurance on Delivery of Actions and Delivery associated with the Health Board being an <b>Employer of Choice</b>.</li> <li>• An update on the Health Boards <b>Variable Pay Action Plan</b>, including an overview of the work delivered through the Agency Reduction Programme Board.</li> <li>• An overview of the Health Boards <b>Medical Training Risk Register</b>, including alignment with the General Medical Council (GMC) set standards, as monitored by Health Education and Improvement Wales (HEIW).</li> <li>• An overview of the Health Boards <b>Medical Appraisal and Revalidation</b> process.</li> </ul> <p>The Committee also received external reports, as below; -</p> <ul style="list-style-type: none"> <li>• Audit Wales Report, '<b>Taking Care of the Carers</b>' and the Health Board's Management Response.</li> </ul>
<b>Finance and Performance Committee</b>	<p>Amongst the key issues considered by the Committee during 2022-23 were the following:</p> <p><b>Finance</b></p> <ul style="list-style-type: none"> <li>• <b>Financial Performance</b> updates outlining the Health Board's financial performance, financial targets, statutory financial duties and forecast position.</li> <li>• The Health Board's <b>approach to sustainability</b> to deliver financial balance as part of the IMTP.</li> <li>• Overview of the '2022/2023 Efficiency Review' of the Health Board, and a presentation of the '<b>Efficiency Opportunities Compendium</b>', which captured business intelligence to support Divisions to improve efficiencies, based on best practice.</li> <li>• Overview of the utilisation of <b>Covid Recovery funding</b> received in financial year 2021-22.</li> <li>• <b>Value Based Healthcare Achievement Annual Report 2021/22</b>, which demonstrated the collaborative work between the Value-Based healthcare teams and operational teams to deliver Value-Based healthcare across a range of priority programmes.</li> <li>• Presentation of the <b>Variable Pay Savings Plan</b> (Agency Reduction), which would be monitored and reported to the Health Boards Strategic Nursing Workforce Group</li> <li>• Financial Understanding of <b>Health Board Commissioned Services</b>, including assessing needs, planning,</li> </ul>

	<p>and prioritising, purchasing, and monitoring health services, providing the best health outcomes for the Health Board's population.</p> <ul style="list-style-type: none"> <li>• Update on the <b>forecast revenue resource position</b> for the financial year 2022/23.</li> <li>• <b>Budgetary Control and Finance Control Procedure</b>, describing key financial controls and governance rules and behaviours which the organisation had established to ensure expenditure is managed within available resources.</li> <li>• Financial Outlook &amp; 2023/24 Allocation letter Briefing</li> <li>• 2022/23 Forecast Closing Underlying Position</li> <li>• 2023/24 Budget Planning (Delegation) Principles</li> <li>• Efficiency Opportunities 2023/24</li> </ul> <p><b>Performance</b></p> <ul style="list-style-type: none"> <li>• A live demonstration of the Health Board's automated version of the <b>Performance Management Dashboard</b>.</li> <li>• Performance Exception Reporting: <ul style="list-style-type: none"> <li>◦ <b>Cancer</b>, illustrating the current cancer performance and identifying improvements to address any challenges.</li> <li>◦ <b>Six Goals of Urgent and Emergency Care</b>, outlining the Health Board's "Six Goals for Urgent and Emergency Care" Programme and associated performance and financial status.</li> </ul> </li> <li>• <b>Information Governance Performance Indicators</b> providing performance information regarding the Health Board's compliance with the General Data Protection Regulation and Data Protection Act 2018.</li> <li>• Getting it Right First Time Reviews (GIRFT): <ul style="list-style-type: none"> <li>• Overview of the <b>Review of Stroke Services Report</b></li> <li>• and the approach to optimising patient care and outcomes.</li> <li>• Update on <b>Orthopaedic Improvement Programme</b>, noting 3 key areas of focus - reduce clinical variation, reduce the backlog and value for money.</li> </ul> </li> </ul>
<b>Partnerships, Population Health and Planning Committee</b>	<p>Amongst the key issues considered by the Committee during 2022-23 were the following:</p> <ul style="list-style-type: none"> <li>• An overview of Work of the <b>Gwent Public Service Board (PSB)</b>, including an update in respect of developing a Marmot Region via the Public Services, to reduce health inequalities across Gwent.</li> <li>• An overview of the Health Boards <b>Integrated Medium Term Plan 2022-2026</b>.</li> <li>• An overview of the Health Boards <b>Decarbonisation Strategy</b> and updates on progress of the Decarbonisation Framework 2022/23.</li> <li>• An update on progress of <b>Regional Planning</b> in respect of regional service planning programmes of work being undertaken in collaboration with health board colleagues across Southeast Wales.</li> <li>• An update on the development and delivery of a <b>Strategy for Mental Health Services in Gwent</b>.</li> <li>• An update on the Health Boards key Clinical Futures models of care and links to the revised <b>Clinical Futures Programme</b> Priorities.</li> </ul>

	<ul style="list-style-type: none"> <li>• An update on the development and delivery of a <b>Strategy for Agile Working in ABUHB</b>.</li> <li>• An overview of the Gwent Public Health Team' coordination of the delivery of the <b>Gwent Marmot Region programme</b>, in partnership with organisations in Gwent, and under the governance of Gwent PSB.</li> <li>• An overview of meetings of the <b>Regional Partnership Board</b>, including discussion around topics raised as a concern.</li> <li>• An update of the <b>Redesigning Services for Older People Programme</b>, including an overview of the review of Care of the Elderly/Frailty pathways and service delivery models aligning to the IMTP.</li> <li>• An update on the <b>6 Goals for Urgent and Emergency Care</b>, including an evaluation of the plans for <b>Same Day Emergency Care (SDEC)</b>.</li> <li>• An overview of the successful delivery of the Health Board's <b>Capital Programme 2021-2022</b>.</li> <li>• Report regarding the <b>Third Wales Wellbeing Survey</b></li> <li>• Committee Risk Report</li> </ul> <p>The Committee also received various external reports, including; -</p> <ul style="list-style-type: none"> <li>• The <b>Health and Wellbeing Alliance Report, 'Mind the gap: What's stopping change'</b>, with a focus on the cost-of-living crisis and the rise in inequalities in Wales.</li> <li>• The Committee received the Audit Wales report, '<b>Public Sector Readiness for Net Zero Carbon by 2030; evidence report</b>'</li> </ul>
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## Board Development and Briefing

Board members took part in a number of development and briefing sessions through 2022/23. Topics covered at these sessions included:

- Operation Jasmine
- Urgent and Emergency Care System and Pressures
- Violence against Women, Domestic Abuse and Sexual Violence
- Arts for the Grange Programme and Arts in Health Strategy
- Declaration of Business Continuity – Reflection and consequent actions
- Cardiac Rehabilitation Heart Failure Project
- Duty of Quality and Duty of Candour
- Accelerated Cluster Development Programme
- Quality Improvement
- Cyber Resilience
- WHSSC - 10 Year Strategy for Specialised Services and an overview of Performance
- Primary Care Sustainability, Risk & Issues
- Patient and Public Participation in Health Service Changes
- Developing High Quality Care Cultures, including Compassionate Leadership
- Quality and Patient Experience Strategy

- Development of an Outline Business Case for a Specialist Mental Health and Learning Disability Specialist In-Patient Services Unit
- Risk and Assurance, including developing a Risk Appetite Statement
- Medical Workforce Planning, Risk & Issues

In-line with Standing Orders, the Board is required to introduce a process of regular and rigorous self-assessment and evaluation of its own operations and performance and that of its Committees and Advisory Groups. In February 2023 the Board was asked to undertake individual assessment of its effectiveness during 2022/23, using the NHS England and NHS Improvement (NHSE and NHSI) Well-led Framework for Leadership and Governance Developmental Reviews. The outcome of these self-assessments will be discussed collectively by the Board at the end of May 2023.

The Well-led Framework supports boards to maintain and develop the effectiveness of their leadership and governance arrangements and has a strong focus on integrated governance and leadership across quality, finance and operations as well as an emphasis on organisational culture, improvement and system working.

From 2023/24, Committees will undertake a mid-year self-assessment of their effectiveness to inform the Board's end of year assessment.

## **ADVISORY GROUPS AND JOINT COMMITTEES**

### **Advisory Groups**

Aneurin Bevan University Health Board's Standing Orders require the Board to establish three advisory groups. These allow the Board to seek advice from and consult with staff and key stakeholders. They are the:

- Stakeholder Reference Group;
- Local Partnership Forum; and
- 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's [website](#).

### **Stakeholder Reference Group (SRG)**

Aneurin Bevan University Health Board established its Stakeholder Reference Group (SRG) in 2010.

The SRG's role has been to provide independent advice on the Health Board's business. including: Early engagement and involvement in the determination of the Health Board's overall strategic direction; the provision of advice on specific service proposals prior to formal consultation; as well as feedback on the impact of the Health Board's

operations on the communities it serves. The SRG should provide a forum to facilitate full engagement and active debate amongst stakeholders from across the communities served by the Health Board, with the aim of reaching and presenting a cohesive and balanced stakeholder perspective to inform the Health Board's decision making.

Since its establishment, the Health Board's engagement arrangements have evolved and continue to develop and mature. In particular, the COVID-19 pandemic has required the Health Board to engage with our stakeholders and communities in new and different ways.

In view of these evolving engagement arrangements and given that the Stakeholder Reference Group last met in October 2021, a decision was taken to disband the SRG in its current form in October 2022, whilst the Health Board reviews and redesigns the role and constitution of the Group, ensuring it is fit for purpose and fully effective. A proposal for re-establishment of the SRG is currently being prepared for consideration by the Board.

In the meantime, the Health Board continues to work alongside partners to engage and involve people who others are also seeking to engage. This enables strong partnership working, the sharing of resource and the ability to collaborate regarding joint solutions to challenges shared. Many organisations have been extremely generous in enabling our participation in their existing activities. The Health Board has previously attended:

- Local Authority Community Talk to Us Sessions, Warm Spaces and Cost of Living events;
- Housing Association Resident Complexes and events;
- Health & Wellbeing events and Freshers Fairs at Coleg Gwent Campuses; and
- School Parents evenings, coffee mornings and PTA events.

The Health Board is also represented at Gwent Citizens Panel, Torfaen Access Forum and works with third sector organisations, Gwent Association of Voluntary Organisations and Torfaen Voluntary Alliance.

The Health Board also runs a comprehensive community engagement program that ensures communities can speak directly with Health Board staff and share their views on health services. In 2022/23, the Health Board spoke directly with over 4300 residents across 149 venues.

The Health Board is committed to working constructively in partnership with others to plan and secure the delivery of an equitable, high quality, whole system approach to health, well-being and social care for the population of Gwent. This is delivered in accordance with the Health Board's statutory duties and any specific requirements or directions made by the Welsh Ministers, which includes the development of population assessments and area plans.

## **Local Partnership Forum (Known as the Trade Union Partnership Forum [TUPF])**

The TUPF is the formal mechanism for the Health Board and Trade Union/Professional Organisation Representatives to work together to improve health services. It is the forum where key stakeholders will engage with each other to inform, debate and seek to agree local priorities on workforce and health service issues. The TUPF is co-chaired by the Chair of Staff Representatives and the Chief Executive of the Health Board. Members are Staff Representatives (including the Independent Member for Trade Unions), the Executive Team and Chief Executive, the Director of Corporate Governance, the Assistant Directors of Workforce and OD and the Head of Workforce Governance. The Forum meets 6 times a year and the Board receives an Annual Report on the work of the Forum.

## **Healthcare Professionals' Forum (HPF)**

The purpose of the HPF is to facilitate engagement and debate amongst the wide range of clinical interests within the Health Board's area of activity, with the aim of reaching and presenting a cohesive and balanced professional perspective to inform the Health Board's decision making.

During 2022/23, the Board did not have in place its Healthcare Professionals Forum. In the absence of this Group, the Board has continued to engage clinical professionals through its professional executive directors (Medical Director, Director of Nursing, Director of Therapies and Health Sciences and Director of Public Health) and existing professional management groups, such as the Clinical Directors Forum and System Leadership Group. The Board also engages with primary care providers through its cluster arrangements. It is the intention to take forward arrangements in respect of the Healthcare Professional's Forum in 2023/24.

## **Joint Committees**

As set out within the Health Board's Standing Orders, the Board is required to establish, as a minimum, the following joint Committees:

- The Welsh Health Specialised Services Committee (WHSSC) and
- The Emergency Ambulance Services Committee.

## **Welsh Health Specialised Services Committee (WHSSC)**

The Welsh Health Specialised Services Committee (WHSSC) is responsible for the joint planning of Specialised and Tertiary Services on behalf of [Local Health Boards in Wales](#).

WHSSC was established in 2010 by the [Local Health Boards \(LHBs\) in Wales](#) to ensure that the population of Wales has fair and equitable access to the full range of specialised services. In establishing WHSSC to work on their behalf, the seven LHBs recognised that the most efficient and effective way

of planning these services was to work together to reduce duplication and ensure consistency.

WHSSC is hosted by Cwm Taf Morgannwg University Local Health Board. The Health Board is represented on the Committee by the Chief Executive and reports of the Joint Committee's activity are regularly reported to the Board.

Further detail in respect of Welsh Health Specialised Services Committee can be found on WHSSC's [website](#)

### **Emergency Ambulance Services Committee (EASC)**

Emergency Ambulance Services in Wales are provided the Welsh Ambulance Services NHS Trust (WAST) and commissioning of Ambulance Services in Wales is a collaborative process underpinned by a quality and delivery framework. The framework provides for clear accountability for the provision of emergency ambulance services with the Chief Ambulance Services Commissioner (CASC) and the Emergency Ambulance Services Committee (EASC) acting on behalf of Health Boards and holding WAST to account as the provider of emergency ambulance services. EASC is hosted by Cwm Taf Morgannwg University Local Health Board. The Health Board is represented on the Committee by the Chief Executive and reports of the joint committee's activity are regularly reported to the Board.

Further detail in respect of Emergency Ambulance Services Committee can be found on EASC's [website](#).

## **STATUTORY & STRATEGIC PARTNERSHIPS**

### **Gwent Regional Partnership Board**

The Gwent Regional Partnership Board (RPB) is established under Part 9 Social Services and (Wales) Wellbeing Act 2014 and the Partnership Arrangements (Wales) Regulations 2015, within which local authorities and local health boards are required to establish Regional Partnership Boards to manage and develop services to secure strategic planning and partnership working. RPBs also need to ensure effective services, and care and support is in place to best meet the needs of their respective population. The objectives of the Gwent Regional Partnership Board are to ensure the partnership bodies work effectively together to:

- Respond to the population assessment carried out in accordance with section 14 of the Act;
- Develop, publish and implement the Area Plans for each region covered as required under section 14A of the Act;
- Ensure the partnership bodies provide sufficient resources for the partnership arrangements, in accordance with their powers under section 167 of the Act; and
- Promote the establishment of pooled funds where appropriate.



Welsh Government has distributed a Health and Social Care Regional Integration Fund across Wales to the seven Regional Partnership Boards (RPBs) in Wales. The aim of the fund is to drive and enable integrated working between social services, health, housing and the third sector and independent providers to develop sustainable services.

The Regional Integration Fund (RIF) is hosted by Aneurin Bevan University Health Board on behalf of the Gwent Regional Partnership Board and is a standing agenda item on the Regional Partnership monthly meetings. All matters in relation to the RIF are discussed and approved within the partnership forum. Information is cascaded throughout the partnership structures for transparency. Where needed, the RPB accommodates special meetings to sign off RIF investment plans where meetings schedules do not align with reporting or development timeframes.

Aneurin Bevan University Health Board Members included in the membership of the Regional Partnership Board are:

- Ann Lloyd, Health Board Chair
- Nicola Prygodzicz, Chief Executive
- Tracey Daszkiewicz, Executive Director for Public Health & Strategic Partnerships
- Hannah Evans, Executive Director of Strategy, Planning & Partnerships
- Phil Robson, Special Advisor to Health Board
- Katija Dew, Independent Member

Further detail in respect of the Gwent RPB can be found on the RPB's [website](#).

## **Gwent Public Services Board**

The Gwent Public Services Board (PSB) is the statutory body established by the Well-being of Future Generations (Wales) Act 2015 which brings together the public bodies in Gwent to meet the needs of Gwent citizens present and future. The aim of the group is to improve the economic, social, environmental and cultural well-being of Gwent. Working in accordance with the five ways of working, the Board has published its Well-being Assessment and Well-being Plan.

The Health Board contributes to achieving these objectives through the delivery of the Clinical Futures Strategy and the Integrated Medium-Term Plan (IMTP).

Aneurin Bevan University Health Board Members included in the membership of the Public Services Board are:

- Ann Lloyd, Health Board Chair
- Nicola Prygodzicz, Chief Executive
- Tracey Daszkiewicz, Executive Director for Public Health & Strategic Partnerships

Further detail in respect of the Gwent PSB can be found on the PSB's [website](#).

## **NHS Wales Shared Services Partnership**

NHS Wales Shared Services Partnership (NWSSP) was established in November 2010 to deliver economies of scale; efficiencies and consistency of quality and process for the business and professional services that were directly managed and delivered by local NHS bodies.

As a hosted organisation, NWSSP operates under the legal framework and Establishment Order of Velindre University NHS Trust. The Managing Director is the designated Accountable Officer for Shared Services in line with The Velindre National Health Service Trust Shared Services Committee (Wales) Regulations 2012 and is accountable to the Director General/CEO NHS Wales and Health Boards, Special Health Authorities and Trusts through the Shared Services Partnership Committee (the Partnership Committee). The Partnership Committee meets bi-monthly and is chaired by Professor Tracy Myhill OBE. The membership is comprised of representatives from each NHS organisation, including Aneurin Bevan University Health Board.

The Partnership Committee is responsible for exercising the Velindre National Health Service Trust's functions in relation to shared services, including the setting of policy and strategy and the management and provision of shared services to Local Health Boards, Special Health Authorities and National Health Service Trusts. Several committees and advisory groups have been established to help support the governance arrangements that underpin how NWSSP operates.

Further detail in respect of NHS Wales Shared Services Partnership can be found on NWSSP's [website](#).

## **THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

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

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 March 2023 and up to the date of approval of the annual report and accounts.

## **CAPACITY TO HANDLE RISK**

As Chief Executive and 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 the Patient Quality, Safety and Outcomes Committee.

Executive Team meetings present an opportunity for executive directors to consider, evaluate and address risk, and actively engage with and 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, who is responsible for establishing the policy framework and systems and processes that are needed for the management of risks within the organisation. Depending on the nature of risk, other Directors will take ownership for management and mitigation, for example, patient safety risks fall within the responsibility of the Medical Director, the Director of Nursing and Midwifery and the Director of Therapies and Health Science.

### **The Risk Management Framework**

The Health Board revised its approach to risk management in 2021 which resulted in a substantial revision of the Risk Management Strategy. This approach is a hybrid model of best practice risk management frameworks including COSO Enterprise Risk Management Framework, ISO 31000 and usual Health systems risk management approaches.

To further support this, a risk management strategy benefits realisation plan was presented to the Audit, Risk and Assurance Committee in April 2022, which mapped the objectives highlighted in the Risk Management Strategy with progress updates and clarity on how the Health Board will determine measurements of success. The Audit, Risk & Assurance Committee will remain responsible for monitoring implementation of the plan to ensure the organisation reaches its full potential in relation to the revised Risk Management Strategy. In monitoring the ongoing implementation, any risks to delivery or gaps in assurance can be identified with remedial actions agreed and implemented to mitigate and ensure the plan continues to progress.

At each Board meeting, the Health Board receives a Strategic Risk Report which provides a high-level account of all risks included on the Corporate Risk Register. This report is published in the public domain, ensuring transparency and openness around the strategic risks the Health Board has identified as potential impacts to achievement of the Board's strategic priorities. Members of the public and any other stakeholders have the opportunity to comment or raise queries on these risk reports, in-line with the Health Board Standing Orders.

The Health Board's electronic risk management system and associated functionality provides a useful mechanism for operational teams to record risks, raise and escalate risks to a Strategic level via an alert to the Corporate Risk Register and subsequently the Head of Corporate Services, Risk and Assurance. In addition to this, the Executive Directors of the Health Board hold assurance meetings with their respective Divisions to discuss management of ongoing risks that Divisions hold and provides a further opportunity to escalate risks. Regular engagement with Executive

risk owners is undertaken to update risks and ensure scoring remains consistent and balanced.

The Head of Corporate Services, Risk and Assurance provides a strategic risk report to each Committee of the Board and each report includes detailed risk assessments for the risks for which the Committee has been delegated responsibility to seek assurance.

In relation to Quality, Patient Safety risks, the Health Board has a well-established Quality Patient Safety Operational Group that reports to the Board's Patient Quality Safety and Outcomes Committee. This meeting is chaired by the Director of Therapies and Health Science and extends its membership to other clinical Executive colleagues.

The Health Board has a well-established a Risk Management Community of Practice (CoP). Representation has grown consistently, and the CoP continues to meet every other month. Topics at the CoP include risk appetite and tolerances, business continuity planning, regular updates on the strategic risks reported to the Board and its Committees alongside an 'open' section for staff to share areas of good practice and wider organisational learning on risk management or organisational maturity.

## **Board Assurance Framework**

The Board Assurance Framework provides the Board with an overview of the Principal Risks to achievement of its Strategic Objectives, along with a position on the level of assurance that it can reasonably take in relation to each risk.

In June 2022, the Audit, Risk and Assurance Committee received an Internal Audit review of the Board Assurance Framework (BAF) in place during 2021/22. This review provided the Board with a reasonable level of assurance, although actions for improvement were identified.

In August 2022, the Audit, Risk and Assurance Committee received a presentation from the Director of Corporate Governance that outlined an updated approach to development of the BAF allowing for closer alignment and reporting with the Corporate Risk Register. The Committee considered the current position and recognised that further work was required to provide greater clarity, ownership and understanding of the BAF and its processes. The need for synergy to be developed between the BAF and the Corporate Risk Register as well as introducing processes to enable a greater level of assurance across the breadth of the internal control system at an operational level was acknowledged.

At its meeting in March 2023, the Board received the first iteration of an integrated risk and assurance report, complete with assurance mapping and action plans identified to address gaps in assurances. Further development of the presentation of the report is expected to align with a rationalisation of the current strategic risks and a revised Risk Management

Strategy. This is expected to be presented to the Board in Quarter 2 of 2023/24.

### The Health Board's Risk Profile

As at end of March 2023, there were **25** strategic risks described within the Corporate Risk Register which represent the most significant risks to the Health Board in potentially impacting the delivery of the Board's strategic priorities.

High	18
Moderate	7
Low	0

A copy of the latest Strategic Risk Report presented to Board in March 2023 is available [here](#). The risks contained within this have been subject to Executive risk owner scrutiny, challenge, and review. Robust assessments of the Health Board's internal control system were also undertaken, alongside a review of all sources of assurance related to each risk. Based on a calculation of averages methodology, an initial indication on each risk was given a RAG rated assurance level. This was in line with Internal Audit methodology when determining assurance levels for audit reviews.

An over-arching, high-level indication of the level of assurance the Board could derive from this iteration of the strategic risk report is set out below:

Nil	Satisfactory	Considerable
	X	

This means that the Board could take an overall level of **satisfactory** assurance that the strategic risks which comprise the Corporate Risk Register (at March 2023), and which represent significant risks to non-delivery of the IMTP, are being managed effectively. The Board could also take assurance that the system of internal control to manage these risks is deemed to be **satisfactory**.

In April 2023, the Executive Team commenced work to undertake an in-depth review of the Corporate Risk Register, ensuring risks are appropriately articulated, scored and moderated. This work will be presented to the Board in Quarter 2, 2023/24.

### Risk Appetite

The Board's Risk Appetite Statement is contained within its [Risk Management Strategy](#). As part of its risk management arrangements, the Health Board has agreed a set of definitions in relation to risk appetite and attitude which is outlined in the table below. The risk **Appetite** can be applied to shorter term risks and can be more dynamic; however, the risk **Attitude** is usually applied to longer term risks and tends to be more fixed. It is noted, however, that the risk Appetite and Attitude definitions will be

reviewed in order for the Health Board to progress its organisational approach to risk management.

<b>Assessment</b>	<b>Description of potential effect</b>
Very High ('hungry' for risk) Risk Appetite Level 5	The Health Board accepts and tolerates some risks because of the potential short and long term benefits that might arise. However, it recognises that this might result in reputational damage, financial impact or exposure, major breakdown in services, information systems or integrity problems, significant incidents of regulatory and/or legislative compliance issues, potential impact on staff/service users.
High (open to risk) Risk Appetite Level 4	The Health Board is willing to Tolerate or Treat risks that may result in reputation damage, financial impact or exposure, major breakdown in services, information systems or integrity, significant incidents of regulatory and/or legislative compliance, potential risk of injury to staff/service users. This level of appetite is predicated on the benefits being anticipated to be significantly advantageous to the Health Board.
Moderate (cautious risk taking) Risk Appetite Level 3	The Health Board is willing to Treat, Tolerate, Transfer (upon a balance of residual risks) risks in certain circumstances that may result in reputation damage, financial loss or exposure, major breakdown in services, information systems or integrity, significant incidents of regulatory and/or legislative compliance, potential risk of injury to staff/service users.
Low (averse to risk) Risk Appetite Level 2	The Health Board aspires to Treat, Transfer or Terminate (except in very exceptional circumstances) risks that may result in reputation damage, financial impact or exposure, major breakdown in services, information systems or integrity, significant incidents of regulatory and/or legislative compliance, potential risk of injury to staff/service users.
Zero (avoid taking risks) Risk Appetite Level 1	The Health Board aspires to Terminate risks under any circumstances that may result in reputation damage, financial impact or exposure, major breakdown in services, information systems or integrity, significant incidents of regulatory and/or legislative compliance, potential risk of injury to staff/service users or public.

Changes to standard reporting templates has enabled the Board to become more aware of risk appetite in relation to the risk profiles it is responsible for. The revised template for cover reports for Committees and the Board provides a high-level overview of the risks being managed within the Committee or Board's portfolio and whether they are being managed within the agreed risk appetite level, and where risks are not managed within agreed limits, that robust plans and objectives are in place to de-escalate.



In April 2023, the Board commenced developmental work to review and redesign its risk appetite against key business domains or 'themes'. These themes were derived from feedback received from the Board on the most significant risks to the Health Board in achieving its strategic objectives. The next stage of development of this work will be the translation of the clearly defined risk appetite levels related to specific risk areas, into clearly articulated risk scores. This will enable operational colleagues to apply the risk appetite levels directly to their service areas and promotes the consistency of approach from 'Ward to Board'. This approach will be described in a revised Health Board Risk Management Strategy to be finalised in Quarter 2, 2023/24.

### **Risk & Assurance Related Internal Audit Reviews**

Over the last financial year, the Audit, Risk and Assurance Committee received reasonable assurance ratings for internal audit reviews undertaken on the BAF and in relation to Risk Management.

### **Corporate Governance, Board Assurance Framework**

In July 2022, the Audit, Risk and Assurance Committee received the internal audit review on the BAF, providing a reasonable level of assurance. The purpose of the review was to "*evaluate the BAF process and supporting arrangements that are embedded within Aneurin Bevan University Health Board governance structure.*" The report concluded a reasonable level of assurance could be taken and made 4 recommendations (2 medium, 2 low) to further develop, embed and strengthen the BAF to ensure Board and Committee business focused on the areas of weakest assurance and highest risk. The Health Board is pleased to report that progress against the recommendations prompted by the internal audit review is in development with revised deadlines or have been completed.

### **Risk Management**

In April 2023, the Audit, Risk and Assurance Committee received an internal audit review on Risk Management, providing a reasonable level of assurance. The purpose of the review was to provide the Board with assurance that appropriate risk management arrangements are in place within the Divisions (at an operational level).

The report made 4 recommendations, 2 medium and 2 low to strengthen risk management arrangements. These actions will be progressed in 2023/24, alongside further development of the organisation's risk management arrangements.



## Financial Recovery Governance Arrangements

At Month 06, 2022/23, the Health Board reported a year-to-date position of £22.785m deficit, with a forecast year-end out-turn of £37m deficit. Further detail in respect of this reported financial position included in the Financial Performance Report, with an updated position at Month 07, 2022/23, presented to Board in November 2022.

In assessing the forecast position, the Executive Team undertook a range of deep dives into the financial position, with the key opportunities to reduce the forecast identified as the priority focus of a recovery programme for the remaining six months of the financial year. The focus of recovery was to progress a twin track approach to deliver short term opportunities for financial cost reduction as well as continuing to progress transformational opportunities for long term sustainability. This recovery programme was expected to deliver opportunities to ensure the forecast deficit of £37M was not exceeded, and to wherever possible, reduce the forecast deficit position from the forecast position.

As a consequence, a CEO accountability letter was sent to the Director General for NHS Wales to accompany the WG monthly monitoring return on the 13<sup>th</sup> October 2022.

In view of the forecast position, and the level of associated risk, the Board resolved to reserve for itself the oversight, monitoring and scrutiny of financial recovery for the remainder of the 2022/23 financial year. In doing so, the Board agreed to:

- Approve and oversee delivery of the financial recovery programme and financial risk mitigation plans which capture all of the actions, the governance arrangements and sets out overarching delivery plans for each of the financial recovery workstreams;
- Ensure a clear understanding of the financial risk relating to the financial recovery programme. The Board will review the financial risk on a monthly basis, based on actual financial performance;
- Receive assurance from identified Executive Leads that robust financial recovery workstreams are in place, effective management of risks and delivery of agreed actions;
- Where forecast financial delivery falls short of target and does not adequately mitigate risk, the Board will agree the approach to identifying the further schemes necessary to resolve the gap, including the review and approval of any additional cost reduction and cost avoidance measures.
- Consider the Health Board's capacity and capability to deliver financial recovery actions and consider proposals to address where necessary;
- Consider lessons learnt and ensure that these are reflected in future planning and delivery mechanisms.

In respect of financial management and financial performance, the Board requested that the Finance and Performance Committee dedicate a focus to financial planning for 2023/24, and in particular to seek assurance on actions underway to develop a robust medium-term financial plan for inclusion in the Board's Integrated Medium-Term Plan 2023-26.

The Executive Committee established a Financial Recovery Programme Board, which met formally each month (aligned to the financial reporting timetable) to ensure robust monitoring and tracking, in addition to weekly updates on progress and risks. In doing so, the Financial Recovery Programme Board:

- Developed, for Board approval, the financial recovery programme and financial risk mitigation plans which capture all of the actions, the governance arrangements and sets out overarching delivery plans for each of the financial recovery workstreams;
- Determined a standardised financial performance template to ensure consistent and appropriate information reporting to the Board, based on the agreed financial recovery programme;
- Assessed and monitor the financial risk relating to the financial recovery programme, based on actual financial performance, and consider mitigation actions required;
- Received updates and proposals from identified Executive Leads that robust financial recovery workstreams are in place, effective management of risks and delivery of agreed actions;
- Where forecast financial delivery fell short of target and did not adequately mitigate risk, consider, for the Board's agreement, the approach to identifying the further schemes necessary to resolve the gap, including the review and approval of any additional cost reduction, cost avoidance measures.

The Financial Recovery Programme Board also dedicated focus to financial planning for 2023/24 and the medium-term financial plan.

The Financial Statements, Section 3, provides greater detail on the financial performance of the Health Board in 2022/23.

## **Emergency Planning**

In accordance with the statutory duties of the Civil Contingencies Act (2004) and Emergency Planning Guidance issued by Welsh Government the Health Board have in place emergency plans, business continuity arrangements and supporting documents and submitted an annual report setting out the level of compliance in meeting the requirements for 2022.

## THE CONTROL FRAMEWORK

### Patient Safety, Quality and Experience

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 that came into force in April 2023 provides the Health Board with a Duty of Quality and Duty of Candour. It establishes a Citizen Voice- LLais, which enriches engagement with our patients and community members. LLais is an independent body and its free Advocacy service can provide information, advice and support to members of the public.

The **Duty of Candour** is a legal requirement for NHS Organisations in Wales to be open and honest with patients who are receiving care and treatment. Through this Duty, the Health Board must be honest in informing patients and their families if the care provided has, or may have contributed to unexpected or unintended moderate or severe harm, or death. They need to know what happened and, to what can be done to ensure this does not happen again. A culture of openness, transparency and candour is widely associated with good quality care. This must encourage learning and be achieved without apportion of blame.

