

# Anuerin Bevan University Health Board Public Board Meeting

Wed 25 June 2025, 09:30 - 10:00

Conference Centre, St Cadoc's Hospital



## Agenda

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### 1. Preliminary Matters

 PB 20250625 Agenda.pdf (2 pages)

#### 1.1. Welcome and Introductions

*Oral*            *Chair*

#### 1.2. Apologies for Absence for Noting

*Oral*            *Chair*

#### 1.3. Declarations of Interest for Noting

*Oral*            *Chair*

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### 2. Annual Report and Accounts 2024/25

#### 2.1. To RECEIVE Audit Wales' Audit of Accounts Report 2024/25

*Attachment*            *Audit Wales*

 PB 20250625\_Agenda\_Item\_2.1\_Audit Wales Audit of Accounts 2024.25.pdf (35 pages)

#### 2.2. To RECEIVE a recommendation from the Audit, Risk and Assurance Committee in respect of ABUHB's Annual Report and Accounts 2024/25

*To Follow*            *Chair of the Audit, Risk and Assurance Committee*

#### 2.3. To consider for APPROVAL and SIGNING ABUHB's Annual Report and Accounts 2024/25

*Attachment*

 PB 20250625\_Agenda\_Item\_2.3\_Cover Report Annual Report Board final accounts.pdf (7 pages)

##### 2.3.1. Part One: Performance Report

*Attachment*            *Director of Strategy, Planning and Partnerships*

 PB 20250625\_Agenda\_Item\_2.3.1\_Final DRAFT Performance Report 2024.25.pdf (53 pages)

##### 2.3.2. Part Two: Accountability Report

*Attachment*            *Director of Corporate Governance*

 PB 20250625\_Agenda\_Item\_2.3.2\_Final Draft Accountability Report 2024.25.pdf (107 pages)

##### 2.3.3. Part Three: Annual Financial Statements

*Attachment*            *Director of Finance and Procurement*

 PB 20250625\_Agenda\_Item\_2.3.3\_ABULHB 2024-25 Final Annual Accounts.pdf (79 pages)

## **2.4. To APPROVE for SIGNING the Letter of Representation, as included in Audit Wales' ISA260 2024/25**

*Attachment*                      *Audit Wales*

 PB 20250625\_Agenda\_Item\_2.4\_Letter of Representation.pdf (3 pages)

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## **3. Other Matters**

Date of the Next Meeting: 16th July 2025

## AGENDA

| Date and Time |   | Thursday 25 <sup>th</sup> June 2025 at 9.30 am       |  |
|---------------|---|--|--|
| Venue         |   | Conference Centre, Headquarters, St Cadoc's Hospital |  |
| Item          | Title   | Format   | Presenter  |
| <b>1</b>      | <b>PRELIMINARY MATTERS</b>  |  |  |
| 1.1           | Welcome and Introductions   | Oral   | Chair  |
| 1.2           | Apologies for Absence for Noting  | Oral   | Chair  |
| 1.3           | Declarations of Interest for Noting   | Oral   | Chair  |
| <b>2</b>      | <b>ANNUAL REPORT AND ACCOUNTS 2024/25</b>   |  |  |
| 2.1           | To RECEIVE Audit Wales' Audit of Accounts Report 2024/25  | Attachment   | Audit Wales                                      |
| 2.2           | To RECEIVE a recommendation from the Audit, Risk and Assurance Committee in respect of ABUHB's Annual Report and Accounts 2024/25 | Attachment   | Chair of the Audit, Risk and Assurance Committee |
| 2.3           | To consider for APPROVAL and SIGNING ABUHB's Annual Report and Accounts 2024/25   | Attachment   |  |
| 2.3.1         | Part One: Performance Report  | Attachment   | Director of Strategy, Planning and Partnerships  |
| 2.3.2         | Part Two: Annual Accountability Report  | Attachment   | Director of Corporate Governance                 |
| 2.3.3         | Part Three: Annual Financial Statements   | Attachment   | Director of Finance and Procurement              |
| 2.4           | To APPROVE for SIGNING the Letter of Representation, as included in Audit Wales' ISA260 2024/25                                   | Attachment   | Audit Wales                                      |
| <b>3</b>      | <b>OTHER MATTERS</b>  |  |  |
| 3.1           | Date of the Next Meetings: <ul style="list-style-type: none"> <li>• 16<sup>th</sup> July 2025</li> </ul>                          |  |  |

### **Motion to Exclude Members of the Public and the Press**

There may be circumstances where it would not be in the public interest to discuss a matter in public. In such cases the Chair shall move the following motion to exclude members of the public and the press from the meeting:

“Representatives of the press and other members of the public shall be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest.”

*Motion under Section 1(2) Public Bodies (Admission to Meetings) Act 1960*

# Audit of Accounts Report – Aneurin Bevan Health Board

Audit year: 2024-25

Date issued: June 2025

Document reference: 4926A2025



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For further information, or if you require any of our publications in an alternative format and/or language, please contact us by telephone on 029 2032 0500, or email [info@audit.wales](mailto:info@audit.wales).

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

# Introduction



**Adrian Crompton**

Auditor General for  
Wales

I am pleased to share my Audit of Accounts Report. The Report summarises the main findings from my audit of your 2024-25 annual report and accounts. My team have already discussed these findings with Finance officers.

My team have substantially completed the audit work as set out in my Audit Plan dated March 2025. There are a small number of queries remaining outstanding at the time of writing, as well as some final review processes to be completed by the Audit Manager and Engagement Lead. The audit team will provide an update to the Audit, Risk and Assurance Committee on any queries that remaining outstanding.

Since my Audit Plan, I have updated materiality to reflect the 2024-25 accounts. I have not identified any new audit risks. My response to previously identified risks is set out in **Appendix 1**.

I am required to provide an opinion on whether the accounts have been properly prepared, give a true and fair view, in all material aspects, and whether income and expenditure have been applied to the purposes intended. My proposed audit opinion and basis for it is outlined on page 19.

It is the responsibility of the those charged with governance, ie Board to address any matters raised in my report and provide me with a Letter of Representation.

I would like to extend my gratitude to the officers and staff of the Health Board for their cooperation throughout the audit process which has been invaluable in completing this audit effectively.

## Your audit at a glance



We intend to issue an **unqualified true and fair opinion** and a **qualified regularity opinion** on the accounts.

We are also proposing to issue a **substantive report**.

See [Appendix 4](#)



There are no **other significant matters** to report

See [Audit findings](#)



There are no **uncorrected misstatements** in the accounts.