The **Duty of Quality** requires the Health Board to develop leadership and management systems with a view to securing improvement in the quality of services. Through continuous improvement of services over time, ensuring that quality challenges are improved upon. Reporting learning through annual quality reports. There are 12 Health and Care Quality Standards that will help us to describe what good quality care looks like in our individual services.



The Health Board understands the importance of providing high quality, safe, and compassionate care of the services it provides and commissions. However, we also recognise that in a complex environment, incidents may occur despite our best intentions. It is crucial that we are aware of the significance of our actions and our response in handling these situations.

Being open and honest can have a major positive impact on the experiences of our patients, staff, carers and families, supporting their understanding when something has gone wrong and ultimately on their continued trust in the healthcare system.

The Health Board has approved its Quality Strategy which has been implemented throughout Aneurin Bevan University Health Board since April 2023. Our aim is to continuously improve and learn, new legislative requirements support the development of our strategy. Progressing on what we have already accomplished and building on existing structures throughout the organisation is a key focus in the development of this Strategy.

Quality is embedded in our culture, and we are committed to continually improving. Delivering high-quality healthcare to our local communities while putting Quality, Safety, Experience and Learning at the heart of everything we do.

The Health Board will adopt, at scale, the 'Care Aims' model across multi-disciplinary teams by truly embedding 'what matters' principles, improving patient experience, voice, value and choice. This will provide us with improved metrics for patient experience and evidence of feedback influencing service plans, delivery and improvement. Through continuous improvement of our services over time, ensuring that quality challenges are improved upon, we will report our learning through our annual quality report.

We pledge to deliver the Duty of Quality by ensuring our services provide the highest quality of care for our patients, carers and families. We are committed to improving the experience of care and will seek opportunities to provide positive patient experiences through the patient journey across our services. Our vision is quality-driven, and we will ensure data will drive improvement and learning through experience. We will develop and deliver our services around the domains of quality and quality enablers:

### **The six domains of quality and six quality enablers**

<b>The six domains of quality</b>	<b>Quality Enablers</b>
Person-centred care	Leadership
Safe care	Culture
Timely care	Workforce
Efficient care	Information
Effective care	Whole systems approach
Equitable care	Learning, improvement and research

The Quality vision of Aneurin Bevan University Hospital Board is to be "widely recognised for delivering the Health and Care Quality Standards". Our first and most important commitment to our patients is to keep them

safe. Over the next three years, this Quality Strategy will improve the delivery within these Quality Standards, while continuing to improve patient and staff experience and outcomes.

The experiences of our staff and patients will continue to be the most important measure of our progress. It is the delivery of this Strategy, together with the supporting strategies of patient experience and involvement, risk management, clinical effectiveness and employee wellbeing to deliver high quality care, person centred and effective health and care services for our local population.

To achieve Our Quality Strategy will require a strong commitment to undertake a Health Board wide culture change, where patients are informed and educated about our services to meet their needs, guaranteeing equitable access to services. Our organisation has a solid foundation on which to build, and we will improve by listening, learning and working together on a continuous improvement journey.

We aim to create a strategy that can be used as a charter to empower people to live good lives and prevent harm. We will create a culture where staff feel listened to, based on transparency, accountability, ethical behaviour, trust and a 'Just Culture'. We will continue to actively listen to our service users and respond to make it a good experience for all.

By developing this Quality Strategy, we are making clear our commitment and approach to empowering the people at the heart of our services. Staff will have the freedom, skills, tools and resources to work in partnership with the people we serve to improve and innovate safely towards defined quality goals.

We remain committed as an organisation to becoming a true learning organisation. We will focus on delivering the highest possible quality care, meeting the health and care needs of people using our services, and improving the health outcomes of the population we serve. This strategy highlights our creativity, passion, expertise and our commitment to learn from experiences. Our quality pledge and ambitions aim to put quality, equality and learning at the heart of our service.

We will become a learning organisation by:

- Ensuring we are doing everything we can to make *everyone's* health and care experience the best it can be, delivering safe and effective services.
- Ensuring our colleagues are valued, work in safe and secure environments, and are supported and empowered to act when things can be improved.
- Ensuring the people, we serve are heard, included, involved and empowered;
- We will embrace transparency, accountability and knowledge, celebrate success, share learning and actively seek to improve.

We aim to become a true learning organisation to improve patient safety, experience and clinical effectiveness. We will respond to learning and guidance from our Quality Management System, local and national groups, adapting our plans and priorities to ensure we are doing the right things. The key to delivery of our plans is to develop a 'Quality Management System' approach to embed a culture of learning: a culture where people listen, think, feel and act 'quality' - promoting openness and learning, continuous improvement and service transformation. This includes work to embed positive cultures of continuous improvement and working together. We will further develop our Quality Management System to routinely set meaningful targets and, monitor, measure and report performance to ensure we provide excellent standards of care and set quality goals to continuously improve the services we provide.

Our quality goals are called 'pillars of quality', which run through our Health Board, ensuring that we deliver the highest standards of care under these domains. We will review our performance by providing data in these Pillars of Quality, and we must prioritise the quality and safety of our health services above all else. This strategy signals our intention to progress these pillars of quality to baseline and benchmark our level of performance. The pillars will also be our Quality Markers in our Quality management system. Strengthening our quality management system helps us make sure our decision-making focuses on improving the quality of health services.

Pillars of quality:

- Patient and staff experience and stories
- Incident reporting – falls, pressure ulcers, medicines management and mortality
- Complaints, concerns and compliments
- Health, safety and security
- Infection Control and Prevention
- Safeguarding

Our strategic goals are to develop and empower our workforce to deliver outstanding care. Our staff and services are eager to learn, working together with families and experts by experience to improve services. We aim to enable our workforce to be happy, confident and competent. We will empower our workforce to deliver outstanding care by supporting the professional development of colleagues, giving them the mandate, tools and resources to innovate and improve. We will develop a 'Just Culture' which promotes safety through supporting people to speak up. We will encourage staff to be more open and transparent about incidents, errors or complaints and the actions we take to make changes.

We will measure our progress and guide our actions towards becoming a learning organisation. We will grow and mature our Quality Improvement approach as our methodology for solving complex problems, and to provide a consistent approach to testing change ideas and informing our decisions.

In order, to drive and improve the quality of care delivered across our communities the Health Board will increasingly rely on partnerships across our communities. We will further develop our role as part of an integrated

Health Board, working more closely with our commissioners and with other local providers, including Primary Care, the Independent Sector, Charities and colleagues in Social Care. Positioning quality throughout our organisational structure is important in integrating communication from Ward/ Teams to Board.

As part of the Health Board's Quality Strategy, a Quality Assurance Framework is being developed to form an essential element of the overall system. The purpose is to mitigate and manage risk associated with achieving our strategic objectives and priorities as outlined in the Health Board's Integrated Medium-Term Plan (IMTP). The Framework is aligned to the Board's Assurance Framework and has inherent links to the Risk Management Strategy.

The Quality Assurance Framework Structure of the Health Board is made up of a range of groups, each of which focuses on a different aspect of quality, patient safety and experience and ultimately reports to the Health Board's Patient, Quality Safety Outcomes Committee (PQSOC), via the Quality and Patient Safety Operational Group (QPSOG). The Health Board is reviewing QPSOG as part of our Quality Strategy implementation, with the goal of refocusing the QPS governance framework.

## **Information Governance**

Information is a vital asset, both in terms of the clinical management of individual patients and the efficient management of services and resources. Information Governance is about setting high standards for handling this information and giving the organisation the tools to achieve those standards.

The Health Board has a range of key roles that have responsibilities in relation to the information that it holds, uses and shares. The Medical Director is the Caldicott Guardian, the Director of Corporate Governance is the Senior Information Risk Owner (SIRO) and the Head of Information Governance is the Data Protection Officer (DPO).

During 2022/2023 the Health Board continued to develop the forums for the organisation to consider information governance requirements and to provide a consistent way in which it is managed. These forums allow the facilitation of processes and communications which ensures that all Data Protection obligations are met. Dashboards are produced to provide support and assistance ensuring compliance with training, dealing with complaints, incident and breach management. Annual reports are produced on progress made throughout the year and disseminated to the relevant divisions and boards.

The Health Board continues to be proactive in using the NHS Wales IG Toolkit to ensure consistency of policy, standards and interpretation of the law and regulation across NHS Wales organisations. The Health Board achieved a score of 95% for the last year.



The Wales Accord on the Sharing of Personal Information (WASPI) framework is embedded in the way in which the Health Board shares relevant information with its partner organisations.

During 2022/2023 there was a 10% increase in the number of Subject Access Requests (SARs) compared to the previous year. The largest proportion of requests received continues to be made by solicitors and legal services.

During this year there was a 31% decrease in IG incidents reported by staff from the previous year.

There were 6 complaints made to the Information Commissioners Office (ICO) by complainants, with 5 not upheld and one awaiting a final outcome.

In 2022/23, there were no serious lapses in data security reported to the ICO by the Health Board, with the exception of an incident involving a cyber-attack to the Adastra system. This incident was reported to the ICO by all Health Boards, however no data relating to ABUHB patients was compromised.

## **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 is clear that it is complying with the main 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. A copy of the current self-assessment against the code is provided as **Attachment Three**.

## **PLANNING ARRANGEMENTS**

The NHS Wales Finance Act 2006 requires the submission to Welsh Government of Integrated Medium-Term Plans (IMTP) for approval.

At its meeting in March 2022, the Board approved its IMTP for 2022-25 for submission to Welsh Government. The Health Board's Integrated Medium-Term Plan 2022-25 was a natural progression from the Annual Plan 2021/22, building on the life course approach, whilst recognising the context within which the Health Board operated was different from the one

recognised in 2020/21. This being a renewed focus on sustainable recovery, characterised by a fundamental shift that encompasses the wider role of Health and Social Care in reducing health inequalities, delivering the foundational economy, and protecting the environment for future generations with the Net Zero 2030 ambition.

On 22 July 2022, the Health Board received written confirmation that the Minister for Health and Social Services had approved Aneurin Bevan University Health Board's IMTP 2022-25.

On 28 November 2022, the Minister for Health and Social Services issued the NHS Wales Planning Framework for the 2023/2024– 2025/2026 planning cycle.

The Health Board's IMTP 2023/26, together with supporting templates and appendices, was approved by the Board in its meeting on the 29th of March 2023. The submission recognised the significant challenges and risks going forward and the financial context within which we are operating to deliver the plan. The Duty of Quality and Duty of Candour are at the forefront of the IMTP, alongside the need to drive efficient and effective service delivery.

The IMTP maintained a three-year focus given the emphasis on long term sustainability but with a greater level of detail on year one (2023/24) delivery given the scale of challenge and ministerial expectations.

Following submission, a response was received from Welsh Government on 21st April 2023, noting that the Health Board's IMTP did not satisfy its statutory duties under the NHS Finance (Wales) Act 2014, nor did it deliver on all of the requirements as set out in the Ministerial Priorities. Consequently, Welsh Government was unable to put the submitted IMTP plan forward for the full internal "collective review" process.

Welsh Government requested that the Health Board undertook further work setting out an improvement in the position on delivery of Ministerial priorities, and an improvement in the financial assessment by 31<sup>st</sup> May.

In response to the feedback, the Health Board undertook detailed work to test opportunities to make improvements to delivery commitments.

The Health Board considered the financial plan and forecast to be the most appropriate assessment based on the current information available and recognising the ambition and consideration of risk to achievement.

The Health Board re-submitted its IMTP to Welsh Government following approval by the Board on 24<sup>th</sup> May 2023, the outcome of which is awaited. Therefore, at the time of writing this report, the Health Board does not have an approved IMTP for the three-year period 2023/26.

## MANDATORY 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. Further detail in this regard is included within the provisions note within the 2022/23 Financial Statements (Note 20).

### Equality, Diversity & Human Rights

The Health Board is required to consider all individuals in their day-to-day work, in shaping policy and in providing services. This is in line with the Public Sector Equality Duty (PSED) introduced by the Equality Act 2010.

The Health Board's [Strategic Equality Plan](#) sets out our ambitions for equality, diversity and inclusion (ED&I) between 2020 and 2024, both in relation to staff and in providing services to the public. This strategy ensures that, as a Health Board we continue to champion ED&I in all that we do, whether it concerns our staff, patients or the wider public.

The Strategic Equality Objectives for 2020 – 2024, have been integrated into the Health Board's IMTP and People Plan, adopting a mainstreaming approach, by embedding ED&I into our plans, processes, values and behaviours.

A refreshed Strategic Equality Plan will be published in 2024.

The Health Board's [Annual Equality Report](#) outlines the work that was undertaken from 01 April 2022 - 31 March 2023 to meet our Strategic Equality Objectives. We also have duties to publish information about our workforce and how we use this data and this report includes the Equality Monitoring data based on a snapshot as of 31 March 2022.

We annually publish information on our [Gender Pay Gap](#). The Health Board has also made a commitment as a result of the Welsh Government's Anti-Racist Action plan, to provide a report to describe the potential [pay gap experienced by Black, Asian and Minority Ethnic staff](#). This report provides an initial baseline assessment, identifies any pay gaps and will enable the development of an action plan to address any ethnicity pay gaps over the coming years.

In addition to our annual reporting cycle, governance arrangements for ED&I ensure the board of directors receive regular assurance that the Health Board is meeting its Public Sector Equality Duty (PSED) requirements.

In line with the recommendations of the [Equality Impact Assessments: More than a Tick Box Exercise? Report of the Auditor General for Wales, 2022](#), we are currently reviewing our current Equality Impact Assessment (EqIA) process to support meaningful equality analysis; ensuring that we identify where a policy, procedural document, service, service developments or organisational change may have a negative impact on individuals or groups of people with protected characteristics under the Equality Act and robust action plans are developed to address these potential impacts. It is anticipated that this will be completed by September 2023.

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

A coherent Strategic Equality Plan (SEP) and Equality, Diversity and Inclusion Policy have been developed to ensure that working practices across the organisation support an inclusive culture which embraces difference. These are supported by organisational values and leader and manager behaviour which reflect the importance of EDI and are routinely reviewed through checks, audits and consultation.

A substantial review of the health boards equality objectives and SEP is currently underway. The equality and human rights policy framework is in place supported by a programme of training to raise awareness and build capacity in regards to the Public Sector Equality Duty (PSED) and to support staff to deliver on their responsibilities.

Other measures include:

- The Health Board has an Executive Lead for Equality, Diversity and Inclusion
- Equality development sessions facilitated for Board to ensure they are aware of their duty to have 'due regard' to the PSED
- Equality considerations are captured in the governance table on all Board and committee papers requiring a decision
- The Annual Equality Report demonstrates how the Health Board meets the duties associated equality and human rights and the arrangements for equality impact assessment (EqIA)
- Opportunities are being identified to build delivery of the SEP into planning and service delivery mechanisms and the system for improvement
- The Health Board's People Plan is informed by workforce equality information and EqIA
- Equality and Human Rights Training is mandatory for all staff
- Scrutiny of EqIA has been strengthened this year
- Risks associated with compliance will be identified and be included in the corporate risk register
- The Race Advisory Group monitors compliance against the Anti-Racist Wales Plan
- The LGBTQ+ Advisory Group monitors compliance against the LGBTQ+ Action Plan

- The Health Board has continued to build on existing relationships and establish new ones with community groups and partners. There is regular engagement with the Diverse Communities Health Forum. This Forum includes representation from members of the public with an interest in equality issues
- The Equality Annual Report is submitted to Board via the People and Culture Committee governance route; published and accessible to the public

### **Counter Fraud, anti-corruption and anti-bribery matters.**

Aneurin Bevan University Health Board is committed to reducing the level of fraud, bribery and corruption within the NHS to an absolute minimum and keeping it at that level, freeing up public resources for better patient care.

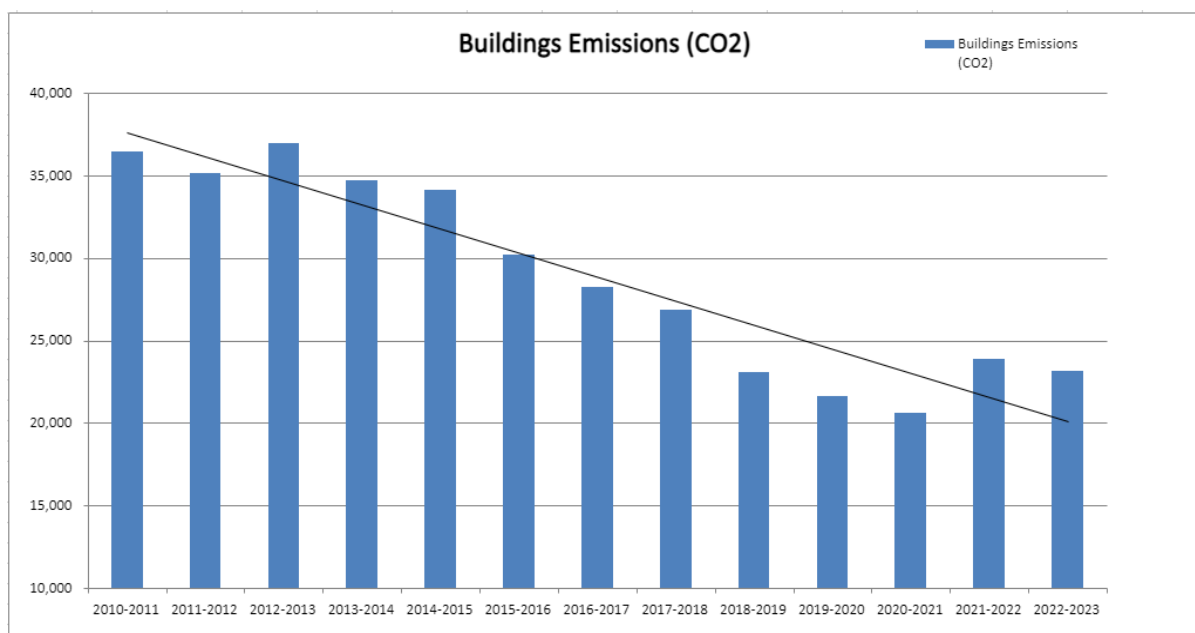
The Health Board's Counter Fraud Team undertake proactive/preventative work with the intention of safeguarding the organisation from economic crime. Further information on the valuable work undertaken is available in the [Counter Fraud bribery and Corruption Report 2022/23](#).

### **Sustainability and Carbon Reduction Plans**

The Health Board continues to align its activities to complement and make progress towards the objectives and targets set out in the NHS Wales Decarbonisation Strategic Delivery Plan, published by Welsh Government in 2021. The Plan responds to the declaration of the climate emergency in 2019 and the ambition of Welsh Ministers for the Welsh public sector to be net zero by 2030. During 2022/23 the Health Board established its Decarbonisation Programme Board, chaired by the Executive Director for Finance and Procurement. Four working groups have been set up, each sub-group having a number of the national initiatives assigned to them to take forward and develop associated projects. In 2023/24, the Health Board will establish its Decarbonisation Framework in response to the national plan.

In the last decade the Health Board has made consistent progress with reducing both energy consumption and carbon emissions from its estate. With the opening of the Grange University Hospital in November 2020, a new building emission baseline has been set using full year 2021/22 data.

Between 2009/10 and 2021/22 the emissions from energy use in buildings was cut by 37%, equating to a saving of 14,161 tonnes of carbon. Naturally with the opening of GUH the Health Board's carbon emissions have increased. Positively, during 2022/23 efficiencies have been implemented and a year-on-year carbon saving of 3.1% has been realised.



The Health Board is currently finalising tender specifications for the ReFit Cymru Energy Performance Contract. A Welsh Government endorsed framework where the Health Board will partner with a service provider to design and implement large scale decarbonisation projects across the estate over the coming years; with an emphasis on renewable and low-carbon technologies. Where the service provider financially guarantees energy revenue savings as part of the contract.

The Health Board continues to work towards introducing more sustainable and resource efficient methods of processing waste generated from health care activities. The Health Board has now implemented a zero-waste to landfill approach, in collaboration with external contractors. Waste now goes to energy-from-waste plants to generate sustainable electricity.

The Health Board continues to operate a third party certified Environmental Management System (EMS) to the international standard ISO 14001:2015. The EMS has been developed to become the focal point for driving forward continual environmental and sustainability improvements. It provides a joined-up approach for the management of waste minimisation initiatives, recycling, energy and carbon management, sustainable procurement and sustainable travel initiatives. The Health Board places high importance on continued certification to ISO14001:2015 and the assurance it provides to the Board and our stakeholders.

The Health Board complies with Biodiversity and Resilience of Ecosystems Duty under Section 6 of the Environment (Wales) Act 2016, which seeks to enhance resilience and biodiversity across the estate. To this end, a number of local initiatives are in place including wildflower planting in conjunction with external art installations at the Grange University Hospital, the continued success and development of the Walled Garden at Llanfrechfa Grange by the charitable organisation 'Friends of Llanfrechfa Grange Walled Garden'.

Biodiversity studies have been completed on 5 of the Health Board sites after securing funding from the health and social care climate emergency national programme in 2022/23. These studies will be used to inform future biodiversity opportunities that are presented going forward on these specific sites.

The second funding stream was secured from the HSCCENP as mentioned above for a Clinical Fellow in Sustainability to deliver the Desflurane gas eradication project across the ABUHB and was completed in December 2022. ABUHB was the first Health Board to completely remove this gas from operation.

Further work to support the Nitrous Oxide scavenging process is planned during the 1<sup>st</sup> and 2<sup>nd</sup> quarter of 2023.

The Health Board's Annual Sustainability Report is available on the following [link](#).

The Health Board is unable to confirm compliance with the following statement:

*The organisation has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements as based on UKCIP 2009 weather projections to ensure that the organisation's obligation under the climate change Act and the Adaptation Reporting requirements are complied with.*

The Health Board submits Continuity Plans through normal reporting frameworks. There is a commitment to look at this in 2023/24, with more work needed nationally to support this.

## **Quality of Data**

The Health Board makes every attempt to ensure the quality and robustness of its data and has regular checks in place to assure the accuracy of information relied upon. However, it is recognised that the multiplicity of systems and data inputters across the organisation means that there is always the potential for variations in quality, and therefore always scope for improvement. We have an on-going data quality improvement approach which routinely assesses the quality of our data across key clinical systems. Good quality clinically coded data plays a fundamental role in the management of hospitals and services. Coded data underpins much of the day to day management information used within the NHS and is used to support healthcare planning, resource allocation, cost analysis, assessments of treatment effectiveness and can be an invaluable starting point for many clinical audits.

The Board relies upon independent and objective assurances, such as those provided by auditors and inspectors, to comment upon the effectiveness of the Board's assurance system. This assurance system includes reporting on



financial performance, operational performance and quality of and associated outcomes.

## **Ministerial Directions & Welsh Health Circulars**

The Welsh Government has previously issued Non-Statutory Instruments and reintroduced Welsh Health Circulars (WHCs) in 2014/15. Details of these and a record of any ministerial directions given is available on the Welsh Government website. A full detail of the WHCs and Ministerial Directions issued to the Health Board in 2022/23 and the Health Board's responding action is included at **Attachment 2**.

There was one Ministerial Direction issued in December 2019, to address the operational challenges arising as a consequence of pension tax arrangements. Further detail in this regard is included in provisions within the 2022/23 Financial Statements (Note 20).

## **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 has adopted a structured approach to risk management, whereby risks are identified, assessed and controlled, and if appropriate, escalated or de-escalated through the governance mechanisms of the organisation.

During 2022/23, the Board's Audit, Risk and Assurance Committee and, Patient Quality, Safety and Outcomes Committee played a key role in monitoring the effectiveness of internal control and the process for risk management. Work will continue in 2023/24 to strengthen the reporting of risks to the Board and its Committees. Approval of the Board's Quality Strategy in March 2023, and ongoing development of a Quality Assurance Framework, will ensure that the work of all regulators, inspectors and assurance bodies is mapped and evidenced in our assurance framework so that the Board is fully aware of this activity and the level of assurance it provides. We will also continue to strengthen arrangements for monitoring and reporting progress in implementing recommendations arising from the work of auditors.

The Health Board also uses reports from Healthcare Inspectorate Wales, the Welsh Risk Pool and other inspectorates and regulatory bodies to inform the governance and assurance approaches established by the organisation. A tracking mechanism for these recommendations is also in place and progress in delivering these recommendations is overseen by the Patient Quality, Safety and Outcomes Committee via updates in respect of Inspections.

## INTERNAL AUDIT

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

The Head of Internal Audit is satisfied that there has been sufficient internal audit coverage during the reporting period in order to provide the Head of Internal Audit Annual Opinion. In forming the Opinion, the Head of Internal Audit has considered the impact of the audits that have not been fully completed.

During the year the Audit, Risk and Assurance Committee received Internal Audit reports in line with the agreed programme for 2021-22 and 2022-23, including the management response from the relevant Executive Director.

In total, 34 assurance-rated reviews and 7 advisory reports were reported to the Audit, Risk and Assurance Committee throughout 2022/23. Out of the 41 received 16 were from the 2021/22 Audit Plan. These are detailed in the assurance rating sections.

As at end May the Committee is still to receive the following final reports from the 2022-23 Internal Audit Plan. These are expected to be received during quarters 1 and 2 of the 2023-24 financial year.

- Putting Things Right
- Review of Bank Office & Temporary Staff

The assurance sections that follow provide a brief summary of the scope of the Internal Audit Reviews that have been completed and received by the Committee during the financial year 2022-23.

### Substantial Assurance

In the following review areas, it was reported that the Board could take **substantial assurance** that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively.

The few matters that required attention were compliance or advisory in nature with low impact on residual risk exposure.

### **The Grange University Hospital (2021 -22)**

#### **Executive Lead – Executive Director of Planning, Digital & IT**

The review sought to provide assurance around Quality Assurance, focusing on an assessment of the delivery Grange University Hospital building against the key business case objectives.

### **Grange University Hospital: Financial Assurance (2022-23)**

#### **Executive Lead - Chief Executive**

The overall objective was to determine the adequacy of information provided in support of the Stage 4 (construction) defined costs claimed by the Supply Chain Partner (through selective testing of the account)

### **Digital Benefits Realisation (2022-23)**

#### **Executive Lead - Chief Executive**

The review sought to consider whether the organisation has an appropriate framework and process to ensure that benefits are gained from investment in digital solutions.

### **Reasonable Assurance**

In the following review areas, it was reported that the Board could take **reasonable assurance** that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively.

Some matters required management attention in either control design or operational compliance and these had low to moderate impact on residual risk exposure until resolved.

### **Falls Management (2021-22)**

#### **Executive Lead – Executive Director of Therapies & Health Science**

The review sought to provide assurance that the Falls Policy for Hospital Adult Inpatients was being adhered to by staff and monitored appropriately.

### **Flu Immunisation (2021-22)**

#### **Executive Lead - Executive Director of Public Health and Strategic Partnerships**

The review sought to provide assurance that the flu immunisation programme in place for staff, and the governance arrangements over the community programme are working efficiently to provide maximum protection during the seasonal flu campaign.

### **Risk Management (2021-22)**

#### **Executive Lead – Director of Corporate Governance**

The review sought to provide an opinion on the effectiveness of the risk management arrangements in place within the Health Board to ensure strategic objectives are achieved.

### **Facilities - Care After Death (2021-22)**

#### **Executive Lead – Director of Operations**

The review sought to provide assurance on the care after death service within the Facilities division, which commenced operations during January 2021.

### **Flow Centre (2021-22)**

#### **Executive Lead – Director of Operations**

The review sought to assess the processes within the Flow Centre Team for ensuring patients are cared for in the right place, at the right time, ensuring local coordination with other partners; and providing a single point of contact for transferring patients into and between hospital sites.

### **Corporate Governance (2021-22)**

#### **Executive Lead – Director of Corporate Governance**

The review sought to evaluate the Board and Risk Assurance Framework (B&RAF) process and supporting arrangements that are embedded within the Health Board governance structure.

### **Operational Resumption of Services (2021-22)**

#### **Executive Lead – Director of Operations**

The review sought to evaluate the adequacy of the systems and controls in place for the operational resumption of services.

### **Financial Sustainability (2021-22)**

#### **Executive Lead – Director of Finance, Procurement & Value**

The review sought to evaluate the key financial management controls within the Health Board, including developing and monitoring the savings required for financial sustainability.

### **Medicines Management (2021-22)**

#### **Executive Lead - Medical Director**

The review sought to provide the Health Board with the assurance that there are adequate arrangements in place for the management, administration, and storage of controlled drugs.

### **NIS Directive (Cyber Security) (2021-22)**

#### **Executive Lead - Director of Planning, Digital and IT**

The audit sought to review the arrangements in place for the implementation of the NIS (Network and Information Systems) Directive in the Health Board, including the Cyber Assessment Framework (CAF), improvement plan and overarching governance.

### **Waste Management (2021/22)**

#### **Executive Lead – Director of Operations**

The review sought to assess the Health Board's compliance with relevant waste management legislation and guidance, and progress towards agreed national and local waste reduction targets.

## **Children's Community Nursing Service – Children & Young People's Continuing Care (2022-23)**

### **Executive Lead - Director of Operations**

The review sought to assess the robustness of Children and Young People's Continuing Care (CYP CC) governance arrangements within the Health Board's Children's Community Nursing Service (the CCNS, part of the Family & Therapies Division). With a focus on mechanisms for ensuring the quality and safety of the Children and Young People's Continuing Care provision.

## **Job Evaluation Process (2022-23)**

### **Executive Lead - Director of Workforce & Organisational Development**

The review sought to provide assurance that the Job Evaluation process meets the requirements of the NHS Job Evaluation Handbook and is being applied effectively by the Health Board.

It also sought to provide assurance that all posts that are banded through the job evaluation process are done so in a fair and consistent manner to ensure there is equality for all members of staff.

## **Neighbourhood Care Networks (NCNs) (2022-23)**

### **Executive Lead – Interim Executive Director of Primary Care, Community & Mental Health**

To provide an opinion on the effectiveness of the controls in place to improve access to primary care services through the NCNs.

## **Integrated Audit Plans – YYF Breast Care Services (2022-23)**

### **Executive Lead: Director of Operations**

The audit sought to review the management arrangements in place to progress the Ysbyty Ystrad Fawr Unified Breast Unit.

## **Integrated Audit Plans – Newport East (2022-23)**

### **Executive Lead: - Interim Executive Director of Primary Care, Community & Mental Health**

The audit was undertaken to review the delivery and management arrangements in place to progress the Newport East Health & Wellbeing Centre project, and the performance to date against its key delivery objectives i.e., time, cost, and quality.

## **Risk Management (2022-23)**

### **Executive Lead: Director of Corporate Governance**

The review sought to provide an opinion on the effectiveness of the risk management arrangements in place within a sample of Divisions. To determine the effectiveness key sections of the Risk Management Strategy and Framework (the 'Framework') were considered.

### **Financial Sustainability (2022-23)**

#### **Executive Lead: Director of Finance, Procurement & Value**

The audit was undertaken to review the key financial management controls within the Health Board including the development and monitoring of savings programmes required for financial sustainability.

### **Monitoring Action Plans (2022-23)**

#### **Executive Lead: Director of Corporate Governance**

To audit sought to review the arrangements in place within the Health Board for the logging, tracking and implementation of actions arising from external inspectorates (specifically Health Inspectorate Wales (HIW) and Health and Safety Executive (HSE).

### **Management of the Robotic Process Automation (2022-23)**

#### **Executive Lead: Chief Executive Officer**

The purpose of the review was to ensure that the organisation has an appropriate process in place to securely develop the Robotic Process Automation (RPA) function.

### **IT Strategy (2022-23)**

#### **Executive Lead: Chief Executive Officer**

The purpose of the review was to ensure that the organisation has developed an appropriate target operating model to enable the delivery of the Digital Strategy.

### **Children and Young People's Continuing Care (2021-22)**

#### **Executive Lead – Director of Nursing**

The purpose of the review was to ensure that the Mental Health and Learning Disabilities Division has robust commissioning arrangements in place, with a focus on quality and safety for the commissioning of Continuing Health Care (CHC) and Section 117 care.

### **Development of a Regional Radiotherapy Satellite Centre at Nevill Hall Hospital (2022-23)**

#### **Executive Lead: Executive Director Strategy, Planning and Partnerships**

The audit sought to review the delivery and management arrangements in place to progress the development of a Regional Radiotherapy Satellite Centre (RSC) at Nevill Hall Hospital, and the performance to date against its key delivery objectives.

### **Development of a Regional Radiotherapy Satellite Centre at Nevill Hall Hospital**

#### **Executive Lead: Executive Director Strategy, Planning and Partnerships**

The audit sought to review the delivery and management arrangements in place to progress the development of a Regional Radiotherapy Satellite Centre (RSC) at Nevill Hall Hospital, and the performance to date against its key delivery objectives.

### **Mental Health Transformation (2022-23)**

#### **Executive Lead: Chief Operating Officer**

This audit was undertaken to provide a review of the controls in place for the projects that support the transformation of mental health services within the Health Board.

### **Dementia Services (2022-23)**

#### **Executive Lead: Director of Nursing**

This audit examined the dementia services carried out by the Health Board, across a sample of wards.

### **Infection Prevention & Control (2022-23)**

#### **Executive Lead: Director of Nursing**

The audit assessed the level of adherence to key policies and procedures throughout a sample of wards, regarding infection control.

### **Integrated Wellbeing Networks (2022-23)**

#### **Executive Lead: Chief Operating Officer**

The audit sought to review the arrangements in place to improve and strengthen wellbeing within the community by utilising existing community assets

### **Contract Management(2022-23)**

#### **Executive Lead: Chief Operating Officer and Director of Finance & Procurement**

This audit examined the operational management of a sample of contracts entered into by the Health Board. Initially, three contracts were sampled, but this was extended to five contracts, to further assess the embedding of processes within the Health Board

### **Limited Assurance**

In the following review areas, it was reported that the Board could take **only limited assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, were suitably designed and applied effectively.

More significant matters required management attention with moderate impact on residual risk exposure until resolved.

The Management response and action plan to respond to the issues and weaknesses identified, which form part of the final reports, are considered by the Audit, Risk and Assurance Committee. The Committee monitor progress in line with agreed timescales via the Audit Recommendations Tracker.

In addition for all limited assurance rated reports, executive leads attend the Audit, Risk and Assurance Committee to provide assurance on the actions identified.



## **Clinical Audit (2022-23)**

### **Executive Lead – Medical Director**

The audit was undertaken to review the process for delivering clinical audits, including how they are used by the Health Board to support assurance.

The following recommendations were raised:

- A Clinical Audit Strategy should be fully implemented, with the draft that is available requiring significant review.
- There is no local clinical audit plan. Therefore, the Health Board cannot effectively plan to complete audits in areas with the greatest risk. Audits that should be completed may go unidentified, leading to additional clinical risks.
- There is limited tracking / monitoring of actions raised and the delivery of clinical audits.

A Clinical Audit Strategy was approved by the Patient Quality, Safety and Outcome Committee in August 2022 and work is underway to implement the clinical audit strategy and update the Health Board policy on clinical audit.

A robust structure is now in place underpinning the reporting of Clinical Audit, with Executive Leadership delegated to the Medical Director. Assurance is provided by reporting to the Patient Quality and Safety Outcomes Committee, providing scrutiny of National Clinical Audit performance with robust development and monitoring of improvement plans. The Clinical Audit Plan will be monitored by CSEG, to ensure lessons are learnt across the Health Board and that the plan is being delivered effectively. Actions and findings from national and local clinical audits will be monitored by this Group and will be utilised to inform future planning within the Health Board.

Working alongside Risk and Governance will ensure the appropriate governance structures and arrangements are in place for Clinical Audit. The development of a Risk Management Strategy and Board Assurance Framework will address how risks from Clinical Audit are escalated. This will provide assurance from each applicable divisions / directorate. This is being developed as part of the Quality Strategy and will be finalised in the next six months.

## **Corporate Governance (Policy Management) (2022-23)**

### **Executive Lead – Director of Corporate Governance**

The audit was undertaken to review the process for the management of policies throughout the Health Board.

The Audit concluded that, overall, there was an appropriate and up-to-date framework and guidance document for the management of policies in place. However, there were a significant number of policies and other documentation overdue for review (316 of 881 policies, 36%).

An overarching 12-month improvement plan is in place, with a focus on the policy framework, management systems, and the central database.

### **Use of off-contract Agency (2022-23)**

#### **Executive Lead – Director of Nursing**

To assess whether off-contract agency processes are adhered to, and related expenditure is appropriately monitored.

The audit noted control design weaknesses in the processes in place to minimise the use of off-contract agency and in the substantive testing of a sample of shifts filled by off-contract agency nurses found instances of practices not conducive to the achievement of this objective.

Auditors also analysed the timeliness of actions set out within the process being completed e.g. the completion of a sample of rosters. The matters requiring management attention include: • Addressing policy/procedure expiry; • Lack of evidence that all other resource options have been exhausted before the approval of off contract agency use; • Establishing an end-to-end shift escalation timeline standard; and • Addressing bank and agency process anomalies

A new protocol had been implemented shortly after the audit's conclusion, which had resulted in a reduction in the use of off-contract agency.

The use of off-contract agencies has reduced as a result of a number of factors, including new booking rules for agencies, the variable pay reduction programme and subsequent recruitment events.

To continue to reduce the use of off-contract agency, the Director of Nursing and divisional nurses have agreed to work towards eradication of off-contract agency beginning 01 March 2023, with agreed targets and escalation processes in place.

### **Records Management (2022-23)**

#### **Executive Lead – Chief Executive Officer**

The review sought to provide assurance that the Health Board has an appropriate process for the management of records which ensures that it is compliant with legislation.

Overall, the audit raised issues over the storage and security of records at some sites; the limited ability to track certain records, concerns over records management practice on some wards and the delays in the availability of records.

An action plan is in place to respond to the recommendations and significant progress had been made on both paper record storage and the digitisation project. ABUHB was the only Health Board to have digitised 0.5 million records. However, it is acknowledged that further work is required to improve record management across the Health Board.

### **Discharge Planning (2022/23)**

#### **Executive Lead: - Interim Executive Director of Primary Care, Community & Mental Health**

This audit was undertaken to provide an opinion on the discharge planning process of the Health Board. It has focussed on the management and delivery of planned discharges and has included sample testing of patients admitted during April and May 2022.

The review found that discharge planning practices were not supported by the out-of-date Discharge Policy, there was no compliance audit programme and reporting. Furthermore, the evidential support of the discharge process was lacking, based on the results of the sample testing.

In addition, Internal Audit raised comments on the simple and complex pathways approach, the use of checklists, and improvement in the reporting, analyses and actions to address avoidable re-admissions.

An Action Plan is in place to address the recommendations. The Nurse Director has been identified as the executive lead for discharge and the Discharge Programme Board is now part of the Six Goals Programme.

Collaboration with local authority colleagues has been established to allow the Health Board to begin formally reporting the new Welsh Government data set that was required in relation to delayed discharge; however, the data required validation with LA colleagues.

Two pilots have been undertaken, one in Royal Gwent, in collaboration with Newport and Monmouthshire Social Services, focusing on repatriating patients back into the community, and another in Nevill Hall, exploring different ways for Community Resource Teams (CRT) to pull patients back into the community.

### **Tredeggar Health & Wellbeing Centre (2022-23)**

#### **Executive Lead: - Interim Executive Director of Primary Care, Community & Mental Health**

The audit sought to review the management and governance arrangements in place to progress the Bevan Health & Wellbeing Centre.

This assessment primarily recognised the significant delays in the delivery of the project (circa 30 weeks at the time of the review), and associated current cost pressures. Whilst the forecast at the time was for the project to be delivered £380k (2%) over the approved budget there remained further significant risks. These were not accommodated within the forecast outturn cost projections, and the associated delay in achieving the anticipated business case objectives. Whilst noting the same, it was acknowledged that the delays were not currently being attributed to Health Board actions.

Assurance at other areas, notably equipping, was reduced due to identified non-compliance with the Health Board's Standing Orders / Standing Financial Instructions and delegated authorised limits.

An action plan to respond to the recommendations is being implemented, noting that the project delays were due to foundation design and brickwork.

### **No Assurance**

There were no audited areas that reported **no assurance**.

### **Assurance Rating Not Applicable**

The following reviews were undertaken as part of the audit plan and reported or closed by correspondence without the standard assurance rating indicator, owing to the nature of the audit approach.

#### **Datix (Support of Incident Management) (2021-22)**

##### **Executive Lead – N/A**

The review sought to provide the Health Board with an overview of testing completed within other audits that a sample of incidents entered onto Datix are being managed appropriately and in accordance with the Incident Reporting Policy.

#### **Follow-up of High Priority Recommendations (2021-22)**

##### **Executive Lead – Director of Corporate Governance**

The review sought to determine if a sample of high priority recommendations had been implemented or recognised as still outstanding on the Audit Recommendation Tracking Tool.

#### **Medical Equipment and Devices (2021-22)**

##### **Executive Lead – Medical Director & Director of Therapies & Health Science**

The audit assessed the maintenance of the electronic medical devices and equipment (EBME) database and the management of other medical equipment/devices and associated training requirements. The audit objectives were consistent with the 2017/18 Medical Equipment and Devices audit (rated 'limited assurance'), which enabled a high-level review of progress to be completed.

#### **Agile Delivery (2022-23)**

##### **Executive Lead- Director of Workforce & Organisational Development**

The review sought to assess the Health Board's progress in developing agile working practices and identification of good practice.

#### **Decarbonisation (2022-23)**

##### **Executive Lead – N/A**

To provide assurance to respective NHS Wales bodies on their arrangements to reduce carbon emissions and control climate change.

## **Cyber Security (2022/23)**

### **Executive Lead – Chief Executive Officer**

The review sought to provide assurance that the organisation is working to improve its cyber security position, and that appropriate reporting is in place that shows the current status.

## **Follow Up High Recommendations (2022-23)**

### **Executive Lead: Director of Corporate Governance**

The review sought to determine if a sample of high priority recommendations had been implemented or recognised as still outstanding on the Audit Recommendation Tracking Tool.

## **Clinical Futures - Care Closer to Home (2022-23)**

### **Executive Lead: Chief Operating Officer**

This report is a consolidated summary of audit work completed over Clinical Futures – Care Closer to Home, but within three other audits encompassing the same area.

## **MONITORING AND IMPLEMENTATION OF AUDIT RECOMMENDATIONS**

At the April 2022 meeting, the Audit, Risk and Assurance Committee received a Standard Operating Procedure (SOP) that outlined the purpose of the internal and external recommendation tracker process and provided a clear rationale as to how this benefits the organisation. The Committee adopted this SOP and since April 2022, a report on audit recommendations has been submitted to each meeting. Progress continues throughout the Health Board and key relationships with service leads is progressing to close, extend deadlines or complete the recommendations.

At the May 2023 the Committee is due to receive an internal audit review of the monitoring and tracking of high-level recommendations. At the time of writing, the internal audit report has not yet been formally received by the Committee however, the report's findings concluded a **reasonable** level of assurance.

Due to the sustained challenges across the health and care system, the Health Board has been required to balance risk across the breadth of the system which has, at times, resulted in delays in implementing audit recommendations. The Audit, Risk and Assurance Committee is committed to maintaining a focus on progress in implementing audit recommendations as a priority in 2023/24.

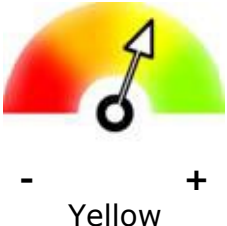
## **Head of Internal Audit's Opinion for 2022/23**

The purpose of the annual Head of Internal Audit opinion is to contribute to the assurances available to the Accountable Officer and the Board of Aneurin Bevan University Health Board which underpin the Board's own assessment of the effectiveness of the organisation's system of internal control.

The overall opinion is based primarily on the outcome of the work undertaken during the course of the 2022/23 audit year. We also consider other information available to us such as our overall knowledge of the organisation, the findings of other assurance providers and inspectors, and the work we undertake at other NHS Wales organisations. The Head of Internal Audit considers the outcomes of the audit work undertaken and exercises professional judgement to arrive at the most appropriate opinion for each organisation.

A quality assurance review process has been applied by the Director of Audit and Assurance and the Head of Internal Audit in the annual reporting process to ensure the overall opinion is consistent with the underlying audit evidence.

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

Reasonable Assurance		The Board can take <b>reasonable assurance</b> 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.
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## EXTERNAL AUDIT: AUDIT WALES STRUCTURED ASSESSMENT

The Audit Wales Structured Assessment Report for 2022, examined the arrangements the Health Board has in place to support good governance across key areas of the Health Board's business and the efficient, effective, and economic use of resources. The Report concluded with the following assessment:

*"Overall, we found that while the Health Board is strengthening its governance arrangements, there is scope to enhance them further to address the significant challenges it needs to address in the short- and medium-term."*

The report went on to say that:

*"Board and committee arrangements are strengthening, but they will need to be enhanced further to enable the Health Board to focus on addressing the increasing financial and performance challenges it is facing. While recent changes to committee structures appear to be leading to balanced workloads, there is scope to refine the size and order of agendas and sharpen some papers to ensure they are more focussed."*

*"The Health Board is building greater leadership stability at an executive level through permanent appointments to key posts. It is also appropriately developing and embedding its systems of assurance, particularly its board assurance, risk management, and outcomes frameworks. The outcomes framework in particular is starting to help the Health Board to better monitor strategic objective delivery. However, there are opportunities to strengthen performance reporting relating to the impact of its improvement actions."*

The Structured Assessment 2022, along with the Health Board's response is available on our [website](#).

## **CONCLUSION**

As Accountable Officer for Aneurin Bevan University 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 and 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, Aneurin Bevan University Health Board continues to be on 'routine' monitoring as part of NHS Wales Escalation and Intervention arrangements.

During 2022/23, the Health Board 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 also continue in 2023/24 to embed risk management and the assurance framework at a corporate and operational level. Implementation of the Board's Annual Governance Priorities, set out within the IMTP 2023-26, will see a further strengthening of the Board's effectiveness and the system of internal control in 2023/24.

This Annual Governance Statement confirms that Aneurin Bevan University 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 and 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, 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.

It is widely known that the demands on the health and care system remain significantly pressured, increasing health inequalities, and sustained economic and cost of living challenges. The Health Board will therefore need to continually reflect and respond to the demands and challenges it faces in 2023/24 and beyond. I will ensure our Governance Framework considers and responds to this need.

**Signed:**

**Nicola Prygodzicz**

Nicola Prygodzicz

Chief Executive

Dated: 19<sup>th</sup> July 2023

#### **MODERN SLAVERY ACT 2015 – TRANSPARENCY IN SUPPLY CHAINS –**

The Health Board is fully committed to the Welsh Government Code of Practice Ethical Employment in Supply Chains. This has been established by the Welsh Government to support the development of more ethical supply chains to deliver contracts for the Welsh public sector and third sector organisations in receipt of public funds.

The code of practice sets out a number of commitments and Procurement Services on behalf of the Health Board has commenced the preparation of an action plan so that it can monitor progress against these. As an example, The Health Board have included the requirement for all suppliers to meet the Act in our standard NHS Terms and Conditions of contract.

Also, following the Transparency in Supply Chains consultation (2019), the UK Government has committed to extend section 54 of the Modern Slavery Act 2015 to public bodies in England and Wales with a budget of £36m or more – This requires organisations to produce annual statements by 30<sup>th</sup> September of each financial year, that provide details of steps taken to prevent modern slavery in their operations and supply chain. A draft statement is being compiled by Procurement Service and Legal/Risk in readiness for the 30<sup>th</sup> of September deadline, reflecting the work to date, any further and emerging risks and appropriate mitigations.

The procurement function is a key area for ethical employment in supply chains. This is run by NHS Wales Shared Services Partnership (NWSSP) which is hosted by Velindre University NHS Trust (Velindre). More information can be found on the work done on the Health Board's behalf by NWSSP on the Shared Services Partnership [website](#).

## Attachment One

The Board has been constituted to comply with the Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009. In addition to responsibilities and accountabilities set out in terms and conditions of appointment, Board members also fulfil Champion roles where they act as ambassadors for these matters.

Name	Position and Area of Expertise	Dates (if not full year)	Board Committee Membership	Attendance	Champion Role
Independent Members					
Ann Lloyd	Chair		Chair of the Board	7 out of 7	
			Chair, Remuneration and Terms of Service Committee	6 out of 6	
			Chair, Partnerships, Population Health and Planning Committee	3 out of 3	
Pippa Britton	Interim Vice Chair	From 18 <sup>th</sup> October 2021	Member of the Board	5 out of 7	Mental Health
			Chair, Patient Quality, Safety and Outcomes Committee	5 out of 5	
			Chair, Mental Health Act Monitoring Committee	4 out of 4	
			Vice Chair, Remuneration and Terms of Service Committee	6 out of 6	
Katija Dew	Independent Member (Third Sector)		Member of the Board	7 out of 7	Older Persons
			Member, Audit, Risk and Assurance Committee	6 out of 7	
			Vice Chair, Partnerships, Population Health and Planning Committee	3 out of 3	
			Vice Chair, Mental Health Act Monitoring Committee	3 out of 4	
			Chair, Charitable Funds Committee	4 out of 4	

<b>Name</b>	<b>Position and Area of Expertise</b>	<b>Dates (if not full year)</b>	<b>Board Committee Membership</b>	<b>Attendance</b>	<b>Champion Role</b>
Shelley Bosson	Independent Member (Community)		Member of the Board	5 out of 7	Infection Prevention and Control
			Chair, Audit, Risk and Assurance Committee (until 1/10/22)	4 out of 4	
			Member, Audit, Risk and Assurance Committee (from 2/10/22)	3 out of 3	
			Member, Patient Quality, Safety and Outcomes Committee (until 1/11/22)	2 out of 3	
			Member, Finance and Performance Committee	3 out of 3	
			Member, Remuneration and Terms of Service Committee (until 1/11/22)	2 out of 3	
Louise Wright	Independent Member (Trade Union)		Member of the Board	6 out of 7	Children and Young People
			Vice Chair, Patient Quality, Safety and Outcomes Committee	4 out of 5	
			Chair, People and Culture Committee	3 out of 3	
			Member, Remuneration and Terms of Service Committee	6 out of 6	
			Vice Chair, Charitable Funds Committee	3 out of 4	
Richard G Clarke	Independent Member (Local Authority)		Member of the Board	5 out of 7	
			Vice Chair, Audit, Risk and Assurance Committee	6 out of 7	
			Chair, Finance and Performance Committee	3 out of 3	
			Member, Partnerships, Population Health and Planning Committee	3 out of 3	

<b>Name</b>	<b>Position and Area of Expertise</b>	<b>Dates (if not full year)</b>	<b>Board Committee Membership</b>	<b>Attendance</b>	<b>Champion Role</b>
Professor Helen Sweetland	Independent Member (University)		Member of the Board	5 out of 7	
			Member, Patient Quality, Safety and Outcomes Committee	4 out of 5	
			Member, People and Culture Committee	1 out of 3	
Paul Deneen	Independent Member (Community)		Member of the Board	7 out of 7	Equality
			Member, Audit, Risk and Assurance Committee	7 out of 7	
			Member, Patient Quality, Safety and Outcomes Committee	5 out of 5	
			Vice Chair, People and Culture Committee	3 out of 3	
			Member, Mental Health Act Monitoring Committee	4 out of 4	
Iwan Jones	Independent Member (Finance)	From 04/04/2022	Member of the Board	6 out of 7	
			Chair, Audit, Risk and Assurance Committee (from 1/10/22)	3 out of 3	
			Vice Chair, Finance and Performance Committee	3 out of 3	
			Member, Remuneration and Terms of Service Committee (from 1/11/22)	3 out of 3	
			Member, Charitable Funds Committee (from 1/11/22)	2 out of 2	

Name	Position and Area of Expertise	Dates (if not full year)	Board Committee Membership	Attendance	Champion Role
Dafydd Vaughan	Independent Member (Digital)	From 09/05/2022	Member of the Board	5 out of 7	
			Member, People and Culture Committee (from 1/11/22)	1 out of 1	
			Member, Finance and Performance Committee (from 1/11/22)	1 out of 1	
			Member, Partnerships, Population Health and Planning Committee (from 1/11/22)	0 out of 1	
Associate Members					
Keith Sutcliffe	Chair, Stakeholder Reference Group	Until 30/11/2022	Associate Member of the Board	4 out of 5	Armed Forces & Veterans
			Member, Charitable Funds Committee (until 1/11/22)	0 out of 2	

Name	Position and Area of Expertise	Dates (if not full year)	Board Committee Membership	Attendance	Champion Role
Executive Directors					
Nicola Prygodzicz	Chief Executive	From 5/9/2022	Member of the Board	4 out of 4	
			Member, Charitable Funds Committee (from 5/9/22)	3 out of 3	
			Attendee as requested at all Board Committees		
Nicola Prygodzicz	Director of Planning, Performance, Digital and IT / Interim Deputy Chief Executive	Until 4/9/2022	Member of the Board	3 out of 3	
			Required Attendee: Partnerships, Population Health and Planning Committee		
			Attendee as requested at all Board Committees		
Glyn Jones	Interim Chief Executive	Until 5/9/2022	Member of the Board	3 out of 3	
			Member, Charitable Funds Committee (until 5/9/22)	0 out of 1	
			Attendee as requested at all Board Committees		
Rob Holcombe	Interim Director of Finance, Procurement and Value Based Healthcare	Until 13/11/22	Member of the Board	7 out of 7	
			Member, Charitable Funds Committee	4 out of 4	
	Director of Finance and Procurement	From 14/11/22	Required Attendee: Audit, Finance and Risk Committee		
			Attendee as requested at all Board Committees		

<b>Name</b>	<b>Position and Area of Expertise</b>	<b>Dates (if not full year)</b>	<b>Board Committee Membership</b>	<b>Attendance</b>	<b>Champion Role</b>
Dr James Calvert	Medical Director	Until 23/09/2023	Member of the Board	6 out of 7	Caldicott
	Medical Director/Deputy Chief Executive	From 24/09/2023	Required attendee: Patient Quality, Safety and Outcomes Committee		
			Attendee as requested at all Board Committees		
Sarah Simmonds	Director of Workforce and OD		Member of the Board	7 out of 7	Raising Concerns Welsh Language
			Required attendee: People and Culture Committee		
			Attendee as requested at all Board Committees		
Chris Dawson-Morris	Interim Director of Planning and Performance	From 05/09/2022 – 3/04/2023	Member of the Board	4 out of 4	Emergency Planning
			Required Attendee: Partnerships, Population Health and Planning Committee		
			Attendee as requested at all Board Committees		
Hannah Evans	Director of Strategy, Planning and Partnerships	From 1/4/2023	Member of the Board		Emergency Planning
			Required Attendee: Partnerships, Population Health and Planning Committee		
			Attendee as requested at all Board Committees		



Name	Position and Area of Expertise	Dates (if not full year)	Board Committee Membership	Attendance	Champion Role
Rhiannon Jones	Director of Nursing	Until 05/07/2022	Member of the Board	1 out of 2	Children and Young People Infection Prevention and Control Putting Things Right
			Required attendee: Patient Quality, Safety and Outcomes Committee		
			Attendee as requested at all Board Committees		
Linda Alexander	Interim Director of Nursing	25/06/2022 to 15/08/2022	Member of the Board	1 out of 1	Children and Young People Infection Prevention and Control Putting Things Right
			Required attendee: Patient Quality, Safety and Outcomes Committee		
			Attendee as requested at all Board Committees		
Jennifer Winslade	Director of Nursing	From 08/08/2022	Member of the Board	4 out of 4	
			Required attendee: Patient Quality, Safety and Outcomes Committee		
			Attendee as requested at all Board Committees		
Peter Carr	Director of Therapies and Health Sciences		Member of the Board	6 out of 7	Fire Safety Violence and Aggression
			Required attendee: Patient Quality, Safety and Outcomes Committee		
			Attendee as requested at all Board Committees		

Name	Position and Area of Expertise	Dates (if not full year)	Board Committee Membership	Attendance	Champion Role
Dr Sarah Aitken*	Director of Public Health and Strategic Partnerships	Until 05/01/2023	Member of the Board	4 out of 5	
			Required Attendee: Partnerships, Population Health and Planning Committee		
			Attendee as requested at all Board Committees		
Tracy Daszkiewicz*	Director of Public Health	From 01/04/2023	Member of the Board		
			Required Attendee: Partnerships, Population Health and Planning Committee		
			Attendee as requested at all Board Committees		
Dr Chris O'Connor	Interim Director of Primary, Community and Mental Health Services		Member of the Board	5 out of 7	
			Required attendee: Mental Health Act Monitoring Committee		
			Attendee as requested at all Board Committees		
<b>Directors in Attendance</b>					
Leanne Watkins	Director of Operations	From 17 <sup>th</sup> March 2022	Attendee at the Board	6 out of 7	
			Attendee as requested at all Board Committees		
<b>Director of Corporate Governance</b>					
Rani Dash (nee Mallison)	Director of Corporate Governance		Attendee at the Board	7 out of 7	
			Attendee as requested at all Board Committees		

*\*Director of Public Health - During the vacancy period 05/01/23 to 01/04/2023, Stuart Bourne and Eryl Powell, Deputy Directors of Public Health, provided advice to the Board and attended meetings in their deputy roles.*

## Quoracy of Meetings

Quorate

Non-Quorate

Board/Committee	Date						
Board	25 May 2022	14 June 2022	27 July 2022	28 September 2022	30 November 2022	25 January 2023	29 March 2023
Patient Quality, Safety and Outcomes Committee	5 April 2022	7 June 2022	16 August 2022	18 October 2022 - CANCELLED	6 December 2022	7 February 2023	
Audit, Risk and Assurance Committee	7 April 2022	17 May 2022	13 June 2022	2 August 2022	6 October 2022	1 December 2022	2 February 2023
Charitable Funds Committee	2 August 2022*	27 October 2022	19 January 2023	2 March 2023			
Partnerships, Population Health and Planning Committee	25 April 2022	7 July 2022	16 November 2022				
Mental Health Act Monitoring Committee	13 June 2022	6 September 2022	8 December 2022	9 March 2023			
Finance and Performance Committee	6 July 2022	5 October 2022	11 January 2023				
People and Culture Committee	14 April 2022*	13 September 2022	10 January 2023				
Remuneration and Terms of Service Committee	6 June 2022	5 July 2022	7 September 2022	29 November 2022	14 February 2023	29 March 2023	

\*Meeting attended by additional IM to ensure quoracy

## Ministerial Directions

Ministerial Directive	Date Issued	Action to demonstrate implementation/response	Rating
<a href="#"><u>The Directions to Local Health Boards as to the Personal Dental Services Statement of Financial Entitlements (Amendment) Directions 2022</u></a>	07/04/2022	Implemented	Complete
<a href="#"><u>The Directions to Local Health Boards as to the General Dental Services Statement of Financial Entitlements (Amendment) Directions 2022</u></a>	07/04/2022	Implemented	Complete
<a href="#"><u>Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 2) Directions 2022</u></a>	09/06/2022	Implemented	Complete
<a href="#"><u>The National Health Service (Charges to Overseas Visitors) (Amendment) (No. 3) (Wales) Regulations 2022</u></a>	29/06/2022	Regulation has been implemented. Monkeypox has been added to the 'non chargeable' category of diseases.	complete
<a href="#"><u>The Pharmaceutical Services (Advanced Services) (Appliances) (Wales) (Amendment) Directions 2022</u></a>	29/07/2022	The amendments are published in the drug tariff and are publicly available. In this instance the directions are not tasking the Health Board to action anything as it's an update of existing arrangements, so there's nothing to disseminate. Additionally, although we maintain provision for pharmacies or appliance contractors to commission stoma appliance customisation and Appliance Use Reviews (covered in our PNA) the Health Board does not have any pharmacies providing the service or any appliance contractors on our list.	complete
<a href="#"><u>The Primary Medical Services (Influenza and Pneumococcal Immunisation Scheme) (Directed Enhanced</u></a>	08/08/2022	Implemented	Complete

<b>Ministerial Directive</b>	<b>Date Issued</b>	<b>Action to demonstrate implementation/response</b>	<b>Rating</b>
<a href="#"><u>Service) (Wales) (No. 2)</u></a>			
<a href="#"><u>The Primary Care (Contracted Services: Outpatient Waiting List Scheme) Directions 2022</u></a>	12/08/2022	Lead with Planned Care Board. Practices asked if they wish to participate - no further action taken at this time	<b>Complete</b>
<a href="#"><u>Primary Care Contracted Services: Immunisations (PCCS:I) Amending Directions August 2022</u></a>	25/08/2022	Implemented	<b>Complete</b>
<a href="#"><u>The Abortion Act 1967 – Revocation of the Approval of a Class of Place for Treatment for the Termination of Pregnancy (Wales) 2022</u></a>	26/08/2022	The HB already allow patients to administer medications to induce a legal abortion in their own home. The medications will have been prescribed by a hospital based doctor after completing the appropriate 'blue form'	<b>complete</b>
<a href="#"><u>The National Health Service (Charges to Overseas Visitors) (Amendment) (No. 4) (Wales) Regulations 2022</u></a>	22/11/2022	Regulation has been implemented. Guernsey and Malta have been added to the list of countries where the Health Board has reciprocal arrangements.	<b>complete</b>
<a href="#"><u>The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 4) Directions 2022</u></a>	30/11/2022	This regulation has been implemented as required - by NWSSP.	<b>complete</b>
<a href="#"><u>The Wales Infected Blood Support Scheme (Amendment) (No. 2) Directions 2022</u></a>	08/12/2022	Ministerial Direction implemented by NWSSP on behalf of Wales Infected Blood Support Scheme (WIBSS) - WIBSS has written to all current beneficiaries of WIBSS to bring this to their attention and also included a reference in the December 2022 Newsletter. As at 31 March 2023 18 applications had been processed in respect of 31 children; amounting to a commitment of £69,600	<b>Complete</b>
<a href="#"><u>The Local Health Boards (Directed Functions) (Wales) Directions 2022</u></a>	15/12/2022	Implemented	<b>Complete</b>

<b>Ministerial Directive</b>	<b>Date Issued</b>	<b>Action to demonstrate implementation/response</b>	<b>Rating</b>
<a href="#"><u>The Directions to Local Health Boards as to the General Dental Services Statement of Financial Entitlements (Amendment) Directions 2023</u></a>	13/01/2023	Implemented	<b>Complete</b>
<a href="#"><u>The Directions to Local Health Boards as to the Personal Dental Services Statement of Financial Entitlements (Amendment) Directions 2023</u></a>	13/01/2023	Implemented	<b>Complete</b>
<a href="#"><u>Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) Directions 2023</u></a>	21/02/2023	Implemented	<b>Complete</b>
<a href="#"><u>Local health boards and NHS Trusts reporting on the introduction of new medicines into the National Health Service in Wales Directions 2023</u></a>	24/03/2023	Implemented	<b>Complete</b>

## Welsh Health Circulars

Date Issued	Name & No. of WHC	Progress	Rating
15/02/2022	<b>WHC/2022/007</b> <a href="#">Recording of Dementia Read Codes</a>	Issued and Implemented	<b>complete</b>
01/03/2022	<b>WHC/2022/014</b> <a href="#">Healthcare associated infections and antimicrobial resistance improvement goals</a>	The HCAI Welsh Government expectations against the nationally reportable infections are reported at every PQSO Committee, with performance oversight via RNTG.	<b>complete</b>
24/03/2022	<b>WHC/2022/011</b> <a href="#">COVID-19 patient testing framework</a>	Issued and Implemented	<b>complete</b>
29/03/2022	<b>WHC/2022/010</b> <a href="#">Reimbursable vaccines and eligible cohorts for the 2022 to 2023 NHS seasonal influenza (flu) vaccination programme</a>	Issued and Implemented	<b>complete</b>
24/03/2022	<b>WHC/2022/005</b> <a href="#">Welsh Value in Health Centre: data requirements</a>	Issued and Implemented	<b>complete</b>
04/04/2022	<b>WHC/2022/09</b> <a href="#">Prioritisation of COVID-19 patient episodes by NHS Wales clinical coding departments</a>	Continue to prioritise the coding of COVID-19 patients as per the WG directive.	<b>complete</b>
21/04/2022	<b>WHC/2022/006</b> <a href="#">Direct paramedic referral to same day emergency care: All Wales policy</a>	<p>The Flow Centre currently manages SDEC referrals. Surgical for GUH and Medical for YYF.</p> <p>Currently WAST are included in this for YYF but not for GUH.</p> <p>WAST referrals are triaged on arrival at the GUH and will be considered for SDEC under the ED-to-SDEC Pathway.</p>	<b>In progress</b>
27/04/2022	<b>WHC/2022/13</b> <a href="#">Health boards, special health authorities and trusts financial monitoring guidance 2022 to 2023</a>	Issued and Implemented	<b>complete</b>