See [Audit findings](#)



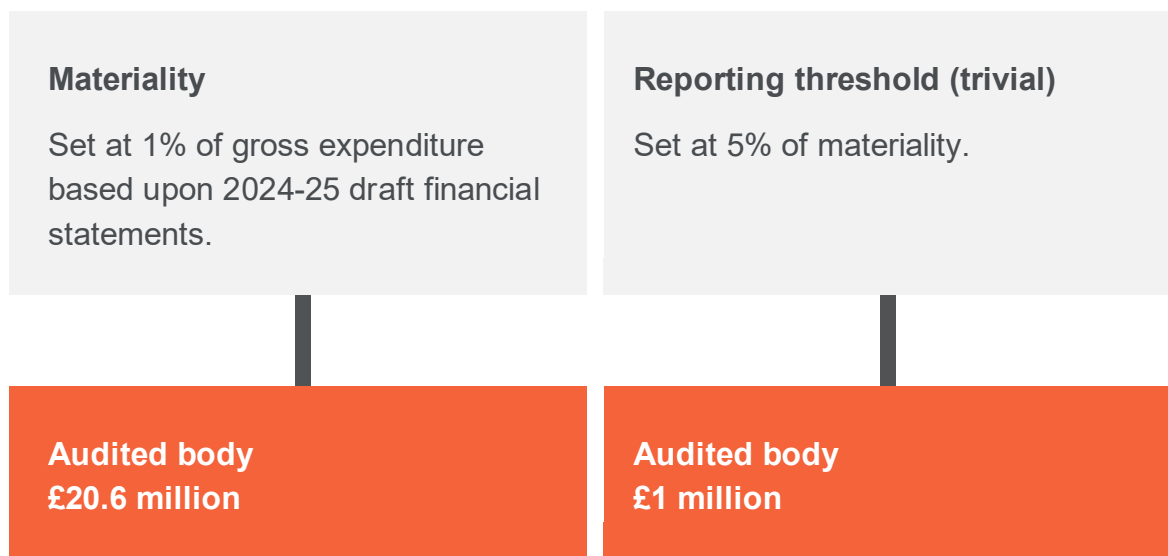
The recommendations arising from our work will be set out in an Accounts Addendum which will be communicated with officers in due course.



We are planning to certify your accounts on 27 June 2025, which is ahead of the deadline of 30 June 2025.

# Materiality

I use professional judgement to set a materiality threshold to identify and correct misstatements that could affect users' decisions, considering both financial errors and disclosure requirements according to the applicable accounting framework and laws. My team updates materiality throughout the audit and I include in this report matters that exceed my reporting threshold, as set out below:



There are some areas of the accounts that may be of more importance to the user of the accounts. We confirm lower materiality levels for these:



# Audit Findings

## Misstatements

A misstatement arises where information in the accounts is not in accordance with accounting standards.

### Uncorrected misstatements

There were no uncorrected misstatements identified in the accounts.

### Corrected misstatements

During our audit, we identified misstatements that have been corrected by management, but which we consider should be drawn to your attention.

These are set out in **Appendix 2**.

## Other significant issues

International Standard on Auditing 260 requires us to communicate with those charged with governance. We must tell you significant findings from the audit and other matters if they are significant to your oversight of the Health Board's financial reporting process.

There were no such issues identified during the audit.

## Proposed audit opinion

### Audit opinion

We intend to issue an unqualified true and fair opinion and a qualified regularity opinion following the failure of the Health Board to meet its financial duty to break even against its revenue resource limit over the three years 2022-23 to 2024-25.

We are also proposing to issue a substantive report which explains why our audit opinion in respect of the regularity of expenditure is qualified. This report will also refer to the fact that the Health Board did not meet its financial duty to have an approved three-year integrated medium-term plan for the period 2024-27. The regularity opinion is not qualified for this.

Our proposed audit report is set out in **Appendix 3**.

### **Letter of representation**

A Letter of Representation is a formal letter in which you confirm to us the accuracy and completeness of information provided to us during the audit. Some of this information is required by auditing standards; other information may relate specifically to your audit.

The letter we are requesting you to sign is included in **Appendix 4**, the contents of which are in line with our standard request for representations.

# Audit team and ethical compliance

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The main members of my team who carried out the audit work, together with their contact details, are summarised in **Exhibit 1**.

## Exhibit 1: my local audit team

|                        |   |
|------------------------|---|
| <b>Engagement Lead</b> | Richard Harries<br><a href="mailto:richard.harries@audit.wales">richard.harries@audit.wales</a> |
|------------------------|---|

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|                      |  |
|----------------------|--|
| <b>Audit Manager</b> | Julie Rees<br><a href="mailto:julie.rees@audit.wales">julie.rees@audit.wales</a> |
|----------------------|--|

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|                   |  |
|-------------------|--|
| <b>Audit Lead</b> | Angharad Clemens<br><a href="mailto:angharad.clemens@audit.wales">angharad.clemens@audit.wales</a> |
|-------------------|--|

## Compliance with ethical standards

We confirm that:

- we have complied with the ethical standards we are required to follow in carrying out our work;
- we have remained independent of yourselves;
- our objectivity has not been comprised; and
- we have no relationships that could undermine our independence or objectivity.

# Appendix 1 – Audit risks and outcomes

My Audit Plan set out the risks of material misstatement and irregularity for the audit of the Health Board’s accounts. **Exhibit 2** lists these audit risks and sets out how they were addressed as part of the audit. No additional audit risks have been identified since that need to be brought to your attention.

## Exhibit 2: audit risks reported previously, work done and outcome

| Audit risk  | Work done   | Outcome   |
|---|---|---|
| <p><b>Risk of management override</b></p> <p>The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.32-33].</p> | <ul style="list-style-type: none"><li>• Tested the appropriateness of journal entries and other adjustments made in preparing the financial statements.</li><li>• Reviewed accounting estimates for bias.</li><li>• Evaluated the rationale for any significant transactions outside the normal course of business.</li></ul> | <p>My audit work did not identify any instances of management override of controls.</p> |

| Audit risk  | Work done  | Outcome   |
|---|--|---|
| <p><b>Risk of fraud in revenue and expenditure recognition</b></p> <p>There is a risk of material misstatement due to fraud in revenue and expenditure recognition and as such is treated as a significant risk [ISA 240.27 &amp; PN 10].</p> | <ul style="list-style-type: none"><li>• Substantively test income and expenditure and review it for completeness to ensure that it is appropriately recorded.</li><li>• Test cut-off to provide assurance that items are recorded in the correct year.</li></ul> | <p>My audit of income and expenditure, including cut-off sampling, did not identify any material misstatements.</p> |

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| Audit risk  | Work done   | Outcome  |
|---|---|--|
| <p><b>Failure of financial duties</b></p> <p>There is a significant risk that you will fail to meet your first financial duty to break even over a three-year period.</p> <p>Where you fail this financial duty, I will place a substantive report on the financial statements highlighting the failure and qualify your regularity opinion.</p> <p>The second financial duty requires LHBs to prepare and have approved by Welsh Ministers a rolling three-year integrated medium-term plan. Should you fail this financial duty, I will place a substantive report on the financial statements highlighting this.</p> | <ul style="list-style-type: none"><li>• Continue to monitor the Health Board's financial position for 2024-25 and the cumulative three-year period to 31 March 2025.</li><li>• Perform enhanced substantive testing on areas in the financial statements where transactions are at higher risk of being reported in the incorrect period or misclassified between capital and revenue.</li><li>• Consider the impact of any relevant uncorrected misstatements over the three-year period to 31 March 2025.</li></ul> | <p>My testing did not identify any material misstatement in the accounts as a whole.</p> <p>However, I do intend to issue a qualified regularity opinion following the failure of the Health Board to meet its first financial duty to break even over the three-year period 2022-23 to 2024-25.</p> <p>I am also proposing to issue a substantive report which explains why our audit opinion in respect of the regularity of expenditure is qualified. This report will also refer to the fact that the Health Board did not meet its second financial duty to have an approved three-year integrated medium-term plan for the period 2024-2027. The regularity opinion is not qualified for this.</p> |

| Audit risk   | Work done  | Outcome  |
|--|--|--|
| <p><b>Remuneration report disclosures</b></p> <p>Remuneration paid to senior officers and board members continues to be an area of high interest and is material by nature. I have also previously identified material issues with these disclosures.</p> <p>Therefore, there is a risk that even low value errors in the disclosure could result a material misstatement.</p> | <ul style="list-style-type: none"><li>• Understand the movements in the senior management team and Board during 2024-25.</li><li>• Ensure that remuneration disclosed is consistent with supporting evidence.</li><li>• Ensure that amounts paid are consistent with those approved by the Board and are in accordance with Welsh Government pay rates.</li><li>• Ensure that disclosures are complete based on the team’s knowledge and are prepared in accordance with requirements.</li></ul> | <p>My testing did not identify any material errors in the remuneration report.</p> |

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**Valuation of property assets**

The value of property assets reflected in the balance sheet and notes to the accounts are material estimates.