<b>Date Issued</b>	<b>Name &amp; No. of WHC</b>	<b>Progress</b>	<b>Rating</b>
01/06/2022	<b>WHC/2022/015</b> <a href="#"><u>Changes to the vaccine for the HPV immunisation programme</u></a>	Information on changes to schedules is cascaded centrally from PHW and WG	<b>complete</b>
01/06/2022	<b>WHC/2022/16</b> <a href="#"><u>The national influenza immunisation programme 2022 to 2023</u></a>	Dual offer made alongside covid in mass vaccination centres.	<b>complete</b>
14/06/2022	<b>WHC/2022/002</b> <a href="#"><u>NHS Wales national clinical audit and outcome review plan annual rolling programme for 2022 to 2023</u></a>	<p>The new clinical audit plan (soon to be published) has a full list all national clinical audits and outcome reviews listed in the annual National Clinical Audit &amp; Outcome Review Annual Plan. Participation is mandatory and the list has been shared with all Divisions.</p> <p>The list is published with a nine month rolling programme.</p> <p>The clinical audit plan will be updated continually to capture all actions and improvements.</p> <p>The AD for Quality and Patient Safety has presented the Clinical Audit Strategy to all Divisional meetings. This included changing recording updates to the web based audit tracking system (AMaT).</p> <p>As each National Clinical Audit (NCA) is published, the results are uploaded to AMaT and assigned to a Clinical Lead. The Clinical Lead will attend the Clinical Standards and Effectiveness Group to present the results. A standardised template for the results is being produced to enable our annual audit report to present the findings and actions from each audit.</p> <p>AMaT is being used to record audit results, track progress and document successes and challenges. It is being used to develop an action plan within SMART objectives. AMaT training has been carried out throughout ABUHB over the past six months.</p>	<b>Complete</b>
16/06/2022	<b>WHC/2022/12</b> <a href="#"><u>Donation and transplantation plan 2022 to 2026</u></a>	Plan is accounted for as part of IMTP planning processes.	<b>complete</b>

<b>Date Issued</b>	<b>Name &amp; No. of WHC</b>	<b>Progress</b>	<b>Rating</b>
16/06/2022	<b>WHC/2022/17</b> <a href="#"><u>Wales rare diseases action plan 2022 to 2026</u></a>	The publication of the RDAP has been highlighted and shared with clinical leads across several specialities. Work is ongoing to ensure ABUHB adheres to the four key priorities outlined in the plan.	<b>complete</b>
21/06/2022	<b>WHC/2022/019</b> <a href="#"><u>NHS Wales non specialised paediatric orthopaedic services</u></a>	Stakeholder response Proforma submitted in March 2022 outlining service provision of level 1 and level 2 services. Both services are able to be maintained in ABUHB with the current level of paediatric anaesthetic, radiology and general medical cover. Inter-organisational discussions between Consultants ongoing to agree on levels of transfer according to available capacity.	<b>complete</b>
30/06/2022	<b>WHC/2022/18</b> <a href="#"><u>Suspected cancer pathway: guidelines</u></a>	Fully compliant	<b>complete</b>
22/07/2022	<b>WHC/2022/20</b> <a href="#"><u>Never events: policy and incident list July 2022</u></a>	SI team shared the WHC with the divisions and also published on the intranet	<b>complete</b>
28/07/2022	<b>WHC/2022/21</b> <a href="#"><u>National optimal pathways for cancer</u></a>	Issued and Implemented	<b>complete</b>
29/07/2022	<b>WHC/2022/008</b> <a href="#"><u>New records management code of practice for health and care 2022</u></a>	Issued and Implemented	<b>complete</b>
22/08/2022	<b>WHC/2022/022</b> <a href="#"><u>The role of the Community Dental Service</u></a>	Discussed at Primary Care Senior Leadership Team and satisfied that progress is being made in line with the WHC	<b>In progress</b>
09/09/2022	<b>WHC/2022/023</b> <a href="#"><u>Changes to the vaccine for the HPV immunisation programme</u></a>	Information on changes to schedules is cascaded centrally from PHW and WG	<b>complete</b>
11/10/2022	<b>WHC/2022/026</b> <a href="#"><u>Approach for Respiratory Viruses – Technical Guidance for Healthcare Planning</u></a>	Forwarded to relevant parts of the organisation.	<b>complete</b>
24/10/2022	<b>WHC/2022/027</b> <a href="#"><u>Urgent polio catch-up programme for children under 5 years old</u></a>	Implemented - gone beyond requirements: MVCs offered scheduled immunisations to children in 17 GP practices that opted out of enhanced service inc. domiciliary vaccination visits.	<b>complete</b>

<b>Date Issued</b>	<b>Name &amp; No. of WHC</b>	<b>Progress</b>	<b>Rating</b>
31/10/2022	<b>WHC/2022/003</b> <a href="#"><u>Guidance for the provision of continence containment products for Adults in Wales 2022</u></a>	Issued and Implemented	<b>complete</b>
31/10/2022	<b>WHC/2022/004</b> <a href="#"><u>Guidance for the care of children and young people with continence problems</u></a>	Issued and Implemented	<b>complete</b>
22/11/2022	<b>WHC/2022/029</b> <a href="#"><u>Follow-up advice on the polio catch-up programme for children under 5 years old</u></a>	As above: since April we have sought self-reported uptake from GPs delivering enhanced service. MVCs currently evaluating uptake within 17 opt out practices.	<b>complete</b>
08/12/2022	<b>WHC/2022/031</b> <a href="#"><u>Reimbursable vaccines and eligible cohorts for the 2023 to 2024 NHS seasonal influenza (flu) vaccination programme</u></a>	Issued and Implemented: position endorsed by Gwent LMC.	<b>complete</b>
16/12/2022	<b>WHC/2022/025</b> <a href="#"><u>All Wales guidance for prescribing intervals</u></a>	Message sent to all practices on 6/5/22 . This theme is also included in the work programme for the medicines management team for this coming year.	<b>complete</b>
22/12/2022	<b>WHC/2022/035</b> <a href="#"><u>Influenza (flu) vaccination programme deployment 'mop up' 2022 to 2023</u></a>	Issued and Implemented: MVCs offered walk-in service from end of Dec 2022 and by the end of the season administered over 7,000 additional vaccines.	<b>complete</b>
16/01/2023	<b>WHC/2023/001</b> <a href="#"><u>Eliminating hepatitis (B and C) as a public health threat: actions for 2022 to 2023 and 2023 to 2024</u></a>	Multi-agency steering group established, baseline position in place, and reviewing priorities to inform joint recovery plan. JRP submission date extended by WG to mid-July.	<b>In progress</b>
31/01/2023	<b>WHC/2023/002</b> <a href="#"><u>Faecal immunochemical testing (FIT) in symptomatic colorectal cancer referral</u></a>	This was actioned within the Health Board before the WHC circulation and discussed at cancer Board on the 18th January	<b>complete</b>

<b>Date Issued</b>	<b>Name &amp; No. of WHC</b>	<b>Progress</b>	<b>Rating</b>
15/02/2023	<b>WHC/2022/034</b> <a href="#"><u>Health board allocations for 2023 to 2024</u></a>	Complete and has informed the IMTP and budget setting / delegation approvals	<b>complete</b>
24/03/2023	<b>WHC/2022/032</b> <a href="#"><u>Further extending the use of Blueteq in secondary care</u></a>	Discussed at Chief Pharmacists meeting of 3/4/23 with representatives of AWTTTC. Plan to discuss at MMPB 13/4/23. "Following the WG mandate to implement Blueteq within all HBs/Trusts a number of questions have been raised. Implementation will be through a staged approach and the aim is to start off with Rheumatology and then Haematology. BCUHB is to undertake a pilot in rheumatology and HBs will be able to learn from this and share how they have approached it e.g. training etc. Templates have been produced and the plan is to have a generic template that can be used across Wales so individual HBs/Trust don't need to develop their own. BCUHB is in the process of working through the IG and DPIA issues and hope to start the pilot in May. For Haematology it is planned to look at all drugs that have commercial access agreements linked to them and develop templates. It is intended to use some of the NHS England templates and adapt for Wales but as we progress ahead of England we will need to develop our own. CPG requested that as more detail is available this is shared with it so CPG can assess the increased workload for staff and start putting the relevant processes in place."	<b>complete</b>
08/03/2023	<b>WHC/2023/004</b> <a href="#"><u>COVID-19 spring booster 2023</u></a>	Implemented as required and on target for delivery and uptake as planned	<b>In progress</b>
31/03/2023	<b>WHC/2023/007</b> <a href="#"><u>Patient testing framework, updated guidance</u></a>	Implemented and interpreted locally. Ongoing discussions in place with PHW regarding support from AWARe in relation to care home testing.	<b>complete</b>
31/03/2023	<b>WHC/2023/006</b> <a href="#"><u>Commencement of the Health and Social Care (Quality and Engagement) (Wales) Act 2020</u></a>	Quality Strategy and Patient Experience and Involvement Strategy approved and implementation underway. Training session held for Board members	<b>In progress</b>

## Attachment Three

### [Corporate governance in central government departments: code of good practice 2017](#)

## Aneurin Bevan University Health Board Assessment 2022/23

Para	Corporate Governance Code Principles	Evidence of Internal assurance/Supporting Narrative	Comply or Explain	Supporting documentation / Evidence
2.1 2.2	Each organisation should have an effective board, which provides leadership for the business, helping it to operate in a business-like manner. The board should operate collectively, concentrating on advising on strategic and operational issues affecting the department's performance, as well as scrutinising and challenging departmental policies and performance, with a view to the long-term health and success of the Trust.	<p>The Board meets in public on a bi-monthly basis.</p> <p>A forward work programme of Board Business is in place and approved on an annual basis. The work of the Board is guided and determined by its Standing Orders, Standing Financial Instructions and Schemes of Delegation. This provides the framework for delegation and decision making within the Health Board.</p> <p>The Board receives, as standing items to each meeting, finance, performance and corporate risk reports.</p>	Comply	<p>Board and Committee Minutes – demonstrate Scrutiny and support</p> <p>Audit Wales Structured Assessment 2022</p>
2.3	<p>The Board does not decide policy or exercise the powers of the ministers. The department's policy is decided by ministers alone on advice from officials. The board advises on the operational implications and effectiveness of policy proposals.</p> <p>The Board will operate according to recognised precepts of good corporate governance in business:</p> <ul style="list-style-type: none"> <li>• Leadership – articulating a clear vision for the department and giving clarity about how policy activities contribute to achieving this vision, including setting risk appetite and managing risk</li> </ul>	<p>The Board provides leadership and direction to the organisation and has a key role in ensuring that the organisation has sound governance arrangements in place. The Board seeks an open culture and high standards in the ways in which its work is conducted. Board Members share corporate responsibility for all decisions and undertake a key role in monitoring the performance of the organisation.</p> <p>Progress against the Health Board Integrated Medium Term Plan 2022-2025, which adopts a life course approach, is presented to the Board on a quarterly basis. The Health Board's Standing Orders and Standing Financial Instructions are designed to translate the</p>	Comply	<p>Standing Orders and Standing Financial Instructions</p> <p>Audit Wales Structured Assessment 2022</p> <p>IMTP</p> <p>Value and Behaviours Framework</p>

Para	Corporate Governance Code Principles	Evidence of Internal assurance/Supporting Narrative	Comply or Explain	Supporting documentation / Evidence
	<ul style="list-style-type: none"> <li>• Effectiveness – bringing a wide range of relevant experience to bear, including through offering rigorous challenge and scrutinising performance</li> <li>• Accountability – promoting transparency through clear and fair reporting.</li> <li>• Sustainability – taking a long-term view about what the department is trying to achieve and what it is doing to get there.</li> </ul>	statutory requirements into day to day operating practice, and, together with the adoption of a Schedule of Decisions reserved to the Board of Directors; a Scheme of Decisions to Officers and Others; and Standing Financial Instructions (SFIs), they provide the regulatory framework for the business conduct of the Health Board. These documents form the basis upon which the Health Board's governance and accountability framework is developed and, together with the adoption of the Health Board's Values and Behaviour Framework, is designed to ensure the achievement of the standards of good governance set for the NHS in Wales.		
2.4 3.10	<p>The Board should meet on at least a quarterly basis; however, best practice is that boards should meet more frequently.</p> <p>The Board advises on five main areas:</p> <ul style="list-style-type: none"> <li>• Strategic Clarity</li> <li>• Commercial Sense</li> <li>• Talented People</li> <li>• Results focus</li> <li>• Management information</li> </ul>	<p>The Board meets at least six times a year and in addition holds an Annual General Meeting.</p> <p>Discussions, actions and decisions of all meetings of the Board and its Committees are formally recorded as minutes or action notes.</p> <p>The Board's role, as set out in its Standing Orders, is to:</p> <ul style="list-style-type: none"> <li>• Set the strategic direction for the organisation</li> <li>• Hold the organisation to account for performance and delivery</li> <li>• Set the tone and culture of the Board and the organisation</li> </ul> <p>The Board's business is therefore structured in this way and encompasses the five main areas set out in point 2.4.</p>	Comply	<p>Standing Orders and Standing Financial Instructions</p> <p>Audit Wales Structured Assessment 2022</p> <p>Board and Committee Agenda and Meeting Papers</p>

Para	Corporate Governance Code Principles	Evidence of Internal assurance/Supporting Narrative	Comply or Explain	Supporting documentation / Evidence
2.7	The Board also supports the accounting officer in the discharge of obligations set out in Managing Public Money for the proper conduct of business and maintenance of ethical standards.	The Board approves the Accountability Report, following scrutiny by the Audit, Risk and Assurance Committee, on an annual basis which includes the Statement by the Accountable Officer assuring the Board on the System of Internal Control.	Comply	Accountability Report
2.12	Where Board members have concerns, which cannot be resolved, about the running of the department or a proposed action, they should ensure that their concerns are recorded in the minutes.	Any concerns raised at Board and Committee meetings are formally recorded in the minutes.  The role of the Director of Corporate Governance is responsible for ensuring these matters are effectively managed, recorded and resolved where possible.	Comply	Board and Committee Agenda and Papers  Role of the Director of Corporate Governance
3.1 3.11 3.12 3.13	The Board should have a balance of skills and experience appropriate to fulfilling its responsibilities. The membership of the board should be balanced, diverse and manageable in size.	Constitution is set out in the Health Board's Establishment Orders and the Health Board abides by this composition.  The Health Board's Standing Orders also outlines the composition of the Board.  The Board has a range of skills and expertise. Individuals are appointed to Independent Member or Executive roles based on their particular backgrounds and specialist knowledge.  All Independent Member appointments including the Chair and Vice Chair are appointed by Welsh Government and the appointment processes are managed by the Public Appointments Department of Welsh Government. The appointment panels for all Executive appointments, although organisation	Comply	Health Board Establishment Orders  Standing Orders  Board Member Induction checklist



Para	Corporate Governance Code Principles	Evidence of Internal assurance/Supporting Narrative	Comply or Explain	Supporting documentation / Evidence
		<p>appointments, will have external independent assessors and Welsh Government representation.</p> <p>All Executive Directors are appointed to permanent NHS contracts. Independent Members are appointed for up to four years at any one time and can be re-appointed up to a maximum of eight years in the organisation. This is controlled by Welsh Government as they are Ministerial appointments.</p> <p>It is acknowledged that there have been a number of changes to Board membership, in terms of both Independent Members and Executive Directors during 2022/23.</p> <p>The Board is provided with a range of information including performance information at Board and Committee Meetings. The format and content of these is informed by national standards and requirements and also locally requested information.</p> <p>Independent Member membership on Board Committees are rotated at appropriate times to ensure there is mix and balance of experience across all meetings</p>		
3.2	The roles and responsibilities of all board members should be defined clearly in the department's board operating framework.	The Board is constituted in accordance with the Health Board's Establishment Orders and Standing Orders	Comply	Health Board Establishment Orders  Standing Orders

Para	Corporate Governance Code Principles	Evidence of Internal assurance/Supporting Narrative	Comply or Explain	Supporting documentation / Evidence
3.3	The Finance Director should be professionally qualified.	The Director of Finance and Procurement is professional qualified	Comply	Recruitment and appointment documentation for the Director of Finance and Procurement
3.5	Independent Members will exercise their role through influence and advice, supporting as well as challenging the executive	<p>The Structured Assessment highlights that "<i>Independent Members continue to engage and participate fully in meetings and provide reasonably effective scrutiny and questioning of the information presented. However, there is scope for Independent Members to provide a stronger focus on what difference is being made and to strengthen their challenge on the risks that might affect the successful delivery of Health Board plans.</i>"</p> <p>"<i>There have been new appointments to the Board, and it is becoming more cohesive.</i>"</p> <p>There is a national programme of induction, in which all members are asked to participate. This is organised by Academi Wales and Welsh Government. Tailored programmes of induction have commenced for new Independent Members, however there is further work to do on building a comprehensive programme for future use. There is also a programme of Board Development Sessions and Board Briefings and other training made available to the Board.</p>	Comply	<p>Audit Wales Structured Assessment 2022</p> <p>Independent Member Induction Pack</p>
3.15	The Board should agree and document in its board operating framework a <i>de minimis</i> threshold and	A forward work programme of Board Business is in place and approved on an annual basis.		Board Forward Work Programme

Para	Corporate Governance Code Principles	Evidence of Internal assurance/Supporting Narrative	Comply or Explain	Supporting documentation / Evidence
	mechanisms for board advice on the operation and delivery of policy proposals.	<p>The Terms of Reference Operating Arrangements for the Board Committees articulate their remit.</p> <p>A forward work programme for each Committee is in place and approved on an annual basis.</p>		<p>Committee Forward Work Programmes</p> <p>Committee Terms of Reference</p>
4.1	<p>The Board should ensure that arrangements are in place to enable it to discharge its responsibilities effectively, including:</p> <ol style="list-style-type: none"> <li>1. formal procedures for the appointment of new board members, tenure and succession planning for both board members and senior officials</li> <li>2. allowing sufficient time for the board to discharge its collective responsibilities effectively</li> <li>3. induction on joining the board, supplemented by regular updates to keep board members' skills and knowledge up-to-date</li> <li>4. timely provision of information in a form and of a quality that enables the board to discharge its duties effectively</li> <li>5. a mechanism for learning from past successes and failures within the departmental family and relevant external organisations</li> <li>6. a formal and rigorous annual evaluation of the board's performance and that of its committees, and of individual board members</li> <li>7. a dedicated secretariat with appropriate skills and experience</li> </ol>	<p>All Independent Member appointments including the Chair and Vice Chair are appointed by Welsh Government and the appointment processes are managed by the Public Appointments Department of Welsh Government. All Executive appointments, although internal appointments have external independent assessors on the panels and also Welsh Government representation.</p> <p>The Director of Corporate Governance monitors the terms of office of Independent Members to ensure succession planning is timely and managed in conjunction with the public appointments unit.</p> <p>Agenda Setting meetings are held with the Chair, Chief Executive and Director of Corporate Governance to plan the agenda and ensure sufficient time is allocated to the right things at Board meetings.</p> <p>Board Induction programme in place (as previously referenced), supplemented by ongoing Board Briefing and Board Development sessions.</p>		<p>Terms of Reference and Operating Arrangements for Board and Committees</p> <p>Board and Committee Forward Work Programmes</p>

Para	Corporate Governance Code Principles	Evidence of Internal assurance/Supporting Narrative	Comply or Explain	Supporting documentation / Evidence
		<p>The Chair undertakes regular one to ones and annual Personal Appraisal and Development Reviews with all Independent Members.</p> <p>Agenda and papers for Board meetings are published one week prior to the meeting. Report templates have been revised to ensure to support the provision of appropriate and relevant information.</p> <p>The Corporate Governance function supports Board and Committee Business. A consultation process has been undertaken and the final outcome awaited in relation to this function to increase capacity within the team and ensure appropriate skills and expertise are in place.</p> <p>The Board's Quality Strategy and Quality Assurance Framework ensure learning as a key pillar of quality, embedded across the organisation.</p> <p>The Board undertakes an assessment of its effectiveness using the NHS England and NHS Improvement (NHSE and NHSI) Well-led Framework for Leadership and Governance Developmental Reviews. From 2023/24, Committees will undertake a mid-year self-assessment of their effectiveness to inform the Board's end of year assessment.</p>		
4.5	<p>The terms of reference for the nominations committee will include at least the following three central elements:</p> <ul style="list-style-type: none"> <li>• scrutinising systems for identifying and developing leadership and high potential</li> </ul>	<p>The Terms of Reference and operating arrangements are based on the model Standing Orders and ensure that roles and responsibilities of Board Committees capture scrutiny and assurance roles.</p>	Comply	<p>Terms of Reference for Board Committees</p> <p>Standing Orders</p>

Para	Corporate Governance Code Principles	Evidence of Internal assurance/Supporting Narrative	Comply or Explain	Supporting documentation / Evidence
	<ul style="list-style-type: none"> <li>scrutinising plans for orderly succession of appointments to the board and of senior management, in order to maintain an appropriate balance of skills and experience</li> <li>scrutinising incentives and rewards for executive board members and senior officials, and advising on the extent to which these arrangements are effective at improving performance</li> </ul>	The Chair reviews the membership of Committees on an annual basis to ensure the appropriate balance of skills and expertise and support succession planning.		
4.6	The attendance record of individual board members should be disclosed in the governance statement and cover meetings of the board and its committees held in the period to which the resource accounts relate.	The Annual Governance Statement provides details on the membership of the Board and Committee and the attendance record of individuals at these meetings.	Comply	Annual Governance Statement
4.10	Where necessary, board members should seek clarification or amplification on board issues or board papers through the board secretary. The board secretary will consider how officials can best support the work of board members; this may include providing board members with direct access to officials where appropriate.	<p>Independent Members of the Board have direct access to members of the executive team in order to seek further information or clarification on issues as and when they arise.</p> <p>Regular Board Development sessions and Board briefings are also held to ensure that Board members are kept up to date on the breadth of issues. The Director of Corporate Governance acts as an independent voice within the organisation to advise and support the Board on governance matters and its approach to openness and transparency. The Director of Corporate Governance is responsible for developing the programmes of work for the Board and Committees of the organisation. Ensuring that agenda and papers are developed and reviewed prior to publication to ensure the quality of reports and maximum transparency and openness in the way in which the organisation conducts its business.</p>	Comply	Board Secretary role profile

Para	Corporate Governance Code Principles	Evidence of Internal assurance/Supporting Narrative	Comply or Explain	Supporting documentation / Evidence
4.11	<p>An effective board secretary is essential for an effective board. Under the direction of the permanent secretary, the board secretary's responsibilities should include:</p> <ul style="list-style-type: none"> <li>• developing and agreeing the agenda for board meetings with the chair and lead non-executive board member, ensuring all relevant items are brought to the board's attention</li> <li>• ensuring good information flows within the board and its committees and between senior management and non-executive board members, including:</li> <li>• challenging and ensuring the quality of board papers and board information</li> <li>• ensuring board papers are received by board members according to a timetable agreed by the board</li> <li>• providing advice and support on governance matters and helping to implement improvements in the governance structure and arrangements</li> <li>• ensuring the board follows due process</li> <li>• providing assurance to the board that the department:</li> <li>• complies with government policy, as set out in the code</li> <li>• adheres to the code's principles and supporting provisions on a comply or explain basis (which should form part of the report accompanying the resource accounts)</li> <li>• acting as the focal point for interaction between non-executive board members and the department, including arranging detailed briefing</li> </ul>	The Director of Corporate Governance undertakes these roles as Board Secretary for the Health Board	Comply	<p>Board Secretary role description</p> <p>Standing Orders</p>

Para	Corporate Governance Code Principles	Evidence of Internal assurance/Supporting Narrative	Comply or Explain	Supporting documentation / Evidence
	<p>for non-executive board members and meetings between non-executive board members and officials, as requested or appropriate recording board decisions accurately and ensuring action points are followed up</p> <ul style="list-style-type: none"> <li>arranging induction and professional development of board members (including ministers)</li> </ul>			
4.14	Evaluations of the performance of individual board members should show whether each continues to contribute effectively and corporately and demonstrates commitment to the role (including commitment of time for board and committee meetings and other duties).	Individual annual assessment of Board Executive Directors is undertaken by the Chief Executive and Independent Members by the Chair, with the former reported to the Remuneration and Terms of Service Committee.	Comply	Appraisal documentation and process
4.15	All potential conflicts of interest for non-executive board members should be considered on a case by case basis. Where necessary, measures should be put in place to manage or resolve potential conflicts. The board should agree and document an appropriate system to record and manage conflicts and potential conflicts of interest of board members. The board should publish, in its governance statement, all relevant interests of individual board members and how any identified conflicts, and potential conflicts, of interest of board members have been managed.	<p>Board Members complete annual Declarations of Interest and this register is available on the Health Board's website. Declarations of Interest in relation to items on the agenda are also sought at each Board and Committee meeting and are formally recorded within the minutes.</p> <p>Standards of Business Conduct for Employees in place and details responsibilities for declarations of interests.</p>	Comply	<p>Declarations of Interest Register</p> <p>Standards of Business Conduct for Employees Policy</p>
5.1 5.8	The board should ensure that there are effective arrangements for governance, risk management and internal control for the whole departmental family. Advice about and scrutiny of key risks is a matter for the	The Health Board has established an Audit, Risk and Assurance Committee, chaired by the Independent Member Finance lead.	Comply	Terms of Reference and Operating Arrangements for the Audit, Risk and

Para	Corporate Governance Code Principles	Evidence of Internal assurance/Supporting Narrative	Comply or Explain	Supporting documentation / Evidence
	<p>board, not a committee. The board should be supported by:</p> <ul style="list-style-type: none"> <li>an audit and risk assurance committee, chaired by a suitably experienced non-executive board member</li> <li>an internal audit service operating to Public Sector Internal Audit Standards<sup>1</sup></li> <li>sponsor teams of the department's key ALBs</li> </ul>	<p>NWSSP Internal Audit Services are appointed as the Health Boards Internal Auditors</p> <p>The Health Board and its Committees monitor the management of risk considering the risks profile and actively engaging in its management.</p>		<p>Assurance Committee</p> <p>Accountability Report</p> <p>Audit Wales Structured Assessment</p>
5.2 5.13	<p>The board should take the lead on, and oversee the preparation of, the department's governance statement for publication with its resource accounts each year.</p> <p>The annual governance statement (which includes areas formerly covered by the statement on internal control) is published with the resource accounts each year. In preparing it, the board should assess the risks facing the department and ensure that the department's risk management and internal control systems are effective. The audit and risk assurance committee should normally lead this assessment for the board.</p>	<p>The Audit, Risk and Assurance Committee is responsible for reviewing the system of governance and assurance established within the Health Board and the arrangements for internal control, including risk management for the organisation and, in particular, advises on the Annual Governance Statement signed by the Chief Executive.</p> <p>The Governance Statement is included within the Accountability Report which is considered by the Audit, Risk and Assurance Committee prior to approval by the Board.</p>	Comply	Accountability Report
5.3 5.10	<p>The board's regular agenda should include scrutinising and advising on risk management.</p>	<p>The Health Board approve the Risk Management Strategy and Board Assurance Framework.</p> <p>The Health Board and its Committees monitor the management of risk considering the risks profile and actively engaging in its management.</p> <p>A Corporate Risk Register is maintained and considered at each Board Meeting, and by the Audit, Risk and Assurance Committee. Each Committee monitors risks</p>		<p>Board and Committee Agendas and papers</p> <p>Risk Management Strategy</p> <p>Board Assurance Framework</p>



Para	Corporate Governance Code Principles	Evidence of Internal assurance/Supporting Narrative	Comply or Explain	Supporting documentation / Evidence
		associated with its portfolio and provides assurance reports on these to the Board.		Corporate Risk Register
5.4 5.9 5.11 5.12 5.14 5.15	<p>The key responsibilities of non-executive board members include forming an audit and risk assurance committee.</p> <p>The board and accounting officer should be supported by an audit and risk assurance committee, comprising at least three members.</p> <p>An audit and risk assurance committee should not have any executive responsibilities or be charged with making or endorsing any decisions. It should take care to maintain its independence. The audit and risk assurance committee should be established and function in accordance with the <i>Audit and risk assurance committee handbook</i>.</p> <p>The board should ensure that there is adequate support for the audit and risk assurance committee, including a secretariat function.</p> <p>The terms of reference of the audit and risk assurance committee, including its role and the authority delegated to it by the board, should be made available publicly. The department should report annually on the work of the committee in discharging those responsibilities</p> <p>Boards should ensure the scrutiny of governance arrangements, whether at the board or at one of its subcommittees (such as the audit and risk assurance committee or a nominations committee). This will</p>	<p>An Audit, Risk and Assurance Committee is established.</p> <p>The Terms of Reference and Operating Arrangements for the ARA Committee are clear in relation to authority and delegated responsibilities. These Terms of Reference are published on the Health Board's website.</p> <p>Full secretariat support is provided by the Corporate Governance Team.</p> <p>5 Independent Members comprise the Audit, Risk and Assurance Committee.</p> <p>The Board Assurance Framework is scrutinised by the Audit, Risk and Assurance Committee.</p>	Comply	<p>Terms of Reference and Operating Arrangements for Audit, Risk and Assurance Committee</p> <p>Board Assurance Framework</p>

Para	Corporate Governance Code Principles	Evidence of Internal assurance/Supporting Narrative	Comply or Explain	Supporting documentation / Evidence
	include advising on, and scrutinising the department's implementation of, corporate governance policy.			
5.5	The head of internal audit should periodically be invited to attend board meetings, where key issues are discussed relating to governance, risk management processes or controls across the department and its ALBs.	<p>The role of Head of Internal Audit is clearly set out in the Health Board's Standing Orders.</p> <p>The Head of Internal Audit attends all meetings of the Audit, Risk and Assurance Committee.</p> <p>Audit Wales and Internal Audit have a routine invite to all Board and Committee meetings.</p>	Comply	<p>Standing Orders</p> <p>Terms of Reference for the Audit, Risk and Assurance Committee</p>
5.6 5.7 5.10	<p>The board should assure itself of the effectiveness of the department's risk management system and procedures and its internal controls. The board should give a clear steer on the desired risk appetite for the department and ensure that:</p> <ul style="list-style-type: none"> <li>there is a proper framework of prudent and effective controls, so that risks can be assessed, managed and taken prudently</li> <li>there is clear accountability for managing risks</li> <li>Departmental officials are equipped with the relevant skills and guidance to perform their assigned roles effectively and efficiently.</li> </ul> <p>The board should also ensure that the department's ALBs have appropriate and effective risk management processes through the department's sponsor teams</p>	<p>The Health Board has an agreed Risk Management Strategy. Development work continues to review and refine the Risk Management Strategy, with a Board Development session held in March 2022 focused on strategic risk management and assurance arrangements, including risk appetite and tolerance which will be a key element of the updated Risk Management Strategy.</p> <p>The Risk Management Strategy articulates a clear risk escalation pathway.</p> <p>A Risk Management Community of Practice is in place, led by the Head of Corporate Services, Risk and Assurance.</p>	Comply	<p>Risk Management Strategy</p> <p>Corporate Risk Register</p>

Para	Corporate Governance Code Principles	Evidence of Internal assurance/Supporting Narrative	Comply or Explain	Supporting documentation / Evidence
	Advising on key risks is a role for the board. The audit and risk assurance committee should support the board in this role.			



GIG  
CYMRU  
NHS  
WALES

Bwrdd Iechyd Prifysgol  
Aneurin Bevan  
University Health Board

# **Remuneration and Staff Report 2022/23**

The Treasury's Government Financial Reporting Manual (FReM) requires that a Remuneration Report shall be prepared by NHS bodies providing information under the headings in SI 2008 No 410, made to the extent that they are relevant. The Remuneration Report contains information about senior managers remuneration. The definition of 'Senior Manager' is: "those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS body. This means those who influence the decisions of the entity as a whole rather than the decisions of individual directorates or departments."

This section of the Accountability Report meets these requirements.