Property assets are required to be held on a valuation basis which is dependent on the nature and use of the assets.

This estimate is subject to a high degree of subjectivity, depending on the specialist and management assumptions, and changes in these can result in material changes to valuations.

Assets are required to be formally revalued every five years as a minimum, with indexation applied in interim years, but values may also change year on year, particularly where there are ongoing refurbishment projects resulting in subsequent expenditure being capitalised.

There is a risk that the carrying value of assets recognised in the accounts could be materially different to the current value of assets as at 31 March 2025.

- Review the indices used by management for reasonableness.
- Evaluate the competence, capabilities and objectivity of the professional valuer.
- Test a sample of assets revalued in the year to ensure the valuation basis, key data and assumptions used in the valuation process are reasonable, and the revaluations have been correctly reflected in the financial statements.
- Confirm that indexation has been appropriately applied and has been correctly reflected in the financial statements.
- Test the reconciliation between the financial ledger and the asset register.

My testing did not identify any material errors in the valuation of property assets.

| Audit risk   | Work done   | Outcome   |
|--|---|---|
| <p><b>Related party disclosures</b></p> <p>The financial statements must disclose any related party relationships along with the transactions and balances between the LHB and the other body/party.</p> <p>The LHB has many relationships that could be considered a related party. Many are well known for example, the Welsh Government as funder.</p> <p>However, where related party relationships arise via individual officer or member relationships, there is likely to be less transparency regarding these relationships. These transactions are of high interest and are considered to be material by their nature.</p> <p>There is therefore a risk of material misstatement due to incomplete or inaccurate disclosures, even where these are of relatively low value.</p> | <ul style="list-style-type: none"> <li>• Review management’s process for identifying related party relationships and associated transactions and balances.</li> <li>• Undertake procedures to confirm the completeness of related party relationships.</li> <li>• Ensure disclosures are complete, accurate, consistent with evidence and are in accordance with requirements.</li> </ul> | <p>My testing did not identify any material errors in the related party note.</p> |

| Audit risk   | Work done  | Outcome   |
|--|--|---|
| <p><b>Provisions and contingent liabilities</b></p> <p>The financial statements include provisions for legal obligations, particularly in relation to clinical negligence.</p> <p>There is a significant degree of subjectivity and uncertainty in the measurement and valuation of these provisions.</p> <p>This subjectivity and uncertainty increase the risk of material misstatement.</p> | <ul style="list-style-type: none"><li>• Review management's estimation process for the valuation of provisions.</li><li>• Consider the competence, capability and objectivity of the management experts who are prepare the estimates.</li><li>• Ensure that disclosures are in accordance with the FReM and the Welsh Government's Manual for Accounts.</li></ul> | <p>My testing did not identify any material errors in the accounting for provisions and contingent liabilities.</p> |

## Appendix 2 – Summary of corrections made

During our audit, we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention.

| Value of correction | Accounts area                                    | Explanation  |
|---------------------|--|--|
| £16,104k            | Note 4<br>Miscellaneous<br>Income                | Income reclassified from ‘Welsh Special Health Authorities’ to ‘Education, training and research’.<br><br>This was in response to a new requirement in the Manual for Accounts in 2024-25: that income and expenditure headings should be used to specify which activities they relate to. Organisational headings should only be used if there are no relevant categories available. Reclassification within Note 4 only. |
| £3.7k (net impact)  | Note 30 Related<br>Party Transactions<br>- table | The related party transactions and balances with Welsh Government and the Health bodies were restated as they had been prepared incorrectly.   |
| £581k               | Note 30 Related<br>Party Transactions            | Our testing identified one Board member failed to declare a related party relationship on their  |

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|                               |  |   |
|-------------------------------|--|---|
|                               | – Board member interests                     | declaration of interest that covered the period of account. The relationship had been correctly disclosed in prior years. The related party relationship table was updated accordingly.   |
| Various amounts and narrative | Various                                      | We identified a number of trivial errors in accounting policies and notes to the accounts which the Health Board has chosen to amend.   |
| Various narrative             | Performance Report and Accountability Report | <p>A small number of amendments to the Performance and Accountability Report were requested to ensure full compliance with relevant guidance.</p> <p>These amendments included an additional table required in the Staff Report analysing expenditure on temporary staff, as required by the Manual for Accounts.</p> |

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# Appendix 3 – Proposed audit report

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

### Opinion on financial statements

I certify that I have audited the financial statements of Aneurin Bevan University Local Health Board for the year ended 31 March 2025 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 material 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 Local Health Board as at 31 March 2025 and of its net operating costs for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

### Opinion on regularity

In my opinion, except for the matter(s) 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 Local Health Board's financial statements because the Health Board has

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Audit of Accounts Report – Aneurin Bevan Health Board  
breached its resource limit by spending £93.793 million over the amount that it  
was authorised to spend in the three-year period 2022-23 to 2045-25. This  
spending constitutes irregular expenditure.

Further detail is set out in my Report on [page xx](#).

## **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 and regularity of public sector bodies 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 12 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 Local 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 Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with Welsh Ministers' guidance.

### **Matters on which I report by exception**

In the light of the knowledge and understanding of the Health Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and the other unaudited parts of the Accountability Report or 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 Local Health Board's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals.
- obtaining an understanding of Aneurin Bevan University Local Health Board's framework of authority as well as other legal and regulatory frameworks that the Health Board operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Health Board.
- 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 Local 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 x to y**.

Adrian Crompton  
Auditor General for Wales  
27 June 2025

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 Local Health Board (the Health Board's) financial statements. I am reporting on these financial statements for the year ended 31 March 2025 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 and the failure of the second financial duty. 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 2024-25, the Health Board failed to meet both the first and the second financial duty.

#### Failure of the first financial duty

The **first financial duty** gives additional flexibility to Health Boards 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 2022-23 to 2024-25.

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 £5,320.432 million by £93.793 million.

Where a Health Board does not balance its books over a rolling three-year period, any expenditure over the resource allocation (ie 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.

#### Failure of the second financial duty

The **second financial duty** requires Health Boards to prepare and have approved by the Welsh Ministers a rolling three-year integrated medium-

term plan. This duty is an essential foundation to the delivery of sustainable quality health services. A Health Board will be deemed to have met this duty for 2024-25 if it submitted a 2024-2027 plan approved by its Board to the Welsh Ministers, who were required to review and consider approval of the plan.

As shown in Note 2.3 to the Financial Statements, the Health Board did not meet its second financial duty to have an approved three-year integrated medium-term plan in place for the period 2024-2027.