## **The Remuneration and Terms of Service Committee**

Remuneration and Terms of Service for Executive Directors and the Chief Executive are agreed, and kept under review, by the Board's Remuneration and Terms of Service Committee. The Committee also monitors and evaluates the annual performance of the Chief Executive and individual Directors (the latter with the advice of the Chief Executive). In 2022/23, the Remuneration and Terms of Service Committee was chaired by the Health Board's Chair, Ann Lloyd CBE, and the membership included the following Members:

- Pippa Britton, Vice Chair of the Board;
- Shelley Bosson, Chair of Audit, Risk and Assurance Committee (Until 31/10/2022)
- Iwan Jones, Chair of Audit, Risk and Assurance Committee (From 1/11/2022)
- Louise Wright, Independent Member (Trade Union).

Meetings are minuted and decisions fully recorded.

## **Independent Member Remuneration**

Remuneration for Independent Members is determined by the Welsh Government, along with the tenure of appointments. Details of Independent Members' remuneration for the 2022/23 financial year, together with comparators are given in Tables below.

## **Directors' Remuneration**

Details of Directors' remuneration for the 2022/23 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 2022/23, Executive Directors received a pay inflation uplift, in-line with Welsh Government's Framework.

The Remuneration and Terms of Service Committee also reviews objectives set for Executive Directors and assesses performance against those objectives 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 are in line with those set by Welsh Government as part of the NHS Reform Programme of 2009. During 2022/23 there were three (3) interim Directors in post; an Interim Chief Executive, an Interim Director of Primary, Community Care and Mental Health and Interim Director of Finance, Procurement and VBHC. Further detail on interim appointments can be found in the Annual Governance Statement.

The Remuneration and Terms of Service Committee considers issues of equality and diversity when evaluating and setting remuneration for Directors', particularly in relation to gender and ethnicity in pay levels, in line with Welsh Government's Framework.

## Salary and Pension Disclosure Table: Salaries and Allowances

### Remuneration Report

#### Salary and Pension entitlements of Senior Managers Remuneration

		2022-23					2021-22				
Name	Title	Full Year Equivalent Salary (bands of £5,000) £000	Salary (bands of £5,000) £000	Benefits in kind (to nearest £100) £00	Pension Benefits £000	Total (bands of £5,000) £000	Full Year Equivalent Salary (bands of £5,000) £000	Salary (bands of £5,000) £000	Benefits in kind (to nearest £100) £00	Pension Benefits £000	Total (bands of £5,000) £000
Executive Directors											
Judith Paget	Chief Executive (Until 31.10.21)						215 - 220	125 - 130	0	54	175 - 180
Glyn Jones	Deputy Chief Executive (From 05.09.22 Until 23.09.22)	205 - 210	100 - 105	0	32	135 - 140					
	Interim Chief Executive (From 01.11.21 Until 04.09.22)						200 - 205	175 - 180	0	81	255 - 260
	Director of Finance & Performance / Deputy Chief Executive (Until 31.10.21)		155 - 160								
Nicola Prygodzicz	Chief Executive (From 05.09.22)	215 - 220	165 - 170	12	282	450 - 455					
	Director of Planning, Performance, Digital & IT / Interim Deputy Chief Executive (From 01.11.21 Until 04.09.22)	125 - 130					125 - 130	120 - 125	6	10	130 - 135
	Director of Planning, Digital & IT (Until 31.10.21)						115 - 120				
Dr James Calvert	Medical Director / Deputy Chief Executive (From 24/09/22)	190 - 195	195 - 200	0	66	260 - 265					
	Medical Director (Until 23.09.22)	185 - 190						185 - 190	0	290	475 - 480
Robert Holcombe	Director of Finance and Procurement (From 14.11.22)	150 - 155	155 - 160	0	200	355 - 360					
	Interim Director of Finance, Procurement and Value Based Healthcare (From 01.11.21 Until 13.11.22)	150 - 155					145 - 150	60 - 65	0	72	130 - 135
Chris Dawson-Morris	Interim Director of Planning and Performance (From 05.09.22)	125 - 130	75 - 80	0	15	90 - 95					
Jennifer Winslade	Director of Nursing (From 08.08.22)	135 - 140	90 - 95	0	59	150 - 155					
Linda Alexander	Director of Nursing (From 25.06.22 Until 14.08.22)		15 - 20	0	10	25 - 30					
Rhiannon Jones	Director of Nursing (Until 05.07.22)		35 - 40	0	7	40 - 45		135 - 140	0	60	195 - 200
Geraint Evans	Director of Workforce and Organisational Development (Until 31.08.21)						135 - 140	55 - 60	0	0	55 - 60
Sarah Simmonds	Director of Workforce and Organisational Development (From 22.07.21)		140 - 145	15	72	215 - 220	135 - 140	90 - 95	4	104	195 - 200
Dr Sarah Aitken	Director of Public Health and Strategic Partnerships (From 18.01.21 Until 05.01.23)	130 - 135	95 - 100	0	0	95 - 100	125 - 130	125 - 130	0	0	125 - 130
	Interim Director of Primary, Community and Mental Health Services (From 06.12.21 Until 28.02.22)										

Peter Carr	Director of Therapies and Health Sciences		110 - 115	25	16	130 - 135		110 - 115	126	45	165 - 170
Nick Wood	Director of Primary, Community and Mental Health (Until 05.12.21)						145 - 150	100 - 105	2	29	130 - 135
Dr Chris O'Connor	Interim Director of Primary, Community and Mental Health Services (From 28.02.22)		145 - 150	0	212	360 - 365	135 - 140	10 - 15	0	4	15 - 20
<b>Director of Operations</b>											
Claire Birchall	Director of Operations (Until 02.05.21)						110 - 115	10 - 15	0	0	10 - 15
Leanne Watkins	Director of Operations (From 17.03.22)		120 - 125	17	32	155 - 160					
	Interim Director of Operations (From 12.04.21 Until 16.03.22)						110 - 115	105 - 110	39	86	195 - 200
<b>Board Secretary / Director of Corporate Governance</b>											
Richard Howells	Interim Board Secretary (Until 30.11.21)						90 - 95	60 - 65	0	90	150 - 155
Rani Dash	Director of Corporate Governance (From 14.03.22)		110 - 115	56	41	155 - 160	100 - 105	35 - 40	18	9	50 - 55
	Board Secretary (From 28.11.21 Until 13.03.22)										
<b>Special Advisor to the Board</b>											
Philip Robson	Special Advisor to the Board		15 - 20	0	0	15 - 20		35 - 40	0	0	35 - 40
Chris Koehli	Special Advisor to the Board (Until 17.07.21)						35 - 40	5 - 10	0	0	5 - 10
<b>Non-Executive Directors</b>											
Ann Lloyd CBE	Chair		65 - 70	0	0	65 - 70		65 - 70	0	0	65 - 70
Emrys Elias	Vice Chair (Until 30.09.21)						55 - 60	25 - 30	0	0	25 - 30
Pippa Britton	Interim Vice Chair (From 18.10.21)		55 - 60	0	0	55 - 60	55 - 60	30 - 35	0	0	30 - 35
	Independent Member (Community) (Until 17.10.21)						15 - 20				
Katija Dew	Independent Member (Third/Voluntary Sector)		15 - 20	0	0	15 - 20		15 - 20	0	0	15 - 20
Prof. Helen Sweetland	Independent Member (University)		0	0	0	0		0	0	0	0
Richard Clark	Independent Member (Local Authority)		15 - 20	0	0	15 - 20		15 - 20	0	0	15 - 20
Paul Deneen	Independent Member (Community)		15 - 20	0	0	15 - 20		15 - 20	0	0	15 - 20
Shelley Bosson	Independent Member (Community)		15 - 20	0	0	15 - 20		15 - 20	0	0	15 - 20
Dafydd Vaughan	Independent Member (Digital) (From 09.05.22)	15 - 20	10 - 15	0	0	10 - 15					
Iwan Jones	Independent Member (Finance) (From 04.04.22)	15 - 20	15 - 20	0	0	15 - 20					
Louise Wright	Independent Member (Trade Union)		0	0	0	0		0	0	0	0
Keith Sutcliffe	Associate Independent Member (Chair of Stakeholder Group) (Until 30.11.22)		0	0	0	0		0	0	0	0



Band of Highest paid Director's Total Remuneration £000

25th percentile pay £

Median pay £

75th percentile pay £

2022-23	
Pay	Ratio
215 - 220	
26,282	8.3
33,428	6.5
43,078	5.0

2021-22	
Pay	Ratio
200 - 205	
24,883	8.1
32,008	6.3
41,837	4.8

Salary has been reported as gross pay, which is before the deduction of any salary sacrifice schemes. During 2022-23 Nicola Prygodzicz had £7k salary sacrificed in respect of the lease car scheme, Jennifer Winslade had less than £1k sacrificed in respect of pensions, Sarah Simmonds had £8k sacrificed in respect of the lease car scheme and less than £1k sacrificed in respect of pensions, Leanne Watkins had £11k sacrificed in respect of the lease car scheme and less than £1k in respect of the cycle to work scheme and Rani Dash had £7k sacrificed as part of the lease car scheme.

The post of Special Advisor to the Board has been disclosed as it has been deemed to have an influence over board decisions.

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 value of pension benefits is calculated as follows:

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

\*excluding increases due to inflation or any increase or decrease due to a transfer of pension rights

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

The Health Board continues to pay two former chief executives who are currently on secondment to Welsh Government. Andrew Goodall has been seconded since 8th June 2014 and Judith Paget has been seconded since 1st November 2021. The details of the remuneration received by these individuals is disclosed in the accounts of the Welsh Government, and the Health Board is reimbursed for the employment costs incurred. The salary banding included for Andrew Goodall is £215,000 to £220,000 (£215,000 to £220,000 2021-22) and for Judith Paget is £215,000 to £220,000 (£85,000 to £90,000 2021-22).

**Remuneration Report continued**  
**Salary and Pension entitlements of Senior Managers Pension Benefits**

Name	Title	Real increase in pension at pension age (bands of £2,500) £000	Real increase in pension lump sum at pension age (bands of £2,500) £000	Total accrued pension at pension age at 31 March 2023 (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2023 (bands of £5,000) £000	Cash Equivalent Transfer Value at 31 March 2023 £000	Cash Equivalent Transfer Value at 31 March 2022 £000	Real increase in Cash Equivalent Transfer Value £000	Employer's contribution to stakeholder pension £00
Glyn Jones	Deputy Chief Executive (From 05.09.22 Until 23.09.22)	0.0 - 2.5	0.0	35 - 40	0	569	474	24	0
	Interim Chief Executive (From 01.11.21 Until 04.09.22)								
	Director of Finance & Performance / Deputy Chief Executive (Until 31.10.21)								
Nicola Prygodzicz	Chief Executive (From 05.09.22)	12.5 - 15.0	30.0 - 32.5	60 - 65	135 - 140	1175	874	253	0
	Director of Planning, Performance, Digital & IT / Interim Deputy Chief Executive (From 01.11.21 Until 04.09.22)								
	Director of Planning, Digital & IT (Until 31.10.21)								
Dr James Calvert	Medical Director / Deputy Chief Executive (From 24/09/22)	2.5 - 5.0	0.0 - 2.5	75 - 80	170 - 175	1589	1440	77	0
	Medical Director (Until 23.09.22)								
Robert Holcombe	Director of Finance and Procurement (From 14.11.22)	10.0 - 12.5	20.0 - 22.5	50 - 55	105 - 110	965	735	186	0
	Interim Director of Finance, Procurement and Value Based Healthcare (From 01.11.21 Until 13.11.22)								
Chris Dawson-Morris	Interim Director of Planning and Performance (From 05.09.22)	0.0 - 2.5	0.0	5 - 10	0	78	55	2	0
Jennifer Winslade	Director of Nursing (From 08.08.22)	2.5 - 5.0	2.5 - 5.0	55 - 60	110 - 115	1088	948	60	0
Linda Alexander	Director of Nursing (From 25.06.22 Until 14.08.22)	0.0 - 2.5	0.0 - 2.5	35 - 40	105 - 110	864	746	12	0
Rhiannon Jones	Director of Nursing (Until 05.07.22)	0.0 - 2.5	0.0 - 2.5	65 - 70	190 - 195	0	1336	0	0
Sarah Simmonds	Director of Workforce and Organisational Development (From 22.07.21)	2.5 - 5.0	5.0 - 7.5	30 - 35	50 - 55	479	396	52	0
Peter Carr	Director of Therapies and Health Sciences	0.0 - 2.5	(2.5) - 0.0	40 - 45	85 - 90	753	700	17	0
Dr Chris O'Connor	Interim Director of Primary, Community and Mental Health Services (From 28.02.22)	10.0 - 12.5	20.0 - 22.5	50 - 55	100 - 105	909	683	184	0
Leanne Watkins	Director of Operations (From 17.03.22)	0.0 - 2.5	0.0 - 2.5	40 - 45	80 - 85	671	612	26	0
	Interim Director of Operations (From 12.04.21 Until 16.03.22)								
Rani Dash	Director of Corporate Governance (From 14.03.22)	2.5 - 5.0	0.0 - 2.5	20 - 25	35 - 40	299	256	21	0
	Board Secretary (From 28.11.21 Until 13.03.22)								

Sarah Aitken has not contributed to the NHS Pension Scheme during 2022-23

Rhiannon Jones has retired therefore no CETV is available.

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

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.

## **Pensions tax annual allowance – Scheme Pays arrangements 2019/20**

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

- clinical staff who are members of the NHS Pension Scheme and who, as a result of work undertaken in the 2019-20 tax year, face a tax charge on the growth of their NHS pension benefits, may opt to have this charge paid by the NHS Pension Scheme, with their pension reduced on retirement.

Welsh Government, on behalf of the Aneurin Bevan University Health Board, will pay the members who opt for reimbursement of their pension, a corresponding amount on retirement, ensuring that they are fully compensated for the effect of the deduction.

This scheme will be funded directly by the Welsh Government to the NHS Business Services Authority Pension Division, the administrators on behalf of the Welsh claimants.

Clinical staff have until 31 March 2022 to opt for this scheme and the ability to make changes up to 31 July 2026.

The Health Board have included a Scheme Pay provision of £141,451 (as notified by Welsh Government) within these accounts.

### **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.

In 2022-23, 15 (2021-22, 7) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £14k to £416k (2021-22, £19k to £338k).

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

		2022-23	2022-23	2022-23		2021-22	2021-22	2021-22
		£000	£000	£000		£000	£000	£000
		Chief Executive	Employee	Ratio		Chief Executive	Employee	Ratio
<b>Total pay and benefits</b>								
	25th percentile pay ratio	215 - 220	26	8.3		200 - 205	25	8.1
	Median pay	215 - 220	33	6.5		200 - 205	32	6.3
	75th percentile pay ratio	215 - 220	43	5.0		200 - 205	42	4.8
<b>Salary component of total pay and benefits</b>								
	25th percentile pay ratio	215 - 220	26			200 - 205	25	
	Median pay	215 - 220	33			200 - 205	32	
	75th percentile pay ratio	215 - 220	43			200 - 205	42	
		Highest Paid Director	Employee	Ratio		Highest Paid Director	Employee	Ratio
<b>Total pay and benefits</b>								
	25th percentile pay ratio	215 - 220	26	8.3		200 - 205	25	8.1
	Median pay	215 - 220	33	6.5		200 - 205	32	6.3
	75th percentile pay ratio	215 - 220	43	5.0		200 - 205	42	4.8
<b>Salary component of total pay and benefits</b>								
	25th percentile pay ratio	215 - 220	26			200 - 205	25	
	Median pay	215 - 220	33			200 - 205	32	
	75th percentile pay ratio	215 - 220	43			200 - 205	42	

## Financial year summary

There has been an increase in the pay ratio which attributable to the increase in the chief executive/highest paid director salary being greater than the increase in the employee median salary.

The median pay ratio for the relevant financial year is consistent with the pay, reward and progression policies for the entity's employees taken as a whole.

9.6.2 Percentage Changes					2021-22		2020-21
					to		to
					2022-23		2021-22
% Change from previous financial year in respect of Chief Executive					%		%
	Salary and allowances				7		(2)
	Performance pay and bonuses				0		0
% Change from previous financial year in respect of highest paid director							
	Salary and allowances				7		(2)
	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

## STAFF REPORT

### Staff Numbers

#### 9.2 Average number of employees

	Permanent Staff Secondment Number	Staff on Inward Secondment Number	Agency Staff Number	Specialis t Trainee (SLE) Number	Collaborat ive Bank Staff Number	Other Number	Total Number	2021-22 Number
Administrative, clerical and board	2,677	20	30	0	0	0	2,727	2,582
Medical and dental	758	6	82	393	0	20	1,259	1,234
Nursing, midwifery registered	3,736	7	248	0	0	0	3,991	4,051
Professional, Scientific, and tech	460	0	2	0	0	0	462	436
Additional Clinical Services	2,668	0	209	0	0	0	2,877	2,792
Allied Health Professions	802	0	27	0	0	0	829	804
Healthcare Scientists	230	4	11	0	0	0	245	243
Estates and Ancilliary	975	0	171	0	0	0	1,146	1,145
Students	10	0	0	0	0	0	10	4
<b>Total</b>	<b>12,316</b>	<b>37</b>	<b>780</b>	<b>393</b>	<b>0</b>	<b>20</b>	<b>13,546</b>	<b>13,291</b>

The rational for changes in Registered Nursing Numbers is attributed to higher turnover rates identified in the previous year, which were not fully recruited to in 2022/23. The higher turnover was linked with increase in retirements post Covid-19 due to the ageing workforce profile in areas such as adult nursing, mental health and district nursing areas of practice. There has been a general increase in turnover to 10.2% from what is a normal turnover within Nursing and Midwifery of 9.0%.

In terms of administration increases, these increases have been identified with general increases across the Health Board associated with apprenticeships, increases in rostering support, administration support for service improvements such as ICT and informatics and specific Covid 19 service such as TTP and mass vaccination, programme management, divisional restructures, public health, e- systems implementation, regional programme and RIFT funding.

### Staff Composition

The table above provides the breakdown of staff numbers per discipline and professional group within the Health Board.

The gender breakdown for all staff groups as at 31 March 2023 is provided overleaf:

	2022-2023			2021-2022			2020-2021		
	Directors	WTE	%	Directors	WTE	%	Directors	WTE	%
<b>Female</b>	5	10,127	80.06%	4.78	9722.1	79.27%	5.78	9762.8	79.29%
<b>Male</b>	6	2521.5	19.94%	6	2543.1	20.73%	5	2549.2	20.71%
<b>Total</b>	<b>11</b>	<b>12,648.50</b>		<b>10.78</b>	<b>12,265.20</b>		<b>10.78</b>	<b>12,312</b>	

The total number of staff per discipline will differ from the staff numbers shown in the gender breakdown table as the gender figures are based on a point in time as of 31 March 2023 whereas the staff per discipline numbers represent the average over a 52 week period of staff in post.

### **Sickness Absence Data**

The Health Board has monitored absence in various categories as set out in this section.

The Health Board's sickness absence rate for 2022/2023 is 6.74%, an increase for sickness related absence from 6.30% in 2021/2022 which was a slight reduction in the previous year of 6.47% in 2020/2021. Sickness absence remained above 6% for every month, with the exception of March 2023, which reduced to 5.94%. December 2022 recorded the highest sickness absence at 7.83%. 0.82% of the sickness was due to Covid 19.

Over the past 5 years, the average working days lost per individual has increased slightly year on year. In 2021/2022 the average sickness days lost was 17.2 per individual employee, which increased to 18 days in 2022/23.

The table below provides the sickness absence trend data for the Health Board over the last eight years.

Sickness Absence	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Days Lost (Short Term <28 days)	61261	53097	60406	54759	68229	60411	79761	98573
Days Lost (Long Term >28 days)	144562	147711	153345	162684	194289	188778	203781	205131
Total Days Lost	205823	200808	213751	217443	262518	249189	283542	303704
Total Staff Years	902	880	937	954	1156	1093	1249	1350
Average Working Days Lost	14.7	14.2	15.2	15.2	15.2	16	17.2	18
Total staff employed in period (headcount)	14020	14155	10412	14334	14835	15528	15863	16245
Total staff employed with no absence (headcount)	4919	5803	4848	5016	5402	6055	5710	5035
Percentage staff with no sick	40%	41%	37%	35%	36%	39%	36%	31%

## Medical Exclusion

Medical exclusion is a term used to record those staff who have had to self-isolate for a number of reasons, for example a household member having Covid-19 symptoms, being contacted through Track, Trace and Protect, or being classified as extremely clinically vulnerable and therefore having to shield for two separate periods of time as a result of Welsh Government advice.

The prevalent variant of Covid-19 and the high rates of immunity in the population has meant that Covid-19 is currently a milder infection. This has resulted in Welsh Government testing guidance being amended to reflect this change. As of 01 April 2023, routine testing for all staff is no longer a requirement, which will result in a further reduction of staff being medically excluded from the workplace.

The table below highlights how the pandemic impacted on attendance overall, with a further 10,952 days lost due to staff having to be medically excluded which is much lower than 2021/22:

Sickness Absence	2019/20	2020/21	2021/22	2022/23
Days Lost (Short Term <28 days)	6779	36331	18389	9836
Days Lost (Long Term >28 days)	2439	57707	7208	1116
Total Days Lost	9218	94038	25597	10952
Total Staff Years	40	412	90	41
Average Working Days Lost	0.6	6	1.5	0.7
Total staff employed in period (headcount)	14835	15528	15863	16245
Total staff employed with no absence (headcount)	13351	10093	12055	14458
Percentage of staff with no medical exclusion	90%	65%	76%	89%
Percentage of staff with no sick or medical exclusion	36%	33%	31%	26%

Medical exclusion adds a further 0.7 days on average per individual employee to overall absence. Overall average absence days lost per employee remains the same as 2021/22 however the days lost are lower in medical exclusion, resulting in a total of 314,656 total working days lost due to sickness absence and/or medical exclusion.

## **Staff Policies**

Aneurin Bevan University Health Board has a range of staff policies in place, which are developed in partnership with staff and trade union colleagues. All policies are assessed via an Equality Impact Assessment to ensure that every policy is fair and does not inadvertently treat individuals or groups with a protected characteristic less favourably. This includes:

- giving full and fair consideration to applications for employment made by disabled persons or other protected characteristics, having regard to their particular aptitudes and abilities;
- 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.

Between 01 April 2022 to 31 March 2023, one policy 'Accessing NHS Pension and Re-engagement Guidelines' was considered by the Remuneration and Terms of Service Committee. In addition, a new policy following advice and guidance on an all Wales basis in relation to pensions, i.e., Employer Pension Contributions Alternative Payment Policy, was considered by the Committee earlier in 2022 and applied from April 2022.

## **Employee Relations Matters**

Details of the number of disciplinary cases between 01 March 2022 to 31 March 2023 is provided below:

Disciplinary Cases	Dismissals	Appeals	Employment Tribunals
41	14	3	7

The above activity demonstrates over a 60% reduction in disciplinary cases compared to the previous twelve-month period.

## **Payment to Past Directors**

No payments have been made to any person who was not a director at the time the payment was made, but who had been a director of the Health Board previously.



## Expenditure on Consultancy

Expenditure on Consultancy	2022-23	
Note 3.3 from the main Accounts		
Consultant	Details	£000
Attain Health Management Services Ltd	Primary Community & MH - Strategic Capital Support - Phase 1	87
Castor Business Consulting Ltd	Consultancy Fees incurred re CCH PF	12
Deloitte LLP	Tax Advice	1
Ernst & Young LLP	VAT reviews re compliance	19
Figure & Consultancy Services Ltd	MH - Development, facilitation & implementation- fees incurred less than estimated in 2021	-8
Hugh Irwin Associates Ltd	Primary Community & MH - Strategic Capital Support - Phase 1	86
In-Form Solutions Ltd	Commercial Advice 2021-22 fees incurred less than estimated in 2021-22	-5
Oxford Brookes Enterprises Ltd	Primary Community & MH - Strategic Capital Support - Phase 1	7
Sirius Partners	Primary Community & MH - Strategic Capital Support - Phase 1	45
Supportive Care UK Ltd	Support to the specialist palliative care service	82
Synbiotix Solutions Ltd	Catering consultancy - to review output	1
<b>TOTAL</b>		<b>327</b>

## Tax Assurance for Off-payroll Engagements

**Table 1 : For all off-Payroll engagements as of 31 March 2023, for more than £245 per day**

No. of existing Engagements as of 31 March 2022	5				
Of which, the number that have existed:					
for less than one year at time of reporting	1				
for between one and two years at time of reporting	2				
for between two and three years at time of reporting	1				
for between three and four years at time of reporting	0				
for four or more years at time of reporting	1				

**Table 2 : For all new off-Payroll engagements between 1 April 2022 and 31 March 2023, for more than £245 per day**

	Number					
Number of new engagements between 1 April 2021 and 31 March 2022	3					
Of which...	0					
No. assessed as caught by IR35	0					
No. assessed as not caught by IR35	0					
No. engaged directly (via 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					

**Annex 1 (continued) Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023**

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.						
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.	12					

## Exit Packages and Severance Payments

9.5 Reporting of other compensation schemes - exit packages					
	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	0
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	1	1	0	2
£50,000 to £100,000	0	0	0	0	1
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	1	1	0	3

	2022-23	2022-23	2022-23	2022-23	2021-22
Exit packages cost band (including any special payment element)	Cost of compulsory redundancies	Cost of other departures	Total cost of exit packages	Cost of special element included in exit packages	Total cost of exit packages
	£	£	£	£	£
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	32,197	32,197	0	85,839
£50,000 to £100,000	0	0	0	0	76,771
£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
<b>Total</b>	<b>0</b>	<b>32,197</b>	<b>32,197</b>	<b>0</b>	<b>162,610</b>
<b>Exit costs paid in year of departure</b>			<b>Total paid in year</b>		<b>Total paid in year</b>
			<b>2022-23</b>		<b>2021-22</b>
			£		£
Exit costs paid in year			0		0
<b>Total</b>			<b>0</b>		<b>0</b>

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.

The Health Board has approved VERS in 2022/23.

Additional requirement as per FReM

£194,807 exit costs were paid in 2022-23, relating to 3 cases in 2021/22 and 1 case re 2022/23, the year of departure (£0 - 2021-22).

## Appendix 4



# **Senedd Cymru / Welsh Parliamentary Accountability and Audit Report 2022/23**

## **Regularity of Expenditure**

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.

Aneurin Bevan University 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 2022/23. When charging for this activity the Health Board has complied with the cost allocation and charging requirements set out in HM Treasury guidance.

The Health Board incurred costs amounting to £0.421m for the provision of the statutory audit by the Wales Audit Office.

## **Managing public money**

This is the required Statement for Public Sector Information Holders as referenced in the Directors' Report. In line with other Welsh NHS bodies, the Health Board has adopted standing financial instructions which enforce the principles outlined in HM Treasury guidance 'Managing Public Money' which sets out the main principles for dealing with resources in the UK public sector. As a result, the Health Board should have complied with the cost allocation and charging requirements of this guidance. The Health Board has not been made aware of any instances where this has not been done.

## **Remote Contingent Liabilities**

This disclosure was introduced for the first time in 2015-16. It shows those contingent liabilities that are deemed to be extremely remote and have not been previously disclosed within the normal contingent liability note within the accounts. It relates to 11 medical negligence cases in 2022/23 (2 medical negligence cases and 1 personal injury case in 2021/22) and is reported in Note 21.2 to the main accounts.

The remote contingent liabilities cost consists of 11 medical negligence cases in 2022/23 (2 medical negligence cases and 1 personal injury case in 2021-22). Should these cases progress the majority of the costs incurred, in excess of the £25k per case attributable to the Health Board, will be recovered from the Welsh Risk Pool.

Nicola Prygodzicz  
**Nicola Prygodzicz**  
**Chief Executive**

**Date: 19<sup>th</sup> July 2023**

## **THE CERTIFICATE AND INDEPENDENT AUDITOR'S REPORT OF THE AUDITOR GENERAL FOR WALES TO THE SENEDD**

I certify that I have audited the financial statements of Aneurin Bevan University 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 Aneurin Bevan University Health Board as at 31 March 2023 and of its net operating costs for the year then ended; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

### **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 Aneurin Bevan University Health Board's financial statements because the Aneurin Bevan University Health Board has breached its resource limit by spending £36.348 million over the amount that it was authorised to spend in the three-year period 2020-2021 to 2022-2023. This spend constitutes irregular expenditure.

Further detail is set out in my Report on page 164.

### **Basis for opinions**

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

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

### **Conclusions relating to going concern**

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

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

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

The going concern basis of accounting for Aneurin Bevan University 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 Ministers' directions; and;
- the information given in the Performance and the other unaudited parts of the 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 Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and the other unaudited parts of the Accountability Report or the Annual Governance Statement.

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

- 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 Health Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors and Chief Executive anticipate that the services provided by the Health Board 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 Health Board's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Aneurin Bevan University Health Board policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: posting of unusual journals, estimates, provisions, and manual accruals;
- Obtaining an understanding of Aneurin Bevan University Health Board's framework of authority as well as other legal and regulatory frameworks that the Aneurin Bevan University 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 Aneurin Bevan University Health Board;

- 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, those charged with governance 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 Aneurin Bevan University 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](http://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 pages 164

Adrian Crompton  
Auditor General for Wales  
Date 28 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 Aneurin Bevan University 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 two key matters for my audit. These are 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 any of these matters.]

### 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 Health Board's 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 Health Board did not manage its revenue expenditure within its resource allocation over this three-year period, exceeding its cumulative revenue resource limit of £4,789.223 million by £36.348 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 Board's authority to spend and is therefore 'irregular'. In such circumstances, I am required to qualify my 'regularity opinion' irrespective of the value of the excess spend.