**Adrian Crompton**

**Auditor General for Wales**

**27 June 2025**

# Appendix 4 – Letter of representation

## Audited body's letterhead

Auditor General for Wales  
Wales Audit Office  
1 Capital Quarter  
Cardiff  
CF10 4BZ

25 June 2025

## Representations regarding the 2024-25 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of Aneurin Bevan University Local Health Board for the year ended 31 March 2025 for the purpose of expressing an opinion on their truth and fairness, their proper preparation and the regularity of income and expenditure.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

## Management representations

### Responsibilities

As Chief Executive and Accountable Officer I have fulfilled my responsibility for:

- preparing the financial statements in accordance with legislative requirements and the Treasury's Financial Reporting Manual. In preparing the financial statements, I am 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 Aneurin Bevan University Local Health Board will continue in operation;
- ensuring the regularity of any expenditure and other transactions incurred;
- the design, implementation and maintenance of internal control to prevent and detect error.

## Information provided

We have provided you with:

- full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to staff from whom you determined it necessary to obtain audit evidence;
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects Aneurin Bevan University Local Health Board and involves:
  - management;

- employees who have significant roles in internal control; or
- others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements;
- the identity of all related parties and all the related party relationships and transactions of which we are aware; and
- our knowledge of all possible and actual instances of irregular transactions.

## Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions.

## Representations by Aneurin Bevan University Local Health Board

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by Aneurin Bevan University Local Health Board on 25 June 2025.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

Chief Executive

Chair of the Health Board

Date:

Date:

# Audit quality

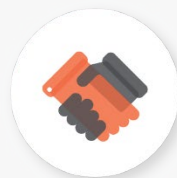
Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by the Institute of Chartered Accountants in England and Wales and our Chair of the Board, acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2024](#).



## Our People

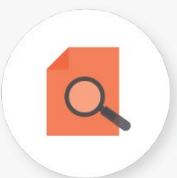
- Selection of right team
- Use of specialists
- Supervisions and review



## Arrangements for achieving audit quality

### Selection of right team

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support



## Independent assurance

- EQRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

# Supporting you

Audit Wales has a range of resources to support the scrutiny of Welsh public bodies, and to support them in continuing to improve the services they provide to the people of Wales.

Visit our website to find:



Our publications which cover our audit work at public bodies.



Information on our upcoming work and forward work programme for performance audit.



Data tools to help you better understand public spending trends.



Details of our Good Practice work and events including the sharing of emerging practice and insights from our audit work.



Our newsletter which provides you with regular updates on our public service audit work, good practice, and events.



Audit Wales

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: [info@audit.wales](mailto:info@audit.wales)

Website: [www.audit.wales](http://www.audit.wales)

We welcome correspondence and telephone calls in Welsh and English.

Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.



|  |   |
|--|---|
| <b>DYDDIAD Y CYFARFOD:</b><br><b>DATE OF MEETING:</b>            | 25 June 2025                                |
| <b>CYFARFOD O:</b><br><b>MEETING OF:</b>                         | Board                                       |
| <b>TEITL YR ADRODDIAD:</b><br><b>TITLE OF REPORT:</b>            | Annual Report and Accounts 2024/25          |
| <b>CYFARWYDDWR</b><br><b>ARWEINIOL:</b><br><b>LEAD DIRECTOR:</b> | Rani Dash, Director of Corporate Governance |
| <b>SWYDDOG ADRODD:</b><br><b>REPORTING OFFICER:</b>              | Bryony Codd, Head of Corporate Governance   |

**Pwrpas yr Adroddiad**  
**Purpose of the Report**

Ar Gyfer Trafodaeth/For Discussion

**ADRODDIAD SCAA**  
**SBAR REPORT**

**Sefyllfa / Situation**

In respect of the Annual Report and Accounts 2024/25, this paper presents to the Board the final draft audited versions of:

- 1) The Performance Report (Part 1)
- 2) The Accountability Report (Part 2), including:
  - a) A Corporate Governance Report
  - b) A Remuneration and Staff Report
  - c) A Parliamentary Accountability and Audit Report.

for consideration and approval prior to being submitted to Welsh Government on 30<sup>th</sup> June 2025, in-line with HM Treasury Requirements.

Following presentation of the draft documents to the Audit, Risk and Assurance Committee on 20<sup>th</sup> May 2025 and 24<sup>th</sup> June 2025, the final draft versions incorporate comments and feedback received from Welsh Government; Audit Wales; and Board Members, including those comments made by the Audit, Risk and Assurance Committee when reviewing the drafts.

It should be noted that the versions appended to this report are those that have been shared with the Audit, Risk and Assurance Committee for final review on 24<sup>th</sup> June 2025. Any required amendments or additions arising from the Committee's meeting on 24<sup>th</sup> June 2025 will be outlined in a report from the Committee Chair for consideration by the Board at its meeting on 25<sup>th</sup> June 2025.

Page numbers contained in the documents will be added once the 3 reports have been combined in to one consolidated document for submission.

## **Cefndir / Background**

NHS Bodies are statutorily obliged to prepare their annual report and accounts in compliance with the determination and directions given by Welsh Ministers and the approval of the Treasury.

The Manual for Accounts, issued by Welsh Government, has been prepared to ensure that those determinations and directions are consistent with the 2024-25 Government Financial Reporting Manual (FReM) which sets out the accounting guidance applicable to bodies within the Resource Accounting Boundary. In setting the requirements of the FReM the government is advised by an independent body, the Financial Reporting Advisory Board (FRAB). NHS bodies are required to follow FReM guidance except where a divergence has been formally agreed with the Treasury.

The Manual provides principles-based guidance to NHS bodies on how to prepare and complete their annual report and accounts and financial returns. Application of the principles to the individual circumstances of a NHS body is a matter between the body and its external auditors.

The Annual Report and Accounts as a whole must be fair, balanced and understandable and the Accountable Officer takes personal responsibility for it and the judgments required for determining that it is fair, balanced and understandable.

## **Asesiad / Assessment**

### **Annual Report and Accounts – Requirements for 2024/25**

As set out in the Manual for Accounts, NHS bodies are required to publish, as a single document, a three-part Annual Report and Accounts which includes:

- The Performance Report, which must include:
  - An overview.
  - Performance analysis
  
- The Accountability Report, which must include:
  - A Corporate Governance Report.
  - A Remuneration and Staff Report.
  - Senedd Cymru/Welsh Parliament Accountability and Audit Report.
  
- The Financial Statements, including:
  - The Audited Annual Accounts 2024/25.

The detailed structure of the Annual Report and Accounts 2024/25, is set out at Annex A.

For the 2024-25 reporting period the deadlines for submission are:

| <b>Annual Reports 2024/25 - Key Dates</b>   | <b>2025</b> |                |
|---|-------------|----------------|
| <b>Draft Accounts to WG</b>   | <b>Fri</b>  | <b>2-May</b>   |
| <b>Draft Performance Report Overview, Accountability Report and Remuneration Report to WG</b>                         | <b>Fri</b>  | <b>9-May</b>   |
| Draft Reports to ARA Committee Members  | <b>Tues</b> | <b>13-May</b>  |
| <b>ARA Committee meeting</b> to Consider Draft Accounts and Draft Accountability Report                               | <b>Tues</b> | <b>20-May</b>  |
| Final Accounts & Accountability Report to Audit Committee Members   | Tues        | 17-June        |
| <b>ARA Committee meeting</b> to Consider Final Accounts, and Accountability Report                                    | Tues        | <b>24-June</b> |
| <b>Board meeting to approve Final Accounts and Accountability Report</b>  | Wed         | <b>25-June</b> |
| <b>Certification by Auditor General</b>   |             |                |
| <b>Final Annual Report Deadline for Submission to WG</b><br>– Annual Report and Accounts as a single unified document | Mon         | <b>30 June</b> |
| <b>Annual General Meeting</b> – to receive the Annual Report and Accounts   | Wed         | 24 Sept        |

### **Part One – The Performance Report 2024/25**

The purpose of the performance section of the annual report is to provide information on the Health Board, its main objectives and strategies and the principal risks that it faces. The requirements of the performance report are based on the matters required to be dealt with in a Strategic Report as set out in Chapter 4A of Part 15 of the Companies Act 2006, as amended by SI 2013, No. 1970. The main features of the performance report should flow from the organisation's agreed plan and demonstrate how the Health Board has delivered against that plan in the year of reporting.

The performance report must provide a fair, balanced and understandable analysis of the Health Board's performance, in line with the overarching requirement for the annual report and accounts to be fair, balanced and understandable.

The performance report, once approved by the Board, shall be signed and dated by the Accountable Officer (the Chief Executive Officer).

The Draft Performance Report was considered by the Audit, Risk and Assurance Committee on 20<sup>th</sup> May 2025 and 24<sup>th</sup> June 2025. In addition, Audit Wales (External Audit), has reviewed the draft performance report for consistency with other information in the financial statements (Part 3). Feedback and amendments received from Audit Wales have been factored into the Final Draft.

### **Part 2 – The Annual Accountability Report 2024/25**

The purpose of the accountability section of the annual report is to meet key accountability requirements to the Welsh Government. The requirements of the accountability report are based on the matters required to be dealt with in a Directors' Report, as set out in Chapter 5 of Part 15 of the Companies Act 2006

and Schedule 7 of SI 2008 No 410, and in a Remuneration Report, as set out in Chapter 6 of the Companies Act 2006 and Schedule 8 of SI 2008 No 410.

The Accountability Report is required to have three sections:

❖ **Corporate Governance Report**

The purpose of the Corporate Governance Report is to explain the composition and organisation of the Health Board's governance structures and how they support the achievement of the entity's objectives.

As a minimum, the corporate governance report must include:

- The Directors' Report;
- The Statement of Accounting Officer's responsibilities; and
- A Governance Statement.

*The Governance Statement is a key feature of the organisation's Annual Report and Accounts. It demonstrates publicly the management and control of resources and the extent to which the body complies with its own governance requirements, including how they have monitored and evaluated the effectiveness of their governance arrangements. It is intended to bring together in one place in the annual report all disclosures relating to governance, risk and control.*

❖ **Remuneration and Staff Report**

The remuneration and staff report sets out the organisation's remuneration policy for directors and senior managers, reports on how that policy has been implemented and sets out the amounts awarded to directors and senior managers and where relevant the link between performance and remuneration.

❖ **Senedd Cymru/Welsh Parliament Accountability and Audit Report**

The Parliamentary Accountability Report contains disclosure on the following:

- Regularity of expenditure
- Fees and charges
- Public Sector Information Holders only - a statement is required if the entity has not complied with the cost allocation and charging requirements set out in HM Treasury guidance
- A brief description of the nature of each of the organisation's material remote contingent liabilities (that is, those that are disclosed under Parliamentary reporting requirements and not under IAS 37) and, where practical, an estimate of its financial effect. (This is included in the Annual Accounts [Part 3]).

The Accountability Report, once approved by the Board, shall be signed and dated by the Accountable Officer (the Chief Executive Officer), the Chair and the Director of Finance.

The Draft Accountability Report was considered by the Audit, Risk and Assurance Committee (20<sup>th</sup> May 2025 and 24<sup>th</sup> June 2025). In addition, Audit Wales (External Audit), has reviewed the draft Accountability report for consistency with other information in the financial statements (Part 3). Feedback and amendments received from Audit Wales have been factored into the Final Draft. Welsh Government has also reviewed the draft accountability report and were content that the Health Board had made the appropriate level of disclosure against the requirements in Chapter 3 of the Manual for Accounts.

### Part Three – The Financial Statements 2024/25

In the published version of the Annual Report, NHS bodies should present the full Financial Statements of the organisation. There is no longer an option to present Summarised Financial Statements.

The Financial Statements, attached, have been subject to audit, the outcome of which is reported to the Board via the Audit of Accounts Report 2024/25 (agenda item 2.1).

### Argymhelliad / Recommendation

The Board is asked to APPROVE Aneurin Bevan University Health Board's Annual Report and Accounts 2024/25 in readiness for submission to the Auditor General for Wales and Welsh Government.

### Provided in supporting information:

|     | Title   | Reference   |
|-----|---|-------------|
| 1)  | General Medical Services – New GMS Contract                 | LFR 101-105 |
| 2)  | Analysis of Expenditure by Type                             | FR3         |
| 3)  | Losses and Special Payments Financial Return                | FR4         |
| 4)  | Losses and Special Payments Financial Return                | FR5         |
| 5)  | NHS Interparty Eliminations                                 | FR6         |
| 6)  | Analysis of Impairments and reversals recognised in 2023/24 | FR7         |
| 7)  | Charities Return  | FR9         |
| 8)  | Whole of Government Accounts                                | FR10        |
| 9)  | Miscellaneous   | FR14        |
| 10) | Primary Care  | FR17        |
| 11) | Inter Party Transactions                                    | IFRS16      |
| 12) | Memorandum Statements                                       |             |
| 13) | Monnow Vale Memorandum Statement                            |             |