**Adrian Crompton**

**Auditor General for Wales**

**Date 28 July 2023**

**Glossary**

<b>A</b>		
ABUHB – Aneurin Bevan University Health Board	A&E – Accident & Emergency	ACV – Annual Contract Value
AGP – Aerosol Generating Procedures	AVLOS – Average Length of Stay	ABCHC – Aneurin Bevan Community Health Council
AMD – Age Related Macular Degeneration		
<b>C</b>		
CEO – Chief Executive Officer	CHC – Community Health Council	COSO - Committee of Sponsoring Organisations of the Treadway Commission
CBE – Commander of the Most Excellent Order of the British Empire	CYP – Children and Young People	CMO – Chief Medical Officer
COTE – Care of the Elderly	CONCCO – Concern - Expression of Patient Dissatisfaction (DATIX Coding)	CAD – Care After Death
CRL – Capital Resource Limit		
CCA – Civil Contingencies Act		
<b>D</b>		
DATIX – concerns / incident management system	DNA - Did Not Attend	DFL – Divisional Flu Lead
<b>E</b>		
EASC – Emergency Ambulance Services Committee	EMS - Environmental Management System	eLGH – Enhanced Local general Hospital
EoLC - End of Life Companions	ED – Emergency Department	EHEW - Eye Health Examination Wales
ESR – Electronic Staff Record	EOL – End of Life	

<b>F</b>		
FReM – Financial Reporting Manual		
<b>G</b>		
GMS – General Medical Services	GP – General Practitioner	GS – Governance Statement
GUH – Grange University Hospital	GDPR – General Data Protection Regulations	GDP – General Dental Practitioner
GARTH – Gwent Arts in Health	GAVO – Gwent Association of Voluntary Organisations	GDAS – Gwent Drug and Alcohol Service
GURT – Age simulation suit	GWICES – Gwent Wide Integrated Community Equipment Service	
<b>H</b>		
HPF – Healthcare Professionals Forum	HCSW – Health Care Support Worker	HM – Her Majesty’s
HCS – Health and Care Standards	HEIW -Health Education and Improvement Wales	HCC - Hepato-Cellular Carcinoma
HEIW -Health Education and Improvement Wales	HCAI – Healthcare Associated Infection	HPV - Hydrogen Peroxide Vapour
HFrEF – Heart Failure with Reduced Ejection Fraction		
<b>I</b>		
IT – Information Technology	IMTP – Integrated Medium Term Plan	ICF – Integrated Care Fund
ISO – International Organisation for Standardisation	ICO – Information Commissioners Office	ICT – Information Communication Technology
IPBS- Intensive Positive Behavioural support	Iceberg–a visual representation of understanding the delivery of mental health services to children	IPC – Infection Prevention and Control
IFRS - International Financial Reporting Standards		
<b>J</b>		

JCVI – Joint Committee on Vaccination and Immunisation		
<b>L</b>		
LMC – Local Medical Committee	LHB – Local Health Board	LNC – Local Negotiating Committee
LES – Local Enhanced Service	LFD – Lateral Flow Device	LPS – Liberty Protection Safeguards
<b>M</b>		
MpMRI – multi-parametric magnetic resource imaging	MSK - Musculoskeletal	MDT – Multi Disciplinary Team
Myst – My Support team	MIU – Minor Injuries Unit	MAU – Medical Assessment Unit
MHLD – Mental Health and Learning Disabilities	MCA – Mental Capacity Act	MRSA - Methicillin Resistant Staphylococcus Aureus
MELO – Mental Health Resources Website		
<b>N</b>		
NCN – Neighbourhood Care Network	NHS – National Health Service	NEST - a strategic framework for the delivery of well being service for children – describing what all children need to thrive and what the systems around children also need. N- Nurture E-Empathy S – Support T – Trusted Adult.
NHH – Neville Hall Hospital	NWSSP – NHS Wales Shared Services Partnership	
<b>O</b>		
OD – Organisational Development	OOH – Out of Hours	OAK - Options, Advice and Knowledge
OT – Occupational Therapy		
<b>P</b>		



PSB – Public Service Board	PQSOC – Patient Quality, Safety and Outcomes Committee	POCU – Post Operative Care Unit
PHW – Public Health Wales	PCR – Polymerase Chain Reaction	POCT – Point of Care Testing
PIFU - Patient Initiated Follow-ups	PROMS – Patient Reported Outcome Measures	PPE – Personal Protective Equipment
PWP - Psychological Wellbeing Practitioners	PCMHSS - Primary Care Mental Health Services	PREMS - Patient Reported Experience Measures
PoC – Proof of Concept	PLO – Patient Liaison Officer	PTR – Putting Things Right
PSOW – Public Services Ombudsman Wales	PA – Physician Associate	PADR – Personal Appraisal Development Review
PTSD – Post Traumatic Stress Disorder	PCC – Patient Centred Care	
<b>R</b>		
RGH – Royal Gwent Hospital	RCS – Royal College of Surgeons	RATS – Remuneration and Terms of Service Committee
RTT – Referral to Treatment	RPB – Regional Partnership Board	RIIV - Research, Improvement, Innovation and Value
RITA - Reminiscence Interactive Technology Assistance	RCP - Royal College of Physicians	RIF – Regional Integration Fund
<b>S</b>		
SIRO – Senior Information Risk Owner	SoS – See on Symptoms	SRG – Stakeholder Reference Group
SC2HU – Step Closer to Home Unit	SAR – Subject Access Request	SPACE - development of single point of access for children and young adults
SI – Serious Incident		
<b>T</b>		
TUPF – Trade Union Partnership Forum	TVA – Torfaen Voluntary Alliance	
<b>U</b>		
UPC - Urgent Primary Care	UDA - Units of Dental Activity	

<b>V</b>		
VERS – Voluntary Early Release Scheme	VBHC – Value Based Healthcare	
<b>W</b>		
WASPI - Wales Accord on the Sharing of Personal Information	WG – Welsh Government	WHC – Welsh Health Circular
WHSSC – Welsh Health Specialised Services Committee	WPAS - Welsh Patient Administration System	WTE – Whole Time Equivalent
WHO – World Health Organisation		
<b>Y</b>		
YAB – Ysbyty Aneurin Bevan	YYF – Ysbyty Ystrad Fawr	

# ANEURIN BEVAN UNIVERSITY HEALTH BOARD

## FOREWORD

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

### Statutory background

The Local Health Board was established on 1st October 2009 following the merger of Gwent Healthcare NHS Trust and the following Local Health Boards.

Blaenau Gwent Local Health Board  
Caerphilly Local Health Board  
Monmouthshire Local Health Board  
Newport Local Health Board  
Torfaen Local Health Board

The Health Board covers the areas of Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen with a population of approximately 600,000 people. The Health Board has an annual budget from the Welsh Government of just over £1.6 billion per year from which we plan and deliver services for the population of the Health Board area. The Health Board, as well as providing services locally, works in partnership to seek to improve health and well-being in the area, particularly through our partnership arrangements to respond to the Social Services and Well-Being Act and the Well Being of Future Generations Act.

### 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 2021-22. 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	307,116	293,748
Expenditure on healthcare from other providers	3.2	474,153	463,401
Expenditure on Hospital and Community Health Services	3.3	1,004,067	950,978
		<b>1,785,336</b>	1,708,127
Less: Miscellaneous Income	4	(109,566)	(109,638)
<b>LHB net operating costs before interest and other gains and losses</b>		<b>1,675,770</b>	1,598,489
Investment Revenue	5	(18)	(16)
Other (Gains) / Losses	6	(530)	(232)
Finance costs	7	1,060	562
<b>Net operating costs for the financial year</b>		<b>1,676,282</b>	<b>1,598,803</b>

See note 2 on page 28 for details of performance against Revenue and Capital allocations.

The notes on pages 8 to 76 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	(47,165)	(9,960)
Net (gain)/loss on revaluation of right of use assets	(17)	
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	(47,182)	(9,960)
<b>Total comprehensive net expenditure for the year</b>	<b>1,629,100</b>	<b>1,588,843</b>

The notes on pages 8 to 76 form part of these accounts.

# Statement of Financial Position as at 31 March 2023

		31 March 2023 £000	31 March 2022 £000
	Notes		
<b>Non-current assets</b>			
Property, plant and equipment	11	869,541	810,479
Right of Use Assets	11.3	23,867	
Intangible assets	12	5,091	5,211
Trade and other receivables	15	77,466	125,697
Other financial assets	16	726	521
<b>Total non-current assets</b>		<b>976,691</b>	<b>941,908</b>
<b>Current assets</b>			
Inventories	14	9,576	8,726
Trade and other receivables	15	152,162	133,774
Other financial assets	16	58	33
Cash and cash equivalents	17	4,704	1,720
		<b>166,500</b>	<b>144,253</b>
Non-current assets classified as "Held for Sale"	11	0	0
<b>Total current assets</b>		<b>166,500</b>	<b>144,253</b>
<b>Total assets</b>		<b>1,143,191</b>	<b>1,086,161</b>
<b>Current liabilities</b>			
Trade and other payables	18	(222,124)	(223,290)
Other financial liabilities	19	0	0
Provisions	20	(87,280)	(63,283)
<b>Total current liabilities</b>		<b>(309,404)</b>	<b>(286,573)</b>
<b>Net current assets/ (liabilities)</b>		<b>(142,904)</b>	<b>(142,320)</b>
<b>Non-current liabilities</b>			
Trade and other payables	18	(20,692)	(3,709)
Other financial liabilities	19	0	0
Provisions	20	(81,186)	(132,424)
<b>Total non-current liabilities</b>		<b>(101,878)</b>	<b>(136,133)</b>
<b>Total assets employed</b>		<b>731,909</b>	<b>663,455</b>
<b>Financed by :</b>			
<b>Taxpayers' equity</b>			
General Fund		552,847	530,429
Revaluation reserve		179,062	133,026
<b>Total taxpayers' equity</b>		<b>731,909</b>	<b>663,455</b>

The financial statements on pages 2 to 7 were approved by the Board on 19 July 2023 and signed on its behalf by:

Chief Executive and Accountable Officer ..... Nicola Prygodzicz .....

Date:  
19 July 2023

The notes on pages 8 to 76 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
<b>Changes in taxpayers' equity for 2022-23</b>			
Balance as at 31 March 2022	530,429	133,026	<b>663,455</b>
NHS Wales Transfer	1,106	0	<b>1,106</b>
RoU Asset Transitioning Adjustment	820	0	<b>820</b>
<b>Balance at 1 April 2022</b>	<b>532,355</b>	<b>133,026</b>	<b>665,381</b>
Net operating cost for the year	(1,676,282)		<b>(1,676,282)</b>
Net gain/(loss) on revaluation of property, plant and equipment	0	47,165	<b>47,165</b>
Net gain/(loss) on revaluation of right of use assets	0	0	<b>0</b>
Net gain/(loss) on revaluation of intangible assets	0	0	<b>0</b>
Net gain/(loss) on revaluation of financial assets	0	0	<b>0</b>
Net gain/(loss) on revaluation of assets held for sale	0	0	<b>0</b>
Impairments and reversals	0	0	<b>0</b>
Other Reserve Movement	0	0	<b>0</b>
Transfers between reserves	1,129	(1,129)	<b>0</b>
Release of reserves to SoCNE	0	0	<b>0</b>
Transfers to/from LHBs	0	0	<b>0</b>
<b>Total recognised income and expense for 2022-23</b>	<b>(1,675,153)</b>	<b>46,036</b>	<b>(1,629,117)</b>
Net Welsh Government funding	1,667,210		<b>1,667,210</b>
Notional Welsh Government Funding	28,435		<b>28,435</b>
<b>Balance at 31 March 2023</b>	<b>552,847</b>	<b>179,062</b>	<b>731,909</b>

The notes on pages 8 to 76 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
<b>Changes in taxpayers' equity for 2021-22</b>			
<b>Balance at 31 March 2021</b>	512,572	124,005	<b>636,577</b>
NHS Wales Transfer	0	0	<b>0</b>
RoU Asset Transitioning Adjustment			
<b>Balance at 1 April 2021</b>	512,572	124,005	<b>636,577</b>
Net operating cost for the year	(1,598,803)		<b>(1,598,803)</b>
Net gain/(loss) on revaluation of property, plant and equipment	0	9,960	<b>9,960</b>
Net gain/(loss) on revaluation of right of use assets			
Net gain/(loss) on revaluation of intangible assets	0	0	<b>0</b>
Net gain/(loss) on revaluation of financial assets	0	0	<b>0</b>
Net gain/(loss) on revaluation of assets held for sale	0	0	<b>0</b>
Impairments and reversals	0	0	<b>0</b>
Other reserve movement	0	0	<b>0</b>
Transfers between reserves	939	(939)	<b>0</b>
Release of reserves to SoCNE	0	0	<b>0</b>
Transfers to/from LHBs	0	0	<b>0</b>
<b>Total recognised income and expense for 2021-22</b>	<b>(1,597,864)</b>	9,021	<b>(1,588,843)</b>
Net Welsh Government funding	1,588,806		<b>1,588,806</b>
Notional Welsh Government Funding	26,915		<b>26,915</b>
<b>Balance at 31 March 2022</b>	<b>530,429</b>	<b>133,026</b>	<b>663,455</b>

The notes on pages 8 to 76 form part of these accounts.



# Statement of Cash Flows for year ended 31 March 2023

		2022-23 £000	2021-22 £000
<b>Cash Flows from operating activities</b>	Notes		
Net operating cost for the financial year		(1,676,282)	(1,598,803)
Movements in Working Capital	27	26,776	(20,952)
Other cash flow adjustments	28	46,683	92,791
Provisions utilised	20	(15,442)	(10,474)
<b>Net cash outflow from operating activities</b>		<b>(1,618,265)</b>	<b>(1,537,438)</b>
<b>Cash Flows from investing activities</b>			
Purchase of property, plant and equipment		(39,158)	(52,999)
Proceeds from disposal of property, plant and equipment		591	3,347
Purchase of intangible assets		(1,932)	(930)
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
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(40,499)</b>	<b>(50,582)</b>
<b>Net cash inflow/(outflow) before financing</b>		<b>(1,658,764)</b>	<b>(1,588,020)</b>
<b>Cash Flows from financing activities</b>			
Welsh Government funding (including capital)		1,667,210	1,588,806
Capital receipts surrendered		0	0
Capital grants received		62	0
Capital element of payments in respect of finance leases and on-SoFP PFI Schemes		0	(887)
Capital element of payments in respect of on-SoFP PFI		(947)	0
Capital element of payments in respect of Right of Use Assets		(4,577)	
Cash transferred (to)/ from other NHS bodies		0	0
<b>Net financing</b>		<b>1,661,748</b>	<b>1,587,919</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>2,984</b>	<b>(101)</b>
<b>Cash and cash equivalents (and bank overdrafts) at 1 April 2022</b>		<b>1,720</b>	<b>1,821</b>
<b>Cash and cash equivalents (and bank overdrafts) at 31 March 2023</b>		<b>4,704</b>	<b>1,720</b>

The notes on pages 8 to 76 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 Note 34 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 therefrom can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the SoCNE on a systematic basis over the period expected to benefit from the project.

### 1.10 Non-current assets held for sale

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

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

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

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

### 1.11 Leases

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

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

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

On initial application 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.

Due to transitional provisions employed the requirements for identifying a lease within paragraphs 9 to 11 of IFRS 16 are not employed for leases in existence at the initial date of application. Leases entered into on or after the 1st April 2022 will be assessed under the requirements of IFRS 16.

There are further expedients or election that have been employed by 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 section 1.14 instead.



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 LHB 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 LHB 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 LHB as lessee**

At the commencement date for the leasing arrangement a lessee shall recognise a right of use asset and corresponding lease liability. The LHB 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 LHB 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 LHBs net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the LHBs 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 LHB has a present legal or constructive obligation as a result of a past event, it is probable that the LHB 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 LHB 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 LHB 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 LHB 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 Note 31 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 LHB accounts for all losses and special payments gross (including assistance from the WRP).

The LHB 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 LHB 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 organisation. Payments for services provided are accounted for as miscellaneous income. The LHB 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.

### **Monmouthshire County Council - Monnow Vale Health and Social Care Unit**

Funds are pooled for the provision of health and social care inpatient, outpatient, clinic and day care facilities to individuals who have medical, social, community or rehabilitation needs. The pool is hosted by Aneurin Bevan University Local Health Board. The financial operation of the pool is governed by a pooled budget agreement between the Local Health Board and Monmouthshire County Council. The income from Monmouthshire County Council is recorded as Local Authority Income in these accounts.

Expenditure for services provided under the arrangement is recorded under the appropriate expense headings in these accounts.

The property in which the unit is housed has been provided by a Private Finance Partner; the contract with the PFI partner is for 30 years and is categorised as an on balance sheet PFI scheme with the HB recognising **72%** of the property - see Note 32 of these accounts for further details.

### **The five Local Authorities in Gwent - Gwent Wide Integrated Community Equipment Service**

Funds are pooled for the provision of an efficient and effective GWICES (Gwent Wide Integrated Community Equipment Service) to service users who are resident in the partner localities. The pool is hosted by Torfaen County Borough Council. The Health Board makes a financial contribution to the scheme but does not account for the schemes expenditure or assets/liabilities generated by this expenditure.

The financial operation of the pool is governed by a pooled budget agreement between the bodies listed above and the Health Board. Payments for services provided by the host body, Torfaen County Borough Council, are accounted for as expenditure within these accounts

### **Monmouthshire County Council - Mardy Park Rehabilitation Centre**

Funds are pooled for the provision of care to individuals who have rehabilitation needs. The LHB has entered into a pooled budget with Monmouthshire County Council. The pool is hosted by Monmouthshire County Council.

### **The five Local Authorities in Gwent - Gwent Frailty Programme**

Funds are pooled for the purpose of establishing a consistent service across Gwent. The pool is hosted by Caerphilly County Borough Council, as lead commissioner. The financial operation of the pool is governed by a pooled budget agreement between the bodies listed above and the Health Board. Payments for services provided by the host body, Caerphilly County Borough Council, are accounted for as expenditure within these accounts. Additional information is provided in Note 32.

### **The five Local Authorities in Gwent and ABUHB – A pooled Fund for Care Home Accommodation functions for Older People**

Statutory Directions issued under section 169 of the Social Services and Wellbeing (Wales) Act 2014 required Partnership Bodies to enter into partnership arrangements and for the establishment and maintenance of pooled funds from April 2018, for the exercise of their Care Home Accommodation Functions.

The overarching strategic aim of this Agreement is: -

- To ensure coordinated arrangements for ensuring an integrated approach across the Partnership to the commissioning and arranging for Care Home Accommodation for Older People.
- To ensure provision of high quality, cost effective Care Home Accommodation which meets local health and social care needs, through the establishment of a pooled fund
- To develop a managed market approach to the supply of quality provision to meets the needs of Older People Care Home Accommodation.

Funds are pooled for the provision and commissioning of specified services for older people (>65 years of age) in a care home setting in Gwent. The pool has been hosted by Torfaen County Borough Council since August 2018.

The Health Board makes a financial contribution to the scheme equivalent to actual expenditure incurred in commissioning related placements in homes during the year, but in addition does incur minimal costs associated with a share of the services provided by the host organisation and these are accounted for as expenditure within these accounts.

### **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 LHB 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 LHB, 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;

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



The Health Board has provided for some £162m (£188m 2021/22) within note 20 in respect of potential clinical negligence and personal injury claims and associated defence fees. These provisions have been arrived at on the advice of NHS Wales Shared Services Partnership - Legal & Risk Services. Given the nature of such claims this figure could be subject to significant change in future periods. However, the potential financial effect of such uncertainty is mitigated by the fact that the LHB's ultimate liability in respect of individual cases is capped at £0.025m, with amounts above this excess level being reimbursed by the Welsh Risk Pool.

The Health Board has estimated a liability of 0.427m (£0.495m 2021/22) in respect of retrospective claims for Continuing Health Care funding. The estimated provision is based upon an assessment of the likelihood of claims meeting criteria for continuing health care and the actual costs incurred by individuals in care homes. The provision is based on information made available to the Health Board at the time of these accounts and could be subject to significant change as outcomes are determined.

Aneurin Bevan University Local Health Board has reviewed its portfolio of outstanding claims for continuing healthcare and made an assessment of likely financial liability based on an estimated success factor, eligibility factor and expected weekly average costs of claims. The assumptions have been derived by reviewing a sample of claims.

Primary care expenditure includes estimates for areas which are paid in arrears and not finalised at the time of producing the accounts. These estimates relate to GMS Quality Assurance and Improvement Framework, GMS Enhanced Services, and pharmacy estimates, which are based on an assessment of likely final performance.

#### **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.

Within the Provisions Note (note 20) the amount relating to Early Retirements and Permanent Injury benefits has been discounted using the PES (2021) Post Employment Benefits Liabilities Real Rate in Excess of CPI of 1.70%.

## 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 LHB 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 LHBs SoFP.

### **1.26.5. Other assets contributed by the LHB operator**

Assets contributed (e.g. cash payments, surplus property) by the LHB 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 LHB, 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 LHB through the asset being made available to third party users.

### **Other PFI arrangements off Statement of Financial Position**

Where the LHB has no control or residual interest in the assets and the balance of risks and rewards lie with the operator, the arrangement is treated as an operating lease and the costs are included in the SoCNE as incurred. The LHB has one such arrangement relating to the maintenance of the energy systems in Nevill Hall Hospitals.

### **Joint PFI contract**

The LHB has entered into an agreement to share a facility, provided by a Private Finance Partner, with Monmouthshire County Council to match the agreement with the Private Finance Partner. The arrangement is treated as a PFI arrangement and the total obligation is included as a liability of the LHB. The contribution towards the unitary charge committed by Monmouthshire County Council is treated as a financial asset. The future contribution was measured initially at the same amount as the fair value of the share of the PFI asset and is subsequently measured as a finance lease.

### **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 LHB, 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 LHB. 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 LHB has established that as it is the corporate trustee of the Aneurin Bevan University LHB NHS Charitable Fund, it is considered for accounting standards compliance to have control of the Aneurin Bevan University LHB NHS Charitable Fund as a subsidiary and therefore is required to consolidate the results of the Aneurin Bevan University LHB NHS Charitable Fund within the statutory accounts of the LHB.

However, the LHB 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.

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

## 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 £000	2021-22 £000	2022-23 £000	Total £000
<b>Net operating costs for the year</b>	1,551,819	1,598,803	1,676,282	4,826,904
Less general ophthalmic services expenditure and other non-cash limited expenditure	(1,423)	(58)	148	(1,333)
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	1,550,396	1,598,745	1,676,430	4,825,571
Revenue Resource Allocation	1,550,641	1,598,994	1,639,588	4,789,223
<b>Under /(over) spend against Allocation</b>	245	249	(36,842)	(36,348)

Aneurin Bevan University LHB 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 will, in dialogue with Welsh Government, confirm the implications for reporting this deficit as part of the 2023/24 IMTP.

The health board received £23m of strategic cash support in 2022-23.

### 2.2 Capital Resource Performance

	2020-21 £000	2021-22 £000	2022-23 £000	Total £000
	2020-21 £000	2021-22 £000	2022-23 £000	Total £000
<b>Gross capital expenditure</b>	112,376	52,167	41,028	205,571
Add: Losses on disposal of donated assets	0	0	2	2
Less NBV of property, plant and equipment and intangible assets disposed	(884)	(3,115)	(61)	(4,060)
Less capital grants received	(333)	(22)	(62)	(417)
Less donations received	(201)	(166)	(227)	(594)
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	110,958	48,864	40,680	200,502
Capital Resource Allocation	110,971	48,914	40,723	200,608
<b>(Over) / Underspend against Capital Resource Allocation</b>	13	50	43	106

Aneurin Bevan University LHB 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 Minister for Health and Social Services extant approval

**Status**  
**Date**

**Approved**  
13/07/2022

The LHB has therefore met its statutory duty to have an approved Integrated Medium Term 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:

	<b>2022-23</b>	2021-22
Total number of non-NHS bills paid	<b>371,943</b>	322,710
Total number of non-NHS bills paid within target	<b>354,020</b>	306,680
Percentage of non-NHS bills paid within target	95.2%	95.0%

**The LHB has 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	116,217		116,217	112,524
Pharmaceutical Services	31,959	(6,686)	25,273	25,082
General Dental Services	39,817		39,817	38,030
General Ophthalmic Services	2,328	6,538	8,866	9,343
Other Primary Health Care expenditure	2,612		2,612	2,487
Prescribed drugs and appliances	114,331		114,331	106,282
<b>Total</b>	<b>307,264</b>	<b>(148)</b>	<b>307,116</b>	<b>293,748</b>

##### Note 3.1 - Expenditure on Primary Healthcare Services

The General Medical Services expenditure includes £16,406k (2021/22 £12,860k) in relation to staff salaries, the General Dental Services expenditure includes £3,032k (2021/22 £1,732k) in relation to staff salaries, the Prescribed Drugs & Appliance expenditure includes £329k (2021/22 £334k) in relation to staff salaries, and the General Ophthalmic Services includes £8k (2021/22 £10k) in relation to staff salaries.

#### 3.2 Expenditure on healthcare from other providers

	2022-23 £000	2021-22 £000
Goods and services from other NHS Wales Health Boards	63,968	62,504
Goods and services from other NHS Wales Trusts	43,527	45,812
Goods and services from Welsh Special Health Authorities	0	0
Goods and services from other non Welsh NHS bodies	10,092	9,321
Goods and services from WHSSC / EASC	198,320	177,035
Local Authorities	47,685	50,403
Voluntary organisations	9,260	18,825
NHS Funded Nursing Care	9,681	9,157
Continuing Care	86,006	83,675
Private providers	5,392	6,535
Specific projects funded by the Welsh Government	0	0
Other	222	134
<b>Total</b>	<b>474,153</b>	<b>463,401</b>

##### Local Authorities expenditure relates to the following bodies:

	£'000	£'000
Blaenau Gwent County Borough Council	4,331	5,048
Caerphilly County Borough Council	17,867	19,080
Monmouthshire County Council	8,334	5,531
Newport City Council	10,252	12,204
Torfaen County Borough Council	6,790	8,460
Gloucestershire County Council	111	21
Vale of Glamorgan Council	0	58
Swindon Borough Council	0	1
	<b>47,685</b>	<b>50,403</b>



### 3.3 Expenditure on Hospital and Community Health Services

	2022-23	2021-22
	£000	£000
Directors' costs	2,374	2,243
Operational Staff costs	729,603	695,903
Single lead employer Staff Trainee Cost	30,104	16,109
Collaborative Bank Staff Cost	0	0
Supplies and services - clinical	120,657	116,736
Supplies and services - general	20,123	21,699
Consultancy Services	327	175
Establishment	6,928	8,101
Transport	1,942	2,257
Premises	48,310	42,463
External Contractors	0	0
Depreciation	42,936	41,158
Depreciation (Right of Use assets RoU)	4,479	
Amortisation	2,859	2,517
Fixed asset impairments and reversals (Property, plant & equipment)	(19,470)	(12,619)
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	421	396
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	1,526	2,831
Research and Development	0	0
Expense related to short-term leases	552	
Expense related to low-value asset leases (excluding short-term leases)	858	
Other operating expenses	9,538	11,009
<b>Total</b>	<b>1,004,067</b>	<b>950,978</b>

The Health Board spent 2.7m (£2.2m 2021/22) on Research and Development. The majority of this spend relates to staff £2.2M (£2.1m 2021/22) which along with the non-staff spend is reflected under the various headings within note 3.3. During 2022-23 Research and Development income received was £2.6m including £1.6m received from Welsh Government.

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

	2022-23	2021-22
	£000	£000
<b>Increase/(decrease) in provision for future payments:</b>		
Clinical negligence;		
Secondary care	(3,578)	39,857
Primary care	38	84
Redress Secondary Care	478	185
Redress Primary Care	0	0
Personal injury	193	1,441
All other losses and special payments	34	665
Defence legal fees and other administrative costs	1,184	1,259
Gross increase/(decrease) in provision for future payments	(1,651)	43,491
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	(104)	(65)
<b>Less: income received/due from Welsh Risk Pool</b>	<b>3,281</b>	<b>(40,595)</b>
<b>Total</b>	<b>1,526</b>	<b>2,831</b>

	2022-23	2021-22
	£	£
Permanent injury included within personal injury	(285,049)	208,625

Note 3.4 includes £615,848 (£510,040 2021/22) relating to Redress cases which represents 81 (66 2021/22) cases where payments were made in year totalling £275,664 (£383,813 2021/22) including defence fees. An additional provision has been created for a further 50 (20 2021/22) cases where an offer has been made or causation and breach have been proven with estimated costs of £340,184 (£126,227 2021/22).

Note 3.3 includes a credit relating to reversals of impairment of fixed assets. This is primarily as a result of the 2022-23 Quinquennial revaluations of land and buildings. Further to the revaluations, indexation was applied during 2022-23 using rates provided by the District Valuation Office. Land rates fell by 4 percentage points and buildings rose by 4.75 percentage points. The detailed figures can be found in note 13.

#### 4. Miscellaneous Income

	2022-23 £000	2021-22 £000
Local Health Boards	20,509	21,743
Welsh Health Specialised Services Committee (WHSSC)/Emergency Ambulance Services Committee (EASC)	11,521	9,772
NHS Wales trusts	10,652	9,626
Welsh Special Health Authorities	13,782	12,313
Foundation Trusts	22	9
Other NHS England bodies	1,469	1,441
Other NHS Bodies	58	36
Local authorities	19,078	20,520
Welsh Government	4,622	8,060
Welsh Government Hosted bodies	0	0
Non NHS:		
Prescription charge income	0	0
Dental fee income	4,848	3,463
Private patient income	27	(3)
Overseas patients (non-reciprocal)	42	16
Injury Costs Recovery (ICR) Scheme	1,022	986
Other income from activities	837	822
Patient transport services	0	0
Education, training and research	2,043	4,088
Charitable and other contributions to expenditure	1,048	930
Receipt of NWSSP Covid centrally purchased assets	0	0
Receipt of Covid centrally purchased assets from other organisations	0	0
Receipt of donated assets	210	166
Receipt of Government granted assets	62	22
Right of Use Grant (Peppercorn Lease)	17	
Non-patient care income generation schemes	100	112
NHS Wales Shared Services Partnership (NWSSP)	0	0
Deferred income released to revenue	0	0
Right of Use Asset Sub-leasing rental income	0	
Contingent rental income from finance leases	0	0
Rental income from operating leases	226	0
Other income:		
Provision of laundry, pathology, payroll services	102	73
Accommodation and catering charges	3,103	2,194
Mortuary fees	375	285
Staff payments for use of cars	617	682
Business Unit	0	0
Scheme Pays Reimbursement Notional	(615)	756
Other	13,789	11,526
<b>Total</b>	<b>109,566</b>	<b>109,638</b>
Other income Includes;		
Salary Sacrifice Schemes & Fleet Vehicles	4,265	3,193
VAT recoveries re Business Activities and Contracted Out Services	1,523	2,011
Integrated Care Fund	4,894	2,164
Other	3,107	4,158

<b>Total</b>	<b>13,789</b>	<b>11,526</b>
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#### Injury Cost Recovery (ICR) Scheme income

	2022-23 %	2021-22 %
To reflect expected rates of collection ICR income is subject to a provision for impairment of:	24.86	23.76

## 5. Investment Revenue

	2022-23 £000	2021-22 £000
<b>Rental revenue :</b>		
PFI Finance lease income		
planned	0	0
contingent	0	0
Other finance lease revenue	0	0
<b>Interest revenue :</b>		
Bank accounts	0	0
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	18	16
<b>Total</b>	<b>18</b>	<b>16</b>

## 6. Other gains and losses

	2022-23 £000	2021-22 £000
Gain/(loss) on disposal of property, plant and equipment	530	237
Gain/(loss) on disposal of intangible assets	0	(32)
Gain/(loss) on disposal of assets held for sale	0	27
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
<b>Total</b>	<b>530</b>	<b>232</b>

## 7. Finance costs

	2022-23 £000	2021-22 £000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	0	2
Interest on obligations under Right of Use Leases	232	
Interest on obligations under PFI contracts;		
main finance cost	239	269
contingent finance cost	471	387
Interest on late payment of commercial debt	0	0
Other interest expense	0	0
<b>Total interest expense</b>	<b>942</b>	<b>658</b>
Provisions unwinding of discount	118	(96)
Other finance costs	0	0
<b>Total</b>	<b>1,060</b>	<b>562</b>

## 8. Future change to SoCNE/Operating Leases

### LHB as lessee

As at 31st March 2023 the LHB had 2 operating leases agreements in place for the lease of premises, 554 arrangements in respect of equipment and 206 in respect of vehicles with 3 property, 122 equipment and 130 vehicle leases having expired in year.

	Post Implementation of IFRS 16		Pre implementation of IFRS 16
	Low Value & Short Term	Other	
Payments recognised as an expense	2022-23	2022-23	2021-22
	£000	£000	£000
Minimum lease payments	1,487	0	6,245
Contingent rents	0	0	0
Sub-lease payments	0	0	0
<b>Total</b>	<b>1,487</b>	<b>0</b>	<b>6,245</b>

### Total future minimum lease payments

Payable	£000	£000	£000
Not later than one year	864	0	4,358
Between one and five years	612	0	10,468
After 5 years	0	0	8,847
<b>Total</b>	<b>1,476</b>	<b>0</b>	<b>23,673</b>

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 £4,895k and Minimum lease Payments £21,634k 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	226	196
Contingent rents	0	0
<b>Total revenue rental</b>	<b>226</b>	<b>196</b>

### Total future minimum lease payments

Receivable	£000	£000
Not later than one year	252	192
Between one and five years	964	739
After 5 years	1,236	844
<b>Total</b>	<b>2,452</b>	<b>1,775</b>

## 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	539,172	1,964	57,339	24,987	0	3,547	627,009	586,999
Social security costs	59,244	0	0	3,005	0	0	62,249	54,686
Employer contributions to NHS Pension Scheme	90,084	0	0	3,160	0	0	93,244	88,348
Other pension costs	365	0	0	0	0	0	365	123
Other employment benefits	0	0	0	0	0	0	0	0
Termination benefits	0	0	0	0	0	0	0	0
<b>Total</b>	<b>688,865</b>	<b>1,964</b>	<b>57,339</b>	<b>31,152</b>	<b>0</b>	<b>3,547</b>	<b>782,867</b>	<b>730,156</b>

Charged to capital	1,011	964
Charged to revenue	781,856	729,192
	<b>782,867</b>	<b>730,156</b>
Net movement in accrued employee benefits (untaken staff leave)	(12)	2,571
Covid 19 - Net movement in accrued employee benefits (untaken staff leave)		2,474
Non Covid 19 - Net movement in accrued employee benefits (untaken staff leave)		97

The staff under the 'Other' heading relate to Agency Medical Staff who are paid via a direct engagement scheme which commenced in January 2020.

The net movement in COVID annual leave was a release of £16.243m in year, which included a release of £1.049m in relation to Specialist Trainees.