### Amcanion: (rhaid cwblhau)

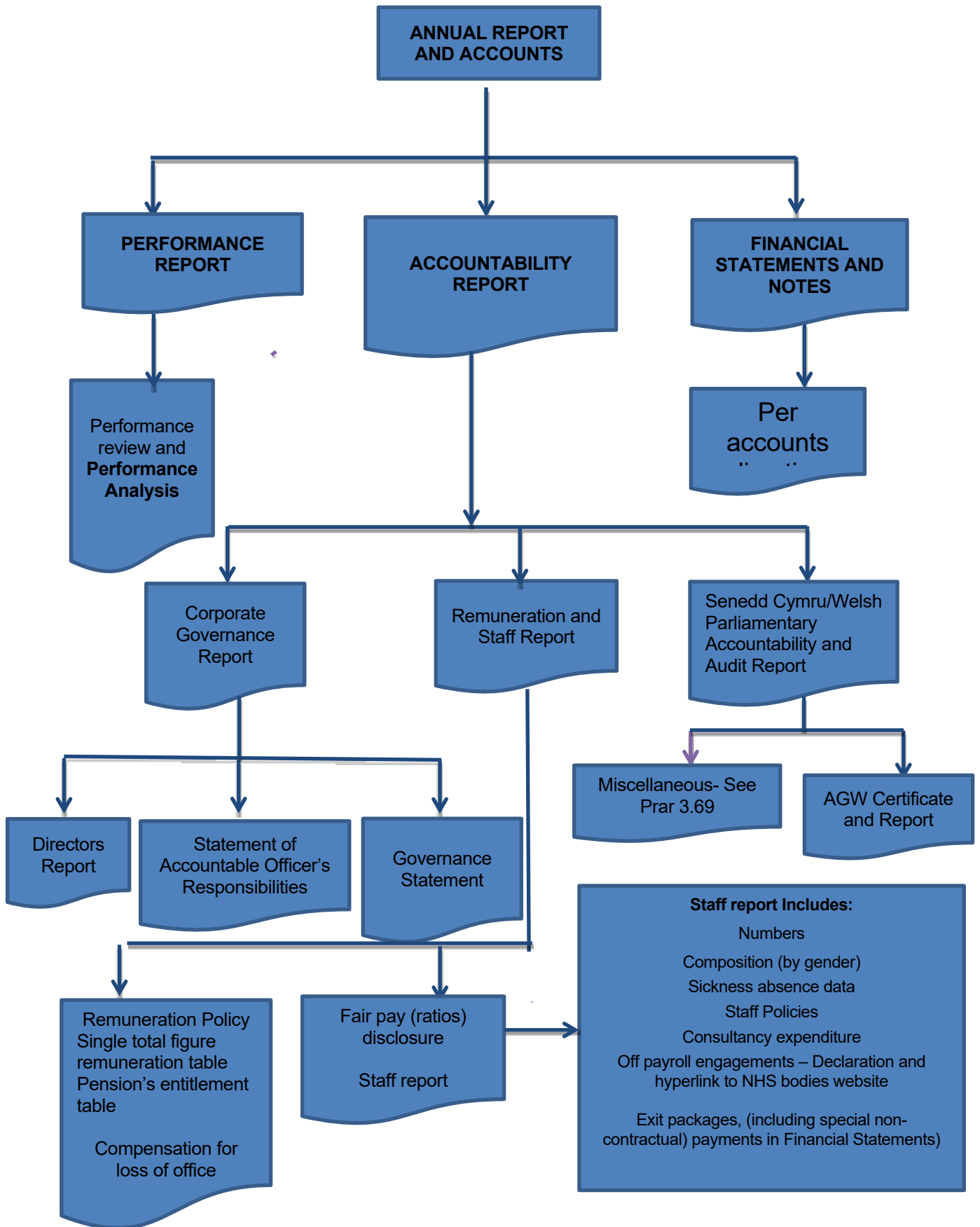
### Objectives: (must be completed)

|  |  |
|--|--|
| Cyfeirnod Cofrestr Risg<br>Corfforaethol a Sgôr Cyfredol:<br>Corporate Risk Register<br>Reference and Score: | N/A  |
| Safon(au) Gofal ac Iechyd:<br>Health and Care Standard(s):   | Governance, Leadership and Accountability<br>Choose an item.<br>Choose an item.<br>Choose an item. |
| Blaenoriaethau CTCI<br>IMTP Priorities<br><br><a href="#">Link to IMTP</a>                                   | Not Applicable<br>Choose an item.  |

|   |   |
|---|---|
| Galluogwyr allweddol o fewn y CTCI<br>Key Enablers within the IMTP  | Governance  |
| Amcanion cydraddoldeb strategol<br>Strategic Equality Objectives<br><a href="#">Strategic Equality Objectives 2020-24</a> | Not Applicable<br>Choose an item.<br>Choose an item.<br>Choose an item. |

| <b>Gwybodaeth Ychwanegol:<br/>Further Information:</b>  |  |
|---|--|
| Ar sail tystiolaeth:<br>Evidence Base:  | N/A  |
| Rhestr Termau:<br>Glossary of Terms:  | N/A  |
| Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Cyfarfod Bwrdd Iechyd Prifysgol:<br>Parties / Committees consulted prior to University Health Board: | Audit, Risk & Assurance Committee<br>Executive Committee |

| <b>Effaith: (rhaid cwblhau)<br/>Impact: (must be completed)</b>   |   |
|---|---|
| <b>Asesiad Effaith Cydraddoldeb Equality Impact Assessment (EIA) completed</b>  | <b>No does not meet requirements</b><br><br>An EQIA is required whenever we are developing a policy, strategy, strategic implementation plan or a proposal for a new service or service change. If you require advice on whether an EQIA is required contact <a href="mailto:ABB.EDI@wales.nhs.uk">ABB.EDI@wales.nhs.uk</a> |
| <b>Deddf Llesiant Cenedlaethau'r Dyfodol – 5 ffordd o weithio Well Being of Future Generations Act – 5 ways of working</b><br><br><a href="https://futuregenerations.wales/about-us/future-generations-act/">https://futuregenerations.wales/about-us/future-generations-act/</a> | Not Applicable<br>Choose an item.   |



## **Aneurin Bevan University Health Board Annual Report and Annual Accounts 2024/2025**

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 2024/25, 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 2024 to 31<sup>st</sup> March 2025 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.

### **Contact Us**

You can contact the Health Board using the details below:

Aneurin Bevan University Health Board

Headquarters, St Cadoc's Hospital

Lodge Road, Caerleon, Newport, NP18 3WQ

Telephone; 01633 436700 or email [abhb.enquiries@wales.nhs.uk](mailto:abhb.enquiries@wales.nhs.uk)

<http://twitter.com/aneurinbevanhb>

<https://www.facebook.com/AneurinBevanHealthBoard>

|  |  |
|--|--|
| <b>Section One – The Performance Report</b>  |  |
| <b>1. Overview from the Chief Executive</b><br><b>2. Reporting Requirements</b><br><b>3. Aneurin Bevan University Health Board</b><br><b>4. Annual Plan 2024/25 – Performance against trajectories</b><br><b>5. Delivering the IMTP Priorities 2024/25</b><br><b>6. Integrated Medium Term Plan 2024/25– Priority Programmes</b><br><b>7. Integrated Medium Term Plan 2024/25 – Quality and Safety</b><br><b>8. Well Being of Future Generations</b><br><b>9. Equality, Diversity and Inclusion</b><br><b>10. Welsh Language Requirements</b><br><b>11. Financial Management and Performance</b><br><b>12. Conclusion and Forward Look</b> |  |
| <b>Section Two – The Accountability Report</b>   |  |
| <b>Corporate Governance Report</b> <ul style="list-style-type: none"> <li>• <b>Directors Report</b></li> <li>• <b>Statement of Accountable Officer’s Responsibilities</b></li> <li>• <b>Annual Governance Statement</b></li> </ul>   |  |
| <b>Remuneration and Staff Report</b>   |  |
| <b>Parliamentary Accountability and Audit Report</b>   |  |
| <b>Section Three – The Financial Statements</b>  |  |
| <b>The Audited Annual Accounts 2024/25</b>   |  |

# **Part 1: Performance Report**

**1<sup>st</sup> April 2024 –  
31<sup>st</sup> March 2025**

## 1. Overview from the Chief Executive

The last year marked one of steady progress for the organisation, with reductions in very long waits for patients, improvement in Emergency Care performance and the delivery of new developments which will bring care closer to home, such as the 19 Hills Health and Wellbeing Centre. Despite this progress the Health Board remains in Level 4 for finance, strategy and planning and level 5 for performance and outcomes related to urgent and emergency care pathways at The Grange University hospital emergency department. The organisation is committed to achieving the financial and operational performance required to support de-escalation and the progress made in the last year, shows the organisation is on track to achieve this.

There have been many achievements and improvements in performance, across the breadth of the Health Board's priorities. Much has been delivered over the past 12 months including:

- Strengthened focus on Quality, Safety and Patient Experience. Improving Quality metrics with Health Board's Risk Adjusted Mortality Index (RAMI) reducing and lowest in Wales;
- The Health Board delivered and sustained zero patients waiting over 156 weeks;
- Significantly reduced the 104 week position from 4,086 in March 2024 to 288 by year end;
- Significant reduction in diagnostics 8 week target from 4,209 in March 2024 to 1,155 by year end;
- Reduced the 52 week outpatient position from a high of 17,611 in November to 14,265 by year end across all RTT Specialties;
- Led work to eliminate 104 weeks waits for Cataracts across the South East Wales Region;
- Mental Health Part 1 and Part 2 across both Adults and CAMHS, recovered and sustained since December;
- CAMHS Neurodevelopmental RTT compliance has also seen a significant improvement delivering a year end position of 81.9% and meeting the national standard;
- Pathway of Care Delays (POCDs) reaching a year end position of 171 from 262 in September 2024, in addition to substantial reduction in the numbers of days attributable to the delays;
- Single Cancer Pathway (SCP) compliance of 67.5% for March 2025 demonstrates positive progress and is the highest value over the past 24 months. In addition, backlog reduced from high of 469 in May to 275 in March 2025 & 89% of patients diagnosed within 28 days. Significantly reduced waits of over two years across all specialties;

- Delivering financial target;
- Undertook widespread public engagement to inform a new Organisational Strategy to be published in July 2025;
- Opened the first phase of the 19 Hills Wellbeing Centre in Newport with further progress on the Primary Care Estate Plan;
- Variable Pay reduced by approximately £15.8m from 2023/24 to 2024/25 and increased the total number of substantive staff through innovative approaches to recruitment and retention;
- Increasing number of Patient Experience Surveys with latest quarter reporting 88% reporting satisfaction;
- Refreshed Joint Strategic Needs Assessment – progress with Preventable Premature Mortality Work and Women’s Health Plan.

This report sets out the progress the organisation has made in 2024/25.

## Celebrating Success



## Workforce

The Health Board employs 13,424 WTE (17,111 people; March 2025) and is the largest employer in Gwent. This is an increase of 343 WTE from last year, mainly in Nursing and Midwifery (187.58 WTE), Estates and Ancillary (62.59 WTE), and Health Care Support Workers (HCSW) (43.94 WTE). Administration decreased by 80.08 WTE (2.8%). Estates and Ancillary increased core staffing by 6.17% to reduce reliance on agency usage.

The workforce demographic remains stable, with 20% of staff over 55 and 32% over 50 years old. Turnover reduced from 9.2% to 8.64%, while sickness increased from 6.10% to 6.44%, with stress, anxiety, and depression accounting for 33% of absences.

The organisation has significantly reduced Registered Nurse vacancies by 53% and Medical and Dental vacancies by 40% over the last two years. However, vacancies persist in some medical specialties (e.g., Ophthalmology, General and Acute Medicine, Psychiatry, Public Health), Therapies, and Pharmacy. The organisation will continue recruitment and retention campaigns to address these. Long-term vacancies remain in non-clinical roles like Mechanical and Craftsperson positions.

The priority is recruiting, developing, and retaining directly employed staff to build effective teams and provide a positive patient experience.

There are 1,370 WTE colleagues in independent GP Practices, with a high reliance on locum GPs and many GPs over 55 years old.

**People Plan 2022 – 2025 – Putting People First:** The next iteration of the organisation's People Plan (2025/26 - 2028/29) is in development and will involve full engagement with staff, Trade Unions and Partners. The Plan will address workforce challenges and support the Health Board's Long-Term Strategy and Ministerial Targets, focusing on:

- Staff Health & Wellbeing
- Employer of Choice
- Workforce Sustainability and Transformation

The priorities align with the commitments of Health Education and Improvement Wales (HEIW), Social Care Wales (2022), A Healthier Wales, and the National Workforce Implementation Plan (2023). Our Plans are also driven by Welsh Health Circulars 2024/031 and 2024-17.

Actions in the People Plan during 2024/25 have positively impacted key workforce performance indicators, including:

- Turnover dropped from 11.36% to 8.64%.
- Performance Appraisal (PADR) increased from 73.46% to 75.15% with a new process and manager training.
- Launched the Speaking up Safely process.
- Time to hire remains below the 71-day target at 64 days.
- Recruited 74 International Nurses.
- Reduced HCSW vacancies by 60 WTE and RN vacancies by 128 WTE.
- Reduced Medical vacancies by 57 WTE in the last two years.
- Variable Pay reduced by a further circa £15.8m from 2023/24 to 2024/25
- Refreshed a new Strategic Equality Plan focusing on Equality, Diversity, and Inclusion.
- Increased Welsh language translation, learning opportunities and reporting of competencies.

- Continued our work in line with Gwent Strategic Workforce Action Plan and roll out of our Integrated Schools Programme for Health and Social Care.
- Launched a bespoke Leadership Development Programme for aspiring and current Directorate Managers.
- Launched a Talent Management and Succession Planning Framework and Training Programme.
- Agreed a programme of work to positively recognise staff contribution and commitments with a range of formal and informal ways to show appreciation.

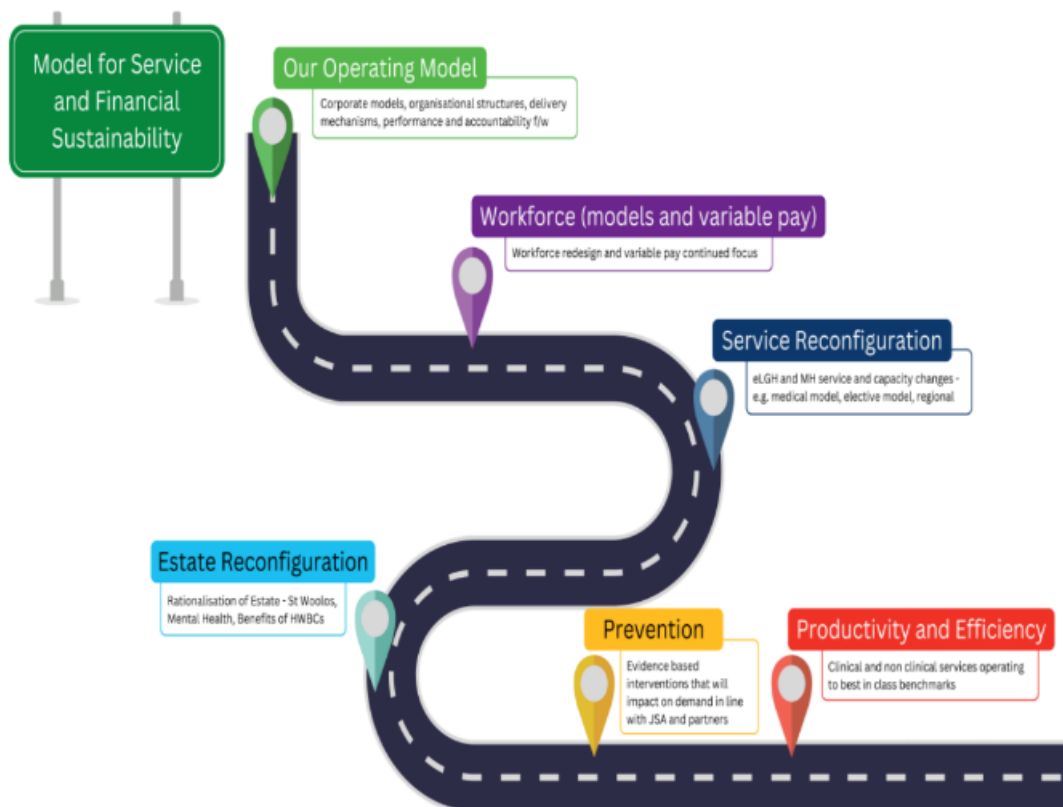
## **Finance**

The Health Board faced a significant underlying deficit post the covid-19 pandemic (in excess of £100m) but has stepped up to the challenge and has achieved unprecedented levels of savings over the last 3 years delivering a total of £111.6m to 31<sup>st</sup> March 2025 (58% of which are recurrent).