## 9.2 Average number of employees

	Permanent Staff Number	Staff on Inward Secondment Number	Agency Staff Number	Specialist Trainee (SLE) Number	Collaborative Bank Staff Number	Other Number	Total Number	2021-22 Number
Administrative, clerical and board members	2,677	20	30	0	0	0	2,727	2,582
Medical and dental	758	6	82	393	0	20	1,259	1,234
Nursing, midwifery registered	3,736	7	248	0	0	0	3,991	4,051
Professional, Scientific, and technical staff	460	0	2	0	0	0	462	436
Additional Clinical Services	2,668	0	209	0	0	0	2,877	2,792
Allied Health Professions	802	0	27	0	0	0	829	804
Healthcare Scientists	230	4	11	0	0	0	245	243
Estates and Ancillary	975	0	171	0	0	0	1,146	1,145
Students	10	0	0	0	0	0	10	4
<b>Total</b>	<b>12,316</b>	<b>37</b>	<b>780</b>	<b>393</b>	<b>0</b>	<b>20</b>	<b>13,546</b>	<b>13,291</b>

## 9.3. Retirements due to ill-health

	2022-23	2021-22
Number	14	2
Estimated additional pension costs £	606,310	74,988

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 Health Board does not have an employee benefit scheme.

# 9.5 Reporting of other compensation schemes - exit packages

	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	0
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	1	1	0	2
£50,000 to £100,000	0	0	0	0	1
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	1	1	0	3

	2022-23	2022-23	2022-23	2022-23	2021-22
Exit packages cost band (including any special payment element)	Cost of compulsory redundancies	Cost of other departures	Total cost of exit packages	Cost of special element included in exit packages	Total cost of exit packages
	£	£	£	£	£
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	32,197	32,197	0	85,839
£50,000 to £100,000	0	0	0	0	76,771
£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	32,197	32,197	0	162,610

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

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.

The Health Board has approved VERS in 2022/23.

Additional requirement as per FReM

£194,807 exit costs were paid in 2022-23, relating to 3 cases in 2021/22 and 1 case re 2022/23, the year of departure (£0 - 2021-22).

## 9.6 Fair Pay disclosures

### 9.6.1 Remuneration Relationship

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

	2022-23 £000 Chief	2022-23 £000 Employee	2022-23 £000 Ratio	2021-22 £000 Chief	2021-22 £000 Employee	2021-22 £000 Ratio
<b>Total pay and benefits</b>	<b>Executive</b>	<b>Employee</b>	<b>Ratio</b>	<b>Executive</b>	<b>Employee</b>	<b>Ratio</b>
25th percentile pay ratio	215 - 220	26	8.3	200 - 205	25	8.1
Median pay	215 - 220	33	6.5	200 - 205	32	6.3
75th percentile pay ratio	215 - 220	43	5.0	200 - 205	42	4.8
<b>Salary component of total pay and benefits</b>						
25th percentile pay ratio	215 - 220	26		200 - 205	25	
Median pay	215 - 220	33		200 - 205	32	
75th percentile pay ratio	215 - 220	43		200 - 205	42	
	<b>Highest Paid</b>	<b>Employee</b>	<b>Ratio</b>	<b>Highest Paid</b>	<b>Employee</b>	<b>Ratio</b>
<b>Total pay and benefits</b>	<b>Director</b>	<b>Employee</b>	<b>Ratio</b>	<b>Director</b>	<b>Employee</b>	<b>Ratio</b>
25th percentile pay ratio	215 - 220	26	8.3	200 - 205	25	8.1
Median pay	215 - 220	33	6.5	200 - 205	32	6.3
75th percentile pay ratio	215 - 220	43	5.0	200 - 205	42	4.8
<b>Salary component of total pay and benefits</b>						
25th percentile pay ratio	215 - 220	26		200 - 205	25	
Median pay	215 - 220	33		200 - 205	32	
75th percentile pay ratio	215 - 220	43		200 - 205	42	

In 2022-23, 15 (2021-22, 7) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £14k to £416k (2021-22, £19k to £338k).

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

### Financial year summary

There has been an increase in the pay ratio which attributable to the increase in the chief executive / highest paid director salary being greater than the increase in the employee median salary.

The median pay ratio for the relevant financial year is consistent with the pay, reward and progression policies for the entity's employees taken as a whole.

### 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	7	(2)
Performance pay and bonuses	0	0
% Change from previous financial year in respect of highest paid director		
Salary and allowances	7	(2)
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](http://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 Number	2022-23 £000	2021-22 Number	2021-22 £000
<b>NHS</b>				
Total bills paid	4,740	380,000	4,776	342,787
Total bills paid within target	4,198	360,894	4,154	328,582
Percentage of bills paid within target	88.6%	95.0%	87.0%	95.9%
<b>Non-NHS</b>				
Total bills paid	371,943	651,605	322,710	632,798
Total bills paid within target	354,020	624,146	306,680	603,323
Percentage of bills paid within target	95.2%	95.8%	95.0%	95.3%
<b>Total</b>				
Total bills paid	376,683	1,031,605	327,486	975,585
Total bills paid within target	358,218	985,040	310,834	931,905
Percentage of bills paid within target	95.1%	95.5%	94.9%	95.5%

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

	2022-23 £	2021-22 £
Amounts included within finance costs (note 7) from claims made under this legislation	0	0
Compensation paid to cover debt recovery costs under this legislation	413	77
<b>Total</b>	<b>413</b>	<b>77</b>

# 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	78,456	691,679	3,030	23,203	130,298	546	39,785	4,184	971,181
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	(32)	(392)	0	0	0	0	(517)	0	(941)
<b>Cost or valuation at 1 April 2022</b>	<b>78,424</b>	<b>691,287</b>	<b>3,030</b>	<b>23,203</b>	<b>130,298</b>	<b>546</b>	<b>39,268</b>	<b>4,184</b>	<b>970,240</b>
Indexation	(2,002)	16,637	22	0	0	0	0	0	14,657
Additions									
- purchased	0	4,259	53	22,262	4,961	0	4,937	112	36,584
- donated	0	0	0	0	109	0	63	38	210
- government granted	0	44	0	0	18	0	0	0	62
Transfer from/into other NHS bodies	0	0	0	0	1,106	0	0	0	1,106
Reclassifications	0	6,811	0	(8,529)	(56)	0	46	10	(1,718)
Revaluations	3,694	(26,767)	(715)	0	0	0	0	0	(23,788)
Reversal of impairments	0	8,529	(153)	0	0	0	0	0	8,376
Impairments	(2,608)	(4,604)	0	0	0	0	0	0	(7,212)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(18,246)	0	(1,004)	(182)	(19,432)
<b>At 31 March 2023</b>	<b>77,508</b>	<b>696,196</b>	<b>2,237</b>	<b>36,936</b>	<b>118,190</b>	<b>546</b>	<b>43,310</b>	<b>4,162</b>	<b>979,085</b>
Depreciation at 31 March bf	0	74,177	415	0	66,042	470	18,529	1,069	160,702
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	(108)	0	0	0	0	(13)	0	(121)
<b>Depreciation at 1 April 2022</b>	<b>0</b>	<b>74,069</b>	<b>415</b>	<b>0</b>	<b>66,042</b>	<b>470</b>	<b>18,516</b>	<b>1,069</b>	<b>160,581</b>
Indexation	0	53	0	0	0	0	0	0	53
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	(10)	0	7	3	0
Revaluations	0	(56,103)	(246)	0	0	0	0	0	(56,349)
Reversal of impairments	0	(17,935)	(168)	0	0	0	0	0	(18,103)
Impairments	0	(203)	0	0	0	0	0	0	(203)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(18,185)	0	(1,004)	(182)	(19,371)
Provided during the year	0	22,241	293	0	13,152	32	6,805	413	42,936
<b>At 31 March 2023</b>	<b>0</b>	<b>22,122</b>	<b>294</b>	<b>0</b>	<b>60,999</b>	<b>502</b>	<b>24,324</b>	<b>1,303</b>	<b>109,544</b>
<b>Net book value at 1 April 2022</b>	<b>78,424</b>	<b>617,218</b>	<b>2,615</b>	<b>23,203</b>	<b>64,256</b>	<b>76</b>	<b>20,752</b>	<b>3,115</b>	<b>809,659</b>
<b>Net book value at 31 March 2023</b>	<b>77,508</b>	<b>674,074</b>	<b>1,943</b>	<b>36,936</b>	<b>57,191</b>	<b>44</b>	<b>18,986</b>	<b>2,859</b>	<b>869,541</b>
<b>Net book value at 31 March 2023 comprises :</b>									
Purchased	74,353	672,131	1,943	36,936	56,328	44	18,905	2,809	863,449
Donated	3,155	1,746	0	0	608	0	81	50	5,640
Government Granted	0	197	0	0	255	0	0	0	452
<b>At 31 March 2023</b>	<b>77,508</b>	<b>674,074</b>	<b>1,943</b>	<b>36,936</b>	<b>57,191</b>	<b>44</b>	<b>18,986</b>	<b>2,859</b>	<b>869,541</b>
<b>Asset financing :</b>									
Owned	77,508	668,777	1,943	36,936	57,049	44	18,986	2,859	864,102
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts	0	5,297	0	0	142	0	0	0	5,439
PFI residual interests	0	0	0	0	0	0	0	0	0
<b>At 31 March 2023</b>	<b>77,508</b>	<b>674,074</b>	<b>1,943</b>	<b>36,936</b>	<b>57,191</b>	<b>44</b>	<b>18,986</b>	<b>2,859</b>	<b>869,541</b>

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

	£000
Freehold	748,040
Long Leasehold	5,410
Short Leasehold	75
	<b>753,525</b>

Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account.

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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
<b>Cost or valuation at 1 April 2021</b>	76,903	643,590	2,783	23,260	124,444	548	36,112	4,867	912,507
Indexation	1,486	9,910	67	0	0	0	0	0	11,463
Additions									
- purchased	0	9,173	115	17,912	15,831	0	7,286	497	50,814
- donated	0	0	0	0	152	0	14	0	166
- government granted	0	0	0	0	22	0	0	0	22
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	17,726	0	(17,798)	0	0	72	0	0
Revaluations	0	(668)	0	0	0	0	0	0	(668)
Reversal of impairments	67	20,451	65	0	0	0	0	0	20,583
Impairments	0	(8,503)	0	(171)	0	0	0	0	(8,674)
Reclassified as held for sale	0	0	0	0	(91)	0	0	0	(91)
Disposals	0	0	0	0	(10,060)	(2)	(3,699)	(1,180)	(14,941)
<b>At 31 March 2022</b>	<b>78,456</b>	<b>691,679</b>	<b>3,030</b>	<b>23,203</b>	<b>130,298</b>	<b>546</b>	<b>39,785</b>	<b>4,184</b>	<b>971,181</b>
<b>Depreciation at 1 April 2021</b>	0	51,563	314	0	62,413	439	16,061	1,782	132,572
Indexation	0	1,508	8	0	0	0	0	0	1,516
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	(681)	0	0	0	0	0	0	(681)
Reversal of impairments	0	684	6	0	0	0	0	0	690
Impairments	0	(1,400)	0	0	0	0	0	0	(1,400)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(8,355)	(2)	(3,616)	(1,180)	(13,153)
Provided during the year	0	22,503	87	0	11,984	33	6,084	467	41,158
<b>At 31 March 2022</b>	<b>0</b>	<b>74,177</b>	<b>415</b>	<b>0</b>	<b>66,042</b>	<b>470</b>	<b>18,529</b>	<b>1,069</b>	<b>160,702</b>
<b>Net book value at 1 April 2021</b>	<b>76,903</b>	<b>592,027</b>	<b>2,469</b>	<b>23,260</b>	<b>62,031</b>	<b>109</b>	<b>20,051</b>	<b>3,085</b>	<b>779,935</b>
<b>Net book value at 31 March 2022</b>	<b>78,456</b>	<b>617,502</b>	<b>2,615</b>	<b>23,203</b>	<b>64,256</b>	<b>76</b>	<b>21,256</b>	<b>3,115</b>	<b>810,479</b>
<b>Net book value at 31 March 2022 comprises :</b>									
Purchased	75,349	615,715	2,615	23,203	63,317	76	21,228	3,095	804,598
Donated	3,107	1,655	0	0	645	0	28	20	5,455
Government Granted	0	132	0	0	294	0	0	0	426
<b>At 31 March 2022</b>	<b>78,456</b>	<b>617,502</b>	<b>2,615</b>	<b>23,203</b>	<b>64,256</b>	<b>76</b>	<b>21,256</b>	<b>3,115</b>	<b>810,479</b>
<b>Asset financing :</b>									
Owned	78,456	610,791	2,615	23,203	64,000	76	20,752	3,115	803,008
Held on finance lease	0	0	0	0	0	0	504	0	504
On-SoFP PFI contracts	0	6,711	0	0	256	0	0	0	6,967
PFI residual interests	0	0	0	0	0	0	0	0	0
<b>At 31 March 2022</b>	<b>78,456</b>	<b>617,502</b>	<b>2,615</b>	<b>23,203</b>	<b>64,256</b>	<b>76</b>	<b>21,256</b>	<b>3,115</b>	<b>810,479</b>
<b>The net book value of land, buildings and dwellings at 31 March 2022 comprises :</b>									
Freehold									£000
Long Leasehold									691,251
Short Leasehold									7,179
									143
									<b>698,573</b>

Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account.

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The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation has been prepared in accordance with the terms of the Royal Institute of Chartered Surveyors Valuation Standards, 6th Edition. LHBs are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

## 11. Property, plant and equipment (continued)

### Disclosures:

#### i) Donated Assets

Assets totalling £272k during the year were purchased via Charitable Funds donations and contributions from ABUHB R&D income, Nevill Hall Creche and Sparkle.

#### 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.

In 2022-23 indexation has been applied to the land and buildings based on indices received from the Valuation Office Agency and as agreed in the Technical Update Note 006 issued by Welsh Government on 29th March 2023. No indexation has been applied to equipment.

In addition, in 2022-23 there have been separate revaluations for four assets under construction coming into use. The most significant of these is the opening of the Same Day Emergency Care Unit (SDEC) at Grange University Hospital, with the others relating to the Children's A&E extension at GUH, Ante Natal relocation at Nevill Hall Hospital, and Refurbishment of Ward B6 at Royal Gwent Hospital.

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

#### v) Write Downs

The Health Board is required to assess whether it owns any surplus assets which have no sale restrictions and plans for future use to comply with IFRS 13. No such assets were identified in 2022-23, therefore no write downs are applicable.

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 no assets held for sale or sold in the period.

#### Reinforced Autoclaved Aerated Concrete (RAAC)

The detailed extent and condition of the NHS Wales organisations identified as having Reinforced Autoclaved Aerated Concrete (RAAC), has yet to be completed. Thus to make an informed assessment to determine the remaining life assessment of the buildings further work is required. This work is being undertaken at present across all of the NHS Estate (which will hopefully be completed by late summer 2023) which will enable such an assessment to be made for the 23-24 financial year

# 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
<b>Balance brought forward 1 April 2022</b>	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
<b>Balance carried forward 31 March 2023</b>	0	0	0	0	0	0
<b>Balance brought forward 1 April 2021</b>	337	782	86	0	0	1,205
Plus assets classified as held for sale in the year	0	0	91	0	0	91
Revaluation	0	0	0	0	0	0
Less assets sold in the year	(337)	(782)	(177)	0	0	(1,296)
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
<b>Balance carried forward 31 March 2022</b>	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, six are significant in their own right:

- Blaenavon Primary Care Resource Centre (LHB lease) held under Land & Buildings NBV at 31 March 2023 £1,468k
- Brynmawr Medical Centre held under Land & Buildings NBV at 31 March 2023 £2,839k
- Rhyymney Integrated H&SC Resource Centre (LHB lease) held under Land & Buildings NBV at 31 March 2023 £2,732k
- Blaenavon Primary Care Resource Centre (managed GP practice lease) held under Land & Buildings NBV at 31 March 2023 £1,242k
- Biochemistry Managed Service Contract held under Plant & Machinery NBV at 31 March 2023 £2,709k

	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>2022-23</b>									
<b>Cost or valuation at 31 March</b>	0	0	0	0	0	0	0	0	0
Lease prepayments in relation to RoU Assets	0	266	0	0	157	18	0	0	441
Transfer of Finance Leases from PPE Note	0	424	0	0	0	0	517	0	941
Operating Leases Transitioning	813	15,071	0	0	6,853	342	1,143	0	24,222
<b>Cost or valuation at 1 April</b>	813	15,761	0	0	7,010	360	1,660	0	25,604
Additions	0	1,471	0	0	1,463	199	0	0	3,133
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	-91	0	0	0	0	0	0	-91
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	-287	0	0	0	0	0	0	-287
<b>At 31 March</b>	813	16,854	0	0	8,473	559	1,660	0	28,359
<b>Depreciation at 31 March</b>	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases from PPE Note	0	108	0	0	0	0	13	0	121
Operating Leases Transitioning	0	0	0	0	0	0	0	0	0
<b>Depreciation at 1 April</b>	0	108	0	0	0	0	13	0	121
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	-108	0	0	0	0	0	0	-108
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	98	2,118	0	0	1,519	269	475	0	4,479
<b>At 31 March</b>	98	2,118	0	0	1,519	269	488	0	4,492
<b>Net book value at 1 April</b>	813	15,653	0	0	7,010	360	1,647	0	25,483
<b>Net book value at 31 March</b>	715	14,736	0	0	6,954	290	1,172	0	23,867
<b>RoU Asset Total Value Split by Lessor</b>									
<b>Lessor</b>	Land £000	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	704	314	0	0	0	0	0	0	1,018
Other Public Sector Market Value Leases	11	1,875	0	0	0	0	0	0	1,886
Private Sector Peppercorn Leases	0	0	0	0	0	0	0	0	0
Private Sector Market Value Leases	0	12,547	0	0	6,954	290	1,172	0	20,963
<b>Total</b>	715	14,736	0	0	6,954	290	1,172	0	23,867

### 11.3 Right of Use Assets continued

#### Quantitative disclosures

##### Maturity analysis

<b>Contractual undiscounted cash flows relating to lease liabilities</b>	<b>£000</b>
Less than 1 year	4235
2-5 years	10489
> 5 years	8948
<b>Total</b>	<b>23672</b>

##### Lease Liabilities (net of irrecoverable VAT)

	<b>£000</b>
Current	4008
Non-Current	18464
<b>Total</b>	<b>22472</b>

##### Amounts Recognised in Statement of Comprehensive Net Expenditure

	<b>£000</b>
Depreciation	4479
Impairment	0
Variable lease payments not included in lease liabilities - Interest expense	232
Sub-leasing income	-2
Expense related to short-term leases	552
Expense related to low-value asset leases (excluding short-term leases)	858

##### Amounts Recognised in Statement of Cashflows (net of irrecoverable VAT )

	<b>£000</b>
Interest expense	232
Repayments of principal on leases	4577
<b>Total</b>	<b>4809</b>

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 the 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	1,838	0	7,535	0	0	0	9,373
Revaluation	0	0	0	0	0	0	0
Reclassifications	1,718	0	0	0	0	0	1,718
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions- purchased	66	0	955	0	0	0	1,021
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	(75)	0	(718)	0	0	0	(793)
<b>Gross cost at 31 March 2023</b>	<b>3,547</b>	<b>0</b>	<b>7,772</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,319</b>
Amortisation at 1 April 2022	714	0	3,448	0	0	0	4,162
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	490	0	2,369	0	0	0	2,859
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	(75)	0	(718)	0	0	0	(793)
<b>Amortisation at 31 March 2023</b>	<b>1,129</b>	<b>0</b>	<b>5,099</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,228</b>
<b>Net book value at 1 April 2022</b>	<b>1,124</b>	<b>0</b>	<b>4,087</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,211</b>
<b>Net book value at 31 March 2023</b>	<b>2,418</b>	<b>0</b>	<b>2,673</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,091</b>
<b>NBV at 31 March 2023</b>							
Purchased	2,418	0	2,673	0	0	0	5,091
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
<b>Total at 31 March 2023</b>	<b>2,418</b>	<b>0</b>	<b>2,673</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,091</b>

## 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 31 March bf	0	0	0	0	0	0	0
NHS Wales Transfers	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0
<b>Cost or valuation at 1 April 2021</b>	<b>2,443</b>	<b>0</b>	<b>7,161</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,604</b>
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	59	0	1,106	0	0	0	1,165
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	(664)	0	(732)	0	0	0	(1,396)
<b>Gross cost at 31 March 2022</b>	<b>1,838</b>	<b>0</b>	<b>7,535</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,373</b>
<b>Amortisation at 1 April 2021</b>	<b>970</b>	<b>0</b>	<b>2,039</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,009</b>
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	408	0	2,109	0	0	0	2,517
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	(664)	0	(700)	0	0	0	(1,364)
<b>Amortisation at 31 March 2022</b>	<b>714</b>	<b>0</b>	<b>3,448</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,162</b>
<b>Net book value at 1 April 2021</b>	<b>1,473</b>	<b>0</b>	<b>5,122</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,595</b>
<b>Net book value at 31 March 2022</b>	<b>1,124</b>	<b>0</b>	<b>4,087</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,211</b>
<b>NBV at 31 March 2022</b>							
Purchased	1,124	0	4,087	0	0	0	5,211
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
<b>Total at 31 March 2022</b>	<b>1,124</b>	<b>0</b>	<b>4,087</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,211</b>

## **Additional Disclosures re Intangible Assets**

### **Disclosures:**

#### **i) Donated Assets**

ABUHB has not received any donated intangible assets during the year.

#### **ii) Recognition**

Intangible assets acquired separately are initially recognised at fair value. The amount recognised for internally-generated intangible assets is the sum of the expenditure incurred to date when the criteria for recognising internally generated assets has been met (see accounting policy 1.7 for criteria).

#### **iii) Asset Lives**

The useful economic life of Intangible non-current assets are assigned on an individual asset basis. Software is generally assigned a 5 year UEL and the UEL of internally generated software is based on the professional judgement of LHB professionals and Finance staff.

### 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	171		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)	10,557	0	0	7,103		0
Reversal of Impairments	(26,479)	0	0	(19,893)		0
<b>Total of all impairments</b>	<b>(15,922)</b>	<b>0</b>	<b>0</b>	<b>(12,619)</b>		<b>0</b>

#### Analysis of impairments charged to reserves in year :

Charged to the Statement of Comprehensive Net Expenditure	(19,470)	0	0	(12,619)		0
Charged to Revaluation Reserve	3,548	0	0	0		0
<b>Total</b>	<b>(15,922)</b>	<b>0</b>	<b>0</b>	<b>(12,619)</b>		<b>0</b>

2022-23	Impairment amount £000	Reason for impairment £000	Nature of Asset £000	Valuation basis £000	Charge to SoCNE £000	Charge to reserve £000
Quinquennial District Valuer Revaluation Exercise	3,760	DV Valuation	Operational	Fair Value	2,214	1,546
Indexation - Land	2,397	Indexation Loss	Operational	Fair Value	395	2,002
SDEC, Grange University Hospital	3,429	Assets Valued on Coming Into Use	Operational	Fair Value	3,429	0
SRU Enabling Ante Natal, NHH	454	Assets Valued on Coming Into Use	Operational	Fair Value	454	0
CAEU, Grange University Hospital	379	Assets Valued on Coming Into Use	Operational	Fair Value	379	0
Ward B6, RGH	138	Assets Valued on Coming Into Use	Operational	Fair Value	138	0
<b>Total Impairment</b>	<b>10557</b>				<b>7009</b>	<b>3548</b>

#### Reversal of Impairments

Quinquennial District Valuer Revaluation Exercise	(11,793)	DV Valuation - Reversal of impairment in previous years Indexation - reversal of impairment in previous years	Operational	Indexation	(11,793)	0
Grange University Hospital	(12,471)	Indexation - reversal of impairment in previous years	Operational	Indexation	(12,471)	0
Ysbyty Aneurin Bevan	(1,789)	Indexation - reversal of impairment in previous years	Operational	Indexation	(1,789)	0
St Cadocs	(143)	Indexation - reversal of impairment in previous years	Operational	Indexation	(143)	0
Llanfrehfa Grange	(104)	Indexation - reversal of impairment in previous years	Operational	Indexation	(104)	0
Royal Gwent	(70)	Indexation - reversal of impairment in previous years	Operational	Indexation	(70)	0
Nevill Hall	(62)	Indexation - reversal of impairment in previous years	Operational	Indexation	(62)	0
Various Community Sites	(47)	Indexation - reversal of impairment in previous years	Operational	Indexation	(47)	0
<b>Total Reversal of Impairments</b>	<b>-26479</b>				<b>(26,479)</b>	<b>0</b>
<b>Net credit to SoCNE</b>	<b>-15922</b>				<b>-19470</b>	<b>3548</b>

## 14.1 Inventories

	31 March 2023 £000	31 March 2022 £000
Drugs	2,819	2,905
Consumables	6,471	5,561
Energy	286	260
Work in progress	0	0
Other	0	0
<b>Total</b>	<b>9,576</b>	<b>8,726</b>
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
<b>Total</b>	<b>0</b>	<b>0</b>

# 15. Trade and other Receivables

Current	31 March 2023 £000	31 March 2022 £000
Welsh Government	1,517	6,903
WHSSC / EASC	1,019	3,038
Welsh Health Boards	3,175	1,552
Welsh NHS Trusts	4,309	6,114
Welsh Special Health Authorities	1,010	455
Non - Welsh Trusts	66	178
Other NHS	213	0
2019-20 Scheme Pays - Welsh Government Reimbursement	141	756
<b>Welsh Risk Pool Claim reimbursement</b>		
NHS Wales Secondary Health Sector	109,290	84,862
NHS Wales Primary Sector FLS Reimbursement	111	2
NHS Wales Redress	587	475
Other	0	0
Local Authorities	9,756	8,159
Capital debtors - Tangible	0	0
Capital debtors - Intangible	0	0
Other debtors	16,714	15,653
Provision for irrecoverable debts	(1,763)	(1,870)
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	6,017	7,497
Other accrued income	0	0
<b>Sub total</b>	<b>152,162</b>	<b>133,774</b>
<b>Non-current</b>		
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
<b>Welsh Risk Pool Claim reimbursement;</b>		
NHS Wales Secondary Health Sector	76,333	124,435
NHS Wales Primary Sector FLS Reimbursement	2	57
NHS Wales Redress	0	0
Other	0	0
Local Authorities	0	0
Capital debtors - Tangible	0	0
Capital debtors - Intangible	0	0
Other debtors	1,131	1,205
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
<b>Sub total</b>	<b>77,466</b>	<b>125,697</b>
<b>Total</b>	<b>229,628</b>	<b>259,471</b>

## 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	2,415	1,365
By three to six months	360	409
By more than six months	1,331	1,289
	<b>4,106</b>	<b>3,063</b>

### Expected Credit Losses (ECL) / Provision for impairment of receivables

Balance at 1 April	(1,870)	(1,951)
Transfer to other NHS Wales body	0	0
Amount written off during the year	0	17
Amount recovered during the year	3	0
(Increase) / decrease in receivables impaired	119	62
Bad debts recovered during year	(15)	2
Balance at 31 March	<b>(1,763)</b>	<b>(1,870)</b>

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

### Receivables VAT

Trade receivables	1,899	2,674
Other	92	314
Total	<b>1,991</b>	<b>2,988</b>

## 16. Other Financial Assets

	Current		Non-current	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	£000	£000	£000	£000
<b>Financial assets</b>				
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	34	33	487	521
Derivatives	0	0	0	0
Other (Specify)				
Right of Use Asset Finance Sublease	24		239	
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
<b>Total</b>	<b>58</b>	<b>33</b>	<b>726</b>	<b>521</b>

## 17. Cash and cash equivalents

	2022-23	2021-22
	£000	£000
Balance at 1 April	1,720	1,821
Net change in cash and cash equivalent balances	2,984	(101)
Balance at 31 March	<b>4,704</b>	<b>1,720</b>
Made up of:		
Cash held at GBS	4,681	1,698
Commercial banks	0	0
Cash in hand	23	22
<b>Cash and cash equivalents as in Statement of Financial Position</b>	<b>4,704</b>	<b>1,720</b>
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
<b>Cash and cash equivalents as in Statement of Cash Flows</b>	<b>4,704</b>	<b>1,720</b>

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

PFI liabilities £947k

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



# 18. Trade and other payables

Current	31 March 2023 £000	31 March 2022 £000
Welsh Government	44	75
WHSSC / EASC	3,125	4,487
Welsh Health Boards	3,461	2,646
Welsh NHS Trusts	6,088	4,338
Welsh Special Health Authorities	80	216
Other NHS	4,559	3,725
Taxation and social security payable / refunds	17,761	5,694
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	58,923	70,123
Local Authorities	27,191	15,293
Capital payables- Tangible	7,189	9,701
Capital payables- Intangible	206	1,117
Overdraft	0	0
Rentals due under operating leases	0	0
RoU Lease Liability	4,008	
Obligations under finance leases, HP contracts		50
Imputed finance lease element of on SoFP PFI contracts	1,036	947
Pensions: staff	9,797	9,683
Non NHS Accruals	88,638	103,786
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	(9,982)	(8,591)
<b>Sub Total</b>	<b>222,124</b>	<b>223,290</b>
<b>Non-current</b>		
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	18,464	
Obligations under finance leases, HP contracts		446
Imputed finance lease element of on SoFP PFI contracts	2,228	3,263
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
<b>Sub Total</b>	<b>20,692</b>	<b>3,709</b>
<b>Total</b>	<b>242,816</b>	<b>226,999</b>

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

The Capital Payables - Tangible figure includes balances that have been agreed with other NHS Wales bodies, as part of the Agreement of Balances process, totalling £79k (£11k with Welsh Health Boards & £68k with Welsh NHS Trusts).

The impact of the implementation of IFRS 16 in 2022/23 has resulted in a reclassification of leases, with £22,472k now being classified as RoU leases, that would previously have been classified as operating leases or finance leases.

## RoU Lease Liability Transitioning & Transferring

	£000
RoU liability as at 31 March 2022	0
Transfer of Finance Leases from PPE Note	820
Operating Leases Transitioning	24,222
<b>RoU Lease liability as at 1 April 2022</b>	<b>25,042</b>

## 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	4,352	1,086
Between two and five years	6,585	1,045
In five years or more	9,755	1,578
Sub-total	20,692	3,709

## 19. Other financial liabilities

Financial liabilities	Current		Non-current	
	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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 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
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Current</b>									
Clinical negligence:-									
Secondary care	56,805	(16,033)	(8,975)	52,699	42,660	(11,816)	(34,462)	0	80,878
Primary care	41	0	0	0	40	(2)	0	0	79
Redress Secondary care	126	0	(117)	0	516	(148)	(46)	0	331
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	599	0	0	0	786	(598)	(308)	0	479
All other losses and special payments	0	0	0	0	34	(34)	0	0	0
Defence legal fees and other administration	2,239	0	0	327	1,953	(1,334)	(879)		2,306
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	395			684	50	(392)	(415)	63	385
2019-20 Scheme Pays - Reimbursement	11			0	0	(5)	0	0	6
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	449	0	0	0	449
Other	3,067		0	0	(13)	(5)	(682)		2,367
<b>Total</b>	<b>63,283</b>	<b>(16,033)</b>	<b>(9,092)</b>	<b>53,710</b>	<b>46,475</b>	<b>(14,334)</b>	<b>(36,792)</b>	<b>63</b>	<b>87,280</b>
<b>Non Current</b>									
Clinical negligence:-									
Secondary care	123,659	0	0	(52,699)	5,380	(696)	(1,117)	0	74,527
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	3,262	0	0	0	36	(262)	(321)	55	2,770
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	1,042	0	0	(327)	144	(50)	(34)		775
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	3,311			(684)	0	0	0	0	2,627
2019-20 Scheme Pays - Reimbursement	745			0	0	(3)	(606)	0	136
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	405		0	0	137	(97)	(94)		351
<b>Total</b>	<b>132,424</b>	<b>0</b>	<b>0</b>	<b>(53,710)</b>	<b>5,697</b>	<b>(1,108)</b>	<b>(2,172)</b>	<b>55</b>	<b>81,186</b>
<b>TOTAL</b>									
Clinical negligence:-									
Secondary care	180,464	(16,033)	(8,975)	0	48,040	(12,512)	(35,579)	0	155,405
Primary care	41	0	0	0	40	(2)	0	0	79
Redress Secondary care	126	0	(117)	0	516	(148)	(46)	0	331
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	3,861	0	0	0	822	(860)	(629)	55	3,249
All other losses and special payments	0	0	0	0	34	(34)	0	0	0
Defence legal fees and other administration	3,281	0	0	0	2,097	(1,384)	(913)		3,081
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	3,706			0	50	(392)	(415)	63	3,012
2019-20 Scheme Pays - Reimbursement	756			0	0	(8)	(606)	0	142
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	449	0	0	0	449
Other	3,472		0	0	124	(102)	(776)		2,718
<b>Total</b>	<b>195,707</b>	<b>(16,033)</b>	<b>(9,092)</b>	<b>0</b>	<b>52,172</b>	<b>(15,442)</b>	<b>(38,964)</b>	<b>118</b>	<b>168,466</b>

### 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	80,878	74,527	0	155,405
Primary care	79	0	0	79
Redress Secondary care	331	0	0	331
Redress Primary care	0	0	0	0
Personal injury	479	1,323	1,447	3,249
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	2,306	775	0	3,081
Pensions relating to former directors	0	0	0	0
Pensions relating to other staff	385	2,627	0	3,012
2019-20 Scheme Pays - Reimbursement	6	17	119	142
Restructuring	0	0	0	0
RoU Asset Dilapidations CAME	0	0	0	0
Other Capital Provisions	449	0	0	449
Other	2,367	351	0	2,718
<b>Total</b>	<b>87,280</b>	<b>79,620</b>	<b>1,566</b>	<b>168,466</b>

The expected timing of cash flows are based on best available information; but they could change on the basis of individual case changes. The claims outstanding with the Welsh Risk Pool are based on best estimates of settlement of claims provided by the Health Board's legal advisors. The Health Board estimates that in 2023/24 it will receive £82,013,376 and in 2024/25 and beyond £74,980,511 from the Welsh Risk Pool in respect of clinical negligence and personal injury payments.

Other provisions include: Continuing Healthcare Independent Review Panel (IRP) & Ombudsman claims £426,553. The estimation method used to calculate the provision for 2022/23 is consistent with the methodology used in 2021/22. In the continuing absence of detailed assessment information the Health Board has used a mixture of actual assessments and the application of an expected success factor and average weekly costs to determine whether an individual claimant provision would be established.

Other provisions include an amount for Ancillary Staff Banked Annual Leave Payments, potential VAT payment to HMRC and Capital provision.

The total Health Board provision also includes an amount of £340,184 which relates to 50 Redress cases where offers have been made to the families but not yet accepted or breach and causation have been proven.

## **Provision (Continued)**

### **Pensions tax annual allowance – Scheme Pays arrangements 2019/20**

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

- clinical staff who are members of the NHS Pension Scheme and who, as a result of work undertaken in the 2019-20 tax year, face a tax charge on the growth of their NHS pension benefits, may opt to have this charge paid by the NHS Pension Scheme, with their pension reduced on retirement.

Welsh Government, on behalf of the Aneurin Bevan University Health Board, will pay the members who opt for reimbursement of their pension, a corresponding amount on retirement, ensuring that they are fully compensated for the effect of the deduction.

This scheme will be funded directly by the Welsh Government to the NHS Business Services Authority Pension Division, the administrators on behalf of the Welsh claimants.

Clinical staff have until 31 March 2022 to opt for this scheme and the ability to make changes up to 31 July 2026.

The Health Board have included a Scheme Pay provision of £141,451 (as notified by Welsh Government) within these accounts.

## 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
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Current</b>									
Clinical negligence:-									
Secondary care	40,393	(7,745)	(9,204)	26,472	25,378	(6,325)	(12,164)	0	56,805
Primary care	0	0	0	0	84	(43)	0	0	41
Redress Secondary care	312	0	0	0	252	(371)	(67)	0	126
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	117	0	(195)	0	1,261	(555)	(29)	0	599
All other losses and special payments	0	0	0	0	665	(665)	0	0	0
Defence legal fees and other administration	1,857	0	0	672	1,870	(1,271)	(889)		2,239
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	412			317	333	(404)	(210)	(53)	395
2019-20 Scheme Pays - Reimbursement	0			0	11	0	0	0	11
Restructuring	0			0	0	0	0	0	0
Other	2,908		0	0	1,273	(275)	(839)		3,067
<b>Total</b>	<b>45,999</b>	<b>(7,745)</b>	<b>(9,399)</b>	<b>27,461</b>	<b>31,127</b>	<b>(9,909)</b>	<b>(14,198)</b>	<b>(53)</b>	<b>63,283</b>
<b>Non Current</b>									
Clinical negligence:-									
Secondary care	116,068	0	(185)	(26,472)	49,738	(140)	(15,350)	0	123,659
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	3,353	0	0	0	209	(256)	0	(44)	3,262
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	1,525	0	0	(672)	303	(89)	(25)		1,042
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	3,628			(317)	0	0	0	0	3,311
2019-20 Scheme Pays - Reimbursement	0			0	745	0	0	0	745
Restructuring	0			0	0	0	0	0	0
Other	368		0	0	151	(80)	(34)		405
<b>Total</b>	<b>124,942</b>	<b>0</b>	<b>(185)</b>	<b>(27,461)</b>	<b>51,146</b>	<b>(565)</b>	<b>(15,409)</b>	<b>(44)</b>	<b>132,424</b>
<b>TOTAL</b>									
Clinical negligence:-									
Secondary care	156,461	(7,745)	(9,389)	0	75,116	(6,465)	(27,514)	0	180,464
Primary care	0	0	0	0	84	(43)	0	0	41
Redress Secondary care	312	0	0	0	252	(371)	(67)	0	126
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	3,470	0	(195)	0	1,470	(811)	(29)	(44)	3,861
All other losses and special payments	0	0	0	0	665	(665)	0	0	0
Defence legal fees and other administration	3,382	0	0	0	2,173	(1,360)	(914)		3,281
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	4,040			0	333	(404)	(210)	(53)	3,706
2019-20 Scheme Pays - Reimbursement	0			0	756	0	0	0	756
Restructuring	0			0	0	0	0	0	0
Other	3,276		0	0	1,424	(355)	(873)		3,472
<b>Total</b>	<b>170,941</b>	<b>(7,745)</b>	<b>(9,584)</b>	<b>0</b>	<b>82,273</b>	<b>(10,474)</b>	<b>(29,607)</b>	<b>(97)</b>	<b>195,707</b>

The expected timing of cash flows are based on best available information; but they could change on the basis of individual case changes. The claims outstanding with the Welsh Risk Pool are based on best estimates of settlement of claims provided by the Health Board's legal advisors. The Health Board estimates that in 2022/23 it will receive £57,649,915 and in 2023/24 and beyond £124,434,996 from the Welsh Risk Pool in respect of clinical negligence and personal injury payments.

Other provisions include: Continuing Healthcare Independent Review Panel (IRP) & Ombudsman claims £494,632. The estimation method used to calculate the provision for 2021/22 is consistent with the methodology used in 2020/21. In the continuing absence of detailed assessment information the Health Board has used a mixture of actual assessments and the application of an expected success factor and average weekly costs to determine whether an individual claimant provision would be established.

Other provisions include an amount for Ancillary Staff Banked Annual Leave Payments, potential VAT payment to HMRC and a provision for potential pension costs known as 'final pay control'.

The total Health Board provision also includes an amount of £126,227 which relates to 20 Redress cases where offers have been made to the families but not yet accepted or breach and causation have been proven.

## 21. Contingencies

### 21.1 Contingent liabilities

	2022-23 £'000	2021-22 £'000
Provisions have not been made in these accounts for the following amounts :		
Legal claims for alleged medical or employer negligence:-		
Secondary care	337,156	408,594
Primary care	1,251	181
Redress Secondary care	0	62
Redress Primary care	3	0
Doubtful debts	0	0
Equal Pay costs	0	0
Defence costs	4,625	5,453
Continuing Health Care costs	1,379	718
Other	0	0
Total value of disputed claims	344,414	415,008
Amounts (recovered) in the event of claims being successful	(339,412)	(410,445)
<b>Net contingent liability</b>	<b>5,002</b>	<b>4,563</b>

Other litigation claims could arise in the future due to known incidents. The expenditure which may arise from such claims cannot be determined and no provision has been made for them. The value of legal claims has decreased by £70m from the value of legal claims in 2021/22, while the number of claims has decreased from 272 in 2021/22 to 224 in 2022/23.

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

#### Continuing Healthcare Cost uncertainties

The Health Board continues to make good progress in reviewing the outstanding claims for reimbursement of retrospective care payments (IRPs) during 2022/23. As a consequence there has been a movement in the level of provision and uncertainty including in these Accounts.

Note 20 sets out the £0.427m provision made for probable continuing care costs relating to 52 outstanding phase 1 to 8 claims received by 31<sup>st</sup> March 2023. This compares with the 2021/22 provision of £0.495m and 52 outstanding phase 1 to 7 claims.

Note 21.1 also sets out the £1.379m contingent liability for possible additional continuing care costs relating to those claims if they are all settled and in full, comparing adversely with the £0.718m reported for 2021/22.

There are still 10 new (Phase 8) claims, which have been received whereby the assessment process remains incomplete, as we are still awaiting full details to support the claims. The assessment process is highly complex and involves a multi-disciplinary team and for those reasons can take many months. At this stage, the HB does not have enough information to make a judgement on the likely success or otherwise of these claims, however, they may result in additional costs to the HB, which cannot be quantified at this time.

#### Reinforced Autoclaved Aerated Concrete (RAAC)

An issue has been identified with RAAC within the Health Board Estate and investigative work and surveys are ongoing to ascertain the extent and financial impact of any remedial work. Given the uncertainties surrounding the timing of the conclusion to the investigative work and its findings to be known, it is not possible to estimate the financial effect.

## 21.2 Remote Contingent liabilities

	2022-23 £000	2021-22 £000
Guarantees	0	0
Indemnities	33,808	8,827
Letters of Comfort	0	0
<b>Total</b>	<b>33,808</b>	<b>8,827</b>

The remote contingent liabilities cost consists of 11 medical negligence cases in 2022/23 (2 medical negligence cases and 1 personal injury case in 2021/22). Should these cases progress the majority of the costs incurred, in excess of £25K per case attributable to the Health Board, will be recovered from the Welsh Risk Pool.

## 21.3 Contingent assets

	2022-23 £000	2021-22 £000
	0	0
	0	0
	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

## 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	54,039	11,282
Right of Use Assets	0	
Intangible assets	689	0
<b>Total</b>	<b>54,728</b>	<b>11,282</b>

## 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	103	22,051,355
Personal injury	45	1,055,159
All other losses and special payments	64	639,863
<b>Total</b>	<b>212</b>	<b>23,746,377</b>

### 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	£
<b>Cases in excess of £300,000:</b>				
Clinical Negligence 00RVFMN0045		260,344	00RVFMN0045	460,030
Personal injury 04RVFPI0038		28,064	04RVFPI0038	493,882
Clinical Negligence 10RVFMN0058		3,490,100	10RVFMN0058	3,950,000
Clinical Negligence 12RVFMN0036		375,000	12RVFMN0036	375,000
Clinical Negligence 12RVFMN0069		110,585	12RVFMN0069	1,360,585
Clinical Negligence 14RVFMN0084		0	14RVFMN0084	752,288
Clinical Negligence 14RVFMN0114		445,000	14RVFMN0114	4,186,563
Clinical Negligence 14RVFMN0252		25,000	14RVFMN0252	1,710,995
Clinical Negligence 15RVFMN0058		270,000	15RVFMN0058	470,000
Clinical Negligence 15RVFMN0059		110,600	15RVFMN0059	350,600
Clinical Negligence 15RVFMN0100		550,000	15RVFMN0100	550,000
Clinical Negligence 16RVFMN0122		2,230,000	16RVFMN0122	2,230,000
Clinical Negligence 16RVFMN0131		0	16RVFMN0131	300,781
Clinical Negligence 16RVFMN0141		480,576	16RVFMN0141	480,576
Clinical Negligence 16RVFMN0168		2,095,000	16RVFMN0168	2,135,000
Clinical Negligence 16RVFMN0206		390,000	16RVFMN0206	885,000
Clinical Negligence 16RVFMN0216		5,490,000	16RVFMN0216	6,710,000
Clinical Negligence 16RVFMN0242		0	16RVFMN0242	632,000
Clinical Negligence 17RVFMN0034		0	17RVFMN0034	1,130,000
Clinical Negligence 17RVFMN0182		160,000	17RVFMN0182	1,900,000
Clinical Negligence 17RVFMN0209		735,000	17RVFMN0209	735,000
Clinical Negligence 18RVFMN0124		857,000	18RVFMN0124	857,000
Personal injury 18RVFMN0016		429,177	18RVFMN0016	429,177
Personal injury 18RVFMN0022		61,435	18RVFMN0022	431,446
Clinical Negligence 19RVFMN0004		322,500	19RVFMN0004	400,000
Clinical Negligence 19RVFMN0146		85,000	19RVFMN0146	570,000
Clinical Negligence 20RVFMN0044		0	20RVFMN0044	335,000
Clinical Negligence 20RVFMN0129		0	20RVFMN0129	350,000
Other 20RVFEG0076		603,145	20RVFEG0076	603,145
<b>Sub-total</b>	<b>29</b>	<b>19,603,526</b>	<b>0</b>	<b>35,774,068</b>
<b>All other cases</b>	<b>183</b>	<b>4,142,851</b>	<b>0</b>	<b>11,300,200</b>
<b>Total cases</b>	<b>212</b>	<b>23,746,377</b>	<b>0</b>	<b>47,074,268</b>



## 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)
	31 March 2023 £000	31 March 2022 £000
<b>Land</b>		
<b>Minimum lease payments</b>		
Within one year	0	0
Between one and five years	1	0
After five years	12	0
Less finance charges allocated to future periods	(2)	0
Minimum lease payments	11	0
Included in:		
Current borrowings	0	0
Non-current borrowings	11	0
	11	0
<b>Present value of minimum lease payments</b>		
Within one year	0	0
Between one and five years	1	0
After five years	10	0
Present value of minimum lease payments	11	0
Included in:		
Current borrowings	0	0
Non-current borrowings	11	0
	11	0

24.1 Right of Use / Finance leases obligations

	Post Implementation of IFRS 16 (RoU)	Pre implementation of IFRS 16 (FL)
<b>Buildings</b>	<b>31 March</b>	<b>31 March</b>
	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
<b>Minimum lease payments</b>		
Within one year	2,209	0
Between one and five years	6,076	0
After five years	7,156	0
Less finance charges allocated to future periods	(954)	0
Minimum lease payments	14,487	0
Included in:		
Current borrowings	2,053	0
Non-current borrowings	12,434	0
	14,487	0
<b>Present value of minimum lease payments</b>		
Within one year	2,053	0
Between one and five years	5,631	0
After five years	6,803	0
Present value of minimum lease payments	14,487	0
Included in:		
Current borrowings	2,053	0
Non-current borrowings	12,434	0
	14,487	0
<b>Other- Non property</b>	<b>31 March</b>	<b>31 March</b>
	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
<b>Minimum lease payments</b>		
Within one year	2,025	54
Between one and five years	4,412	217
After five years	1,781	248
Less finance charges allocated to future periods	(243)	(23)
Minimum lease payments	7,975	496
Included in:		
Current borrowings	1,955	50
Non-current borrowings	6,020	446
	7,975	496
<b>Present value of minimum lease payments</b>		
Within one year	1,955	50
Between one and five years	4,281	204
After five years	1,739	242
Present value of minimum lease payments	7,975	496
Included in:		
Current borrowings	1,955	50
Non-current borrowings	6,020	446
	7,975	496

**24.2 Right of Use Assets / Finance lease receivables (as 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 £000	31 March 2022 £000
<b>Gross Investment in leases</b>		
Within one year	26	0
Between one and five years	106	0
After five years	144	0
Less finance charges allocated to future periods	(13)	0
Minimum lease payments	<u>263</u>	<u>0</u>
Included in:		
Current financial assets	24	0
Non-current financial assets	<u>239</u>	<u>0</u>
	<u>263</u>	<u>0</u>
<b>Present value of minimum lease payments</b>		
Within one year	24	0
Between one and five years	98	0
After five years	141	0
Present value of minimum lease payments	<u>263</u>	<u>0</u>
Included in:		
Current financial assets	24	0
Non-current financial assets	<u>239</u>	<u>0</u>
	<u>263</u>	<u>0</u>

## 25. Private Finance Initiative contracts

### 25.1 PFI schemes off-Statement of Financial Position

In 2021/22 the UHB had one PFI Scheme off-statement of financial position. The scheme related to the provision of replacement heating and lighting systems within Neville Hall hospital. The scheme commenced in 2000 for a period of 25 years. Due to introduction of IFRS 16, in 2022/23 the off-statement of Financial Position PFI has been recognised as a Right of use Asset and is included in the transitioning amount at a value of £3,413k.

Commitments under off-SoFP PFI contracts	Off-SoFP PFI contracts 31 March 2023 £000	Off-SoFP PFI contracts 31 March 2022 £000
Total payments due within one year	0	887
Total payments due between 1 and 5 years	0	2,412
Total payments due thereafter	0	0
Total future payments in relation to PFI contracts	0	3,299
Total estimated capital value of off-SoFP PFI contracts	0	3,300

### 25.2 PFI schemes on-Statement of Financial Position

#### Capital value of scheme included in Fixed Assets Note 11

<b>Chepstow Community Hospital</b>	<b>£000</b>
<b>Contract start date:</b>	<b>1,286</b>
<b>Contract end date:</b>	<b>Feb-00</b>
	<b>Feb-25</b>

Chepstow Community Hospital - a new community hospital including the provision of ancillary support services. This scheme commenced in 1998 with unitary charge payments being made for a period of 25 years from February 2000. The obligation for the scheme is £1,045k.

<b>Monnow Vale Health and Social Care Facility</b>	<b>£000</b>
<b>Contract start date:</b>	<b>3,819</b>
<b>Contract end date:</b>	<b>Mar-04</b>
	<b>Mar-36</b>

Monnow Vale Health and Social Care Facility - a new health and social care facility. This scheme commenced in 2006 with unitary charge payments being made for a period of 30 years from 2006. The obligation for the scheme is £1,830k.

<b>Nevill Hall Hospital Day Surgery</b>	<b>£000</b>
<b>Contract start date:</b>	<b>333</b>
<b>Contract end date:</b>	<b>Sep-99</b>
	<b>Sep-24</b>

Nevill Hall Hospital Day Surgery - a purpose built day unit including the provision of medical equipment for the unit. The PFI partner has responsibility for maintaining the building and replacing the equipment used with the unit. The scheme commenced in 1998 with unitary charge payments being made for a period of 25 years from 1999. The obligation for the scheme is £388k.

#### Total obligations for on-Statement of Financial Position PFI contracts due:

	On SoFP PFI Capital element 31 March 2023 £000	On SoFP PFI Imputed interest 31 March 2023 £000	On SoFP PFI Service charges 31 March 2023 £000
Total payments due within one year	1,036	166	3,235
Total payments due between 1 and 5 years	1,025	209	5,592
Total payments due thereafter	1,203	157	6,553
Total future payments in relation to PFI contracts	3,264	532	15,380
	On SoFP PFI Capital element 31 March 2022 £000	On SoFP PFI Imputed interest 31 March 2022 £000	On SoFP PFI Service charges 31 March 2022 £000
Total payments due within one year	947	239	2,670
Total payments due between 1 and 5 years	1,928	338	6,987
Total payments due thereafter	1,335	194	6,317
Total future payments in relation to PFI contracts	4,210	771	15,974
	31/03/2023 £000		
Total present value of obligations for on-SoFP PFI contracts	19,176		

### 25.3 Charges to expenditure

	2022-23	2021-22
	£000	£000
Service charges for On Statement of Financial Position PFI contracts (excl interest costs)	2,346	2,006
Total expense for Off Statement of Financial Position PFI contracts	0	869
The total charged in the year to expenditure in respect of PFI contracts	<u>2,346</u>	<u>2,875</u>

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	1,950	2,495
Later than five years	671	591
<b>Total</b>	<u>2,621</u>	<u>3,086</u>

The estimated annual payments in future years will vary from those which the LHB is committed to make during the next year by the impact of movement in the Retail Prices Index.

### 25.4 Number of PFI contracts

	Number of on SoFP PFI contracts	Number of off SoFP PFI contracts
Number of PFI contracts	3	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

### 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 £000	2021-22 £000
(Increase)/decrease in inventories	(850)	1,131
(Increase)/decrease in trade and other receivables - non-current	48,026	(7,273)
(Increase)/decrease in trade and other receivables - current	(18,413)	(37,888)
Increase/(decrease) in trade and other payables - non-current	16,983	(606)
Increase/(decrease) in trade and other payables - current	(1,166)	20,846
<b>Total</b>	<b>44,580</b>	<b>(23,790)</b>
Adjustment for accrual movements in fixed assets - creditors	3,423	1,950
Adjustment for accrual movements in fixed assets - debtors	0	0
Other adjustments	(21,227)	888
	<b>26,776</b>	<b>(20,952)</b>

## 28. Other cash flow adjustments

	2022-23 £000	2021-22 £000
Depreciation	47,415	41,158
Amortisation	2,859	2,517
(Gains)/Loss on Disposal	(530)	(232)
Impairments and reversals	(19,470)	(12,619)
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	(210)	(166)
Government Grant assets received credited to revenue but non-cash	0	(22)
Right of Use Grant (Peppercorn Lease) credited to revenue but non cash	(17)	
Non-cash movements in provisions	(11,799)	35,240
Other movements	28,435	26,915
<b>Total</b>	<b>46,683</b>	<b>92,791</b>

## 29. Events after the Reporting Period

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on 28th July 2023; post the date the financial statements were certified by the Auditor General for Wales.

### 1. 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 £12.725m.



### 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

	2022-23		As at 31st March 2023	
	Expenditure to related party	Income from related party	Amounts owed to related party	Amounts due from related party
	£000	£000	£000	£000
Welsh Government	47	6,872	44	1,517
Betsi Cadwaladr University Health Board	1,260	61	727	2
Cardiff & Vale University Health Board	38,310	2,569	1,277	807
Cwm Taf University Health Board	22,402	1,821	475	306
Hywel Dda University Health Board	1,250	327	273	12
Powys Teaching Health Board	323	14,754	121	1,827
Swansea Bay University Health Board	3,992	1,018	598	222
Velindre NHS Trust	78,852	9,289	3,043	3,879
Welsh Ambulance Services NHS Trust	10,837	251	2,865	34
Public Health Wales NHS Trust	1,765	4,156	249	397
Welsh Health Specialised Services Committee	198,719	11,521	3,125	1,019
Health Education and Improvement Wales (HEIW)	43	12,720	13	780
Digital Health and Care Wales (DHCW)	6,156	1,068	67	231

In addition the LHB has had significant number of material transactions with other Government Departments and other central and local Government bodies. The most significant of these transactions are with the following:-

Government Body	2022-23		As at 31st March 2023	
	Expenditure to related party	Income from related party	Amounts owed to related party	Amounts due from related party
	£000	£000	£000	£000
Blaenau Gwent County Borough Council	5,186	942	2,361	350
Caerphilly County Borough Council	19,047	12,090	12,750	7,766
Monmouthshire County Council	9,681	1,120	4,445	1,071
Newport City Council	12,833	2,152	4,940	318
Torfaen County Borough Council	9,223	1,730	2,303	283

The LHB has also had significant material transactions with the following:

Aneurin Bevan Local Health Board Charitable Fund	24	1,048	31	144
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A number of the LHB's Board members have interests in related parties as follows:

Member	Related Organisation	Relationship with Related Party	2022-23		As at 31st March 2023	
			Expenditure to related party	Income from related party	Amounts owed to related party	Amounts due from related party
			£000	£000	£000	£000
Glyn Jones	Guys & St Thomas NHS Foundation Trust	Son is Cardiac Physiologist	3	0	4	0
	Welsh Ambulance Trust	Sister is Project Manager	10,837	251	2,865	34
	Digital Health Care Wales	Niece has an Administrative Support Role	6,156	1,068	67	231
Dr James Calvert	Royal College of Physicians	Clinical Lead of National Asthma Audit	14	5	0	2
Robert Holcombe	JW Bowkett (Electrical Installation) Ltd	Son is an Employee of the Company ( Apprentice)	620	0	269	0
Philip Robson	Hospice of Valleys	Trustee	437	0	8	0
Katija Dew	Newport Live	Trustee	180	11	29	3
Richard Clark	Torfaen Voluntary Alliance	Company Secretary and Trustee	133	0	48	0
	Torfaen County Borough Council	Elected Member, Executive Portfolio holder (Education) and Deputy Leader	9,224	1,730	2,303	283
Louise Wright	Coleg QS - Training College	Director / Owner	6	0	1	0
Iwan Jones	Swansea Bay Health Board	Sister is Assistant Finance Director	3,992	1,018	598	222

### 31. Third Party assets

The LHB held £23,655.85 cash at bank and in hand at 31 March 2023 (31st March 2022, £25,994.53) which relates to monies held by the LHB on behalf of patients. Cash held in patient Investment Accounts amounted to £0 at 31st March 2023 (31st March 2022, £0). This has been excluded from the Cash and Cash equivalents figure reported in the accounts.

In addition the LHB had located on its premises a significant quantity of consignment stock. This stock remains the property of the supplier until it is used. The value of consignment stock at 31 March 2023 amounted to £2.5m (£3.6m as at 31st March 2022).

## 32. Pooled budgets

The Health Board has five pooled budgets. The specific accounting treatment of each pooled budget is covered within Accounting Policies note 1.22.

### **Monnow Vale Health and Social Care Unit**

The Health Board has entered into a pooled budget with Monmouthshire County Council. Under the arrangement funds are pooled under section 33 of the NHS (Wales) Act 2006 to provide health and social care inpatient, outpatient, clinic and day care facilities to individuals who have medical, social, community or rehabilitation needs and a memorandum note to the accounts provides details of the joint income and expenditure. The asset value of property, plant & equipment is **£5,304K** which is split 72% Aneurin Bevan Health Board and 28% Monmouthshire County Council. The costs incurred under the pooled budget is declared in the memorandum trading account.

### **Gwent Wide Integrated Community Equipment Service**

The Health Board has entered into a pooled budget with the 5 Local Authorities in the Gwent area, namely Blaenau Gwent, Caerphilly, Monmouth, Newport and Torfaen County Borough Councils, for the provision of an effective integrated GWICES (Gwent Wide Integrated Community Equipment Service) to service users who are resident in the partners' localities. Under the arrangement funds are pooled under section 33 of the NHS (Wales) Act 2006 for the joint equipment store in the Gwent area. The Health Board accounts for its share of the assets, liabilities, income and expenditure arising from the activities of the pooled budget, identified in accordance with the pooled budget agreement. The LHB's contribution is **£891K** for 2022/23 (£1,069K in 2021/22).

### **Mardy Park Rehabilitation Centre**

The Health Board has entered into a pooled budget arrangement with Monmouthshire County Council. Under the arrangement funds are pooled under Section 33 of the NHS (Wales) Act 2006 to provide care to individuals who have rehabilitation needs. The pool is hosted by Monmouthshire County Council and the LHBs contribution is **£223K** for 2022/23 (£220K in 2021/22).

### **Gwent Frailty Programme**

The Health Board has entered into a pooled budget with 5 Local Authorities in the Gwent area, namely Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen County Councils, for the provision of a Gwent wide integrated health and social care Frailty service, for service users who are resident in the partners' localities. Under the arrangement funds are pooled under section 33 of the NHS (Wales) Act 2006 for the purpose of establishing a consistent service for the Gwent area. The Health Board accounts for its share of the assets, liabilities, income and expenditure arising from the activities of the pooled budget, identified in accordance with the pooled budget agreement. The LHB's contribution is **£9,493K** for 2022/23 (£9,294K in 2021/22).

### **Continuing Healthcare - Older People in Care Homes**

The Health Board has entered into a pooled budget with the 5 Local Authorities in the Gwent area, namely Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen County Councils, for the provision and commissioning of certain specialised services for older people (>65 years of age) in a care home setting in Gwent. Statutory Directions issued under section 169 of the Social Services and Wellbeing (Wales) Act 2014 required Partnership Bodies to enter into partnership arrangements and for the establishment and maintenance of pooled funds from April 2018, for the exercise of their Care Home Accommodation Functions.

The pool was established in August 2018 and is hosted by Torfaen County Borough Council. Under the arrangement, the Health Board makes a financial contribution equivalent to related expenditure in commissioning related placements in homes during the year. The LHB's contribution is **£36,563K** for 2022/23 (£31,410K in 2021/22).

## **Pooled Budget memorandum account for the period 1st April 2022 - 31st March 2023**

### **Monnow Vale**

	Cash	Own Contribution	Grants	Total
	£	£	£	£
<b>Funding</b>				
Aneurin Bevan Health Board	0	2,639,617	0	2,639,617
Monmouthshire County Council	368,347	837,095	0	1,205,442
<b>Total Funding</b>	<b>368,347</b>	<b>3,476,712</b>	<b>0</b>	<b>3,845,059</b>
<b>Expenditure</b>				
Aneurin Bevan Health Board	0	2,944,250	0	2,944,250
Monmouthshire County Council	587,559	740,549	0	1,328,107
<b>Total Expenditure</b>	<b>587,559</b>	<b>3,684,799</b>	<b>0</b>	<b>4,272,357</b>
<b>Net (under)/over spend</b>	<b>219,212</b>	<b>208,087</b>	<b>0</b>	<b>427,298</b>

### **33. Operating segments**

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

Whilst the organisation is structured into divisions, the performance management and the allocation of resources flow from the Board of Aneurin Bevan University Health Board.

There are no hosted services within the health board. Divisions do not manage capital programmes, have any autonomy in relation to balance sheets or produce discrete accounts.

For the purposes of IFRS 8 it is therefore deemed that there is no requirement to report any operating segments.

## 34. Other Information

### 34.1. 6.3% Staff Employer Pension Contributions - Notional Element

The value of notional transactions is based on estimated costs for the twelve month period 1 April 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 £000	2021-22 £000
<b>Statement of Comprehensive Net Expenditure for the year ended 31 March 2023</b>		
Expenditure on Primary Healthcare Services	585	581
Expenditure on Hospital and Community Health Services	27,842	26,334
<b>Statement of Changes in Taxpayers' Equity For the year ended 31 March 2023</b>		
Net operating cost for the year	28,427	26,915
Notional Welsh Government Funding	28,427	26,915
<b>Statement of Cash Flows for year ended 31 March 2023</b>		
Net operating cost for the financial year	28,427	26,915
Other cash flow adjustments	28,427	26,915
<b>2.1 Revenue Resource Performance</b>		
Revenue Resource Allocation	28,427	26,915
<b>3. Analysis of gross operating costs</b>		
<b>3.1 Expenditure on Primary Healthcare Services</b>		
General Medical Services	585	581
<b>3.3 Expenditure on Hospital and Community Health Services</b>		
Directors' costs	78	93
Staff costs	27,764	26,241
<b>9.1 Employee costs</b>		
<b>Permanent Staff</b>		
Employer contributions to NHS Pension Scheme	28,427	26,915
Charged to capital	0	0
Charged to revenue	28,427	26,915
<b>18. Trade and other payables</b>		
<b>Current</b>		
Pensions: staff	0	0
<b>28. Other cash flow adjustments</b>		
Other movements	28,427	26,915

## 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
<b>Capital</b>		
Capital Funding Field Hospitals		0
Capital Funding Equipment & Works	1620	7919
Capital Funding other (Specify)		0
<b>Welsh Government Covid 19 Capital Funding</b>	<b>1,620</b>	<b>7,919</b>
<b>Revenue</b>		
Stability Funding	44,413	103,562
Covid Recovery	0	24,863
Cleaning Standards	0	2,105
PPE (including All Wales Equipment via NWSSP)	2,324	5,517
Testing / TTP- Testing & Sampling - Pay & Non Pay	4,577	9,036
Tracing / TTP - NHS & LA Tracing - Pay & Non Pay	6,058	13,548
Extended Flu Vaccination / Vaccination - Extended Flu Programme	1,517	1,364
Mass Covid-19 Vaccination / Vaccination - COVID-19	8,100	10,490
Annual Leave Accrual - Increase due to Covid		1,968
Urgent & Emergency Care		1,515
Private Providers Adult Care / Support for Adult Social Care Providers		3,125
Hospices		0
Other Mental Health / Mental Health		114
Other Primary Care	2,308	1,222
Social Care		1,846
Other	1,640	412
<b>Welsh Government Covid 19 Revenue Funding</b>	<b>70,937</b>	<b>180,687</b>

**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)<sup>1</sup>, 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.