In 2024/25 we developed a Three-year route map to sustainability based on the strategic aims of the Board, which has been used as the reference document to drive financial improvement and service sustainability planning via a Value & Sustainability Board.

Specific to the Health Board are the challenges and unique opportunities of a new system of working designed through the Clinical Futures Strategy aims and driven by the opening the Grange University Hospital. Leveraging the full benefits of this system change will be key to achieving sustainable services and financial opportunities. Improving efficiency through pathway redesign, better clinical and cost effectiveness, patient outcomes and driving value will be a key part of the route map to sustainability, generating either financial or performance benefits, which will need to be carefully balanced.

We have developed our approach to sustainability through the consideration of strategic priorities and Value & Sustainability themes, which will be used to programme manage the overall savings plan. Themes include; Workforce, Continuing Health Care, Medicines Management, Non-Pay, Service Redesign, Prevention and Digital.



In December 2024, the Health Board received a letter from Welsh Government which notified the Health Board of additional funding totalling £40.5m; £9.5m issued recurrently to support ongoing operational pressures, and a further £31m also issued on a recurrent basis but conditional on the Health Board delivering against objectives specified within the letter. As a result of this new recurrent funding, the Health Board was issued a revised control total of £7.356m and aimed to meet this target as a minimum, whilst continuing to identify opportunities to improve the position further.

The full-year financial outturn position at month 12 of 2024/25 was a deficit of £7.185m, with a total savings of £45.5m achieved. This position achieved and improved upon the Welsh Government’s control total (£7.185m) by £171k.

## 2. Reporting Requirements

The purpose of the Performance Section of this Annual Report 2024/25, as set out in the guidance provided in the NHS Wales 2024/25 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 came into legal force in April 2023 in line with the Health and Social Care (Quality and Engagement) (Wales) Act 2020. These reports will be prepared and published separately to this Performance Report. Further information is available in the Annual Accountability Report, Page **XX**.

### 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, the organisation serves 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: [Gwent Joint Strategic Assessment - Aneurin Bevan University Health Board](#)

The Health Board employs 13,424 WTE as at the end of March 2024 and is the largest employer in Gwent. The workforce is ageing, as is the demographic profile of our population and the health inequalities of our population are also found within our workforce and 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 allocated from the Welsh Government of just over £1.7 billion per year from which the organisation plans and delivers 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 2024/25).

### 4. Annual Plan 2024/25 – Performance against trajectories

The Health Board's performance reporting is aligned to the commitments made in the 24/25 Annual Plan, which are split between two components:

- **Cabinet Secretary Priorities**

- Enhanced Care in the Community (*1 measure*),
- Primary and Community Care (*2 measures*),
- Urgent and Emergency Care (*2 measures*),
- Planned Care and Cancer (*4 measures*),
- Mental Health, including CAMHS (*2 measures*).

- **System Change Themes**

- Embedding Prevention and Population Health in all that we do (*5 measures*),
- Progressing Place Based Models of Care and sustainability in Primary and Community Services (*6 measures*),
- Improving our Urgent and Emergency Care System focusing on experience, access and discharge pathways (*11 measures*),
- Continuing to prioritise Cancer, Urgent and the longest waiting patients for Planned Care (*7 measures*),
- Improving our Mental Health Services (*7 measures*).

A summary of the Health Board's Annual Performance is detailed below by System Change Theme, with the relevant, corresponding Cabinet Secretary Priorities included.

### **Performance by System Change Theme**

#### *Embedding Prevention and Population Health in all that we do*

*5 Annual Plan Measures: 1 meeting trajectory/4 not meeting trajectory*

There are 3 measures relating to vaccinations;

- Performance for the percentage of children who are up to date with the scheduled vaccinations by age 5 has improved through the year to the latest reporting period (Q4) at 86.5%, although this remains short of the national target (95%).
- The percentage of children receiving the HPV vaccination by the age of 15 has remained relatively static through to the latest reporting period Q4 at 66.1% against an Annual Plan trajectory of 91.1%.
- Influenza vaccinations amongst adults aged 65 years and over through the Winter campaign fell marginally shortly of the national target of 75% at 72.9%, however the Health Board's performance was higher than the all Wales performance of 70.3% for this cohort, and the second highest performing Health Board overall.

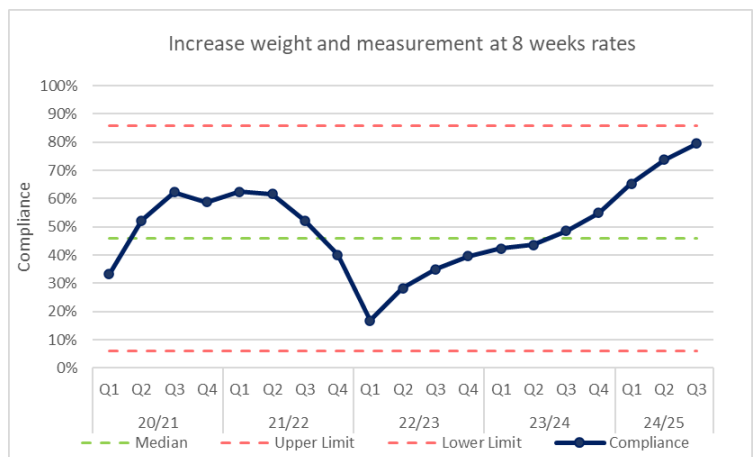
There are local initiatives in place to boost vaccination uptake. Neighbourhood Care Networks (NCNs) are implementing locally focused initiatives to encourage vaccination. These initiatives are tailored to address specific Community needs and include targeted Outreach Programs, Educational Campaigns, and Partnerships with local organisations to build trust and awareness.

School Health Nurses are also playing a pivotal role in our vaccination efforts. They are currently executing a robust Vaccination Plan that includes dedicated MMR (Measles, Mumps, and Rubella) Catch-up Clinics. These clinics are being held in Vaccination Centres and through Pop-up Clinics, making it easier for students to receive their vaccinations. By integrating these efforts within the school environment, we are ensuring that children have convenient access to essential vaccines, thereby reducing the risk of outbreaks and promoting overall public health.

The Health Board is committed to addressing vaccine inequity through our comprehensive Vaccine Inequity Strategy. This Strategy is informed by feedback from the NHS Executive and focuses on developing actions that ensure equitable access to vaccines for all populations. Our efforts include identifying and removing barriers to vaccination, such as transportation issues, language barriers, and misinformation. By working closely with Community Leaders and leveraging data to guide our actions, we aim to create a more inclusive and equitable Vaccination Program.

There are two Annual Plan measures relating to new born babies. The percentage in receipt of a physical examination at 6 weeks is 90.14% as of the latest reporting period (Feb '24) which is marginally behind the Annual Plan year end trajectory of 92.7%.

For the measure to increase rate of weight and measurement for babies at 8 week, the Health Board has seen significant improvement over the course of the past three years, which continued through 2024/25 to date, recording a historical high of 79.5% as of the latest reporting period (Q3).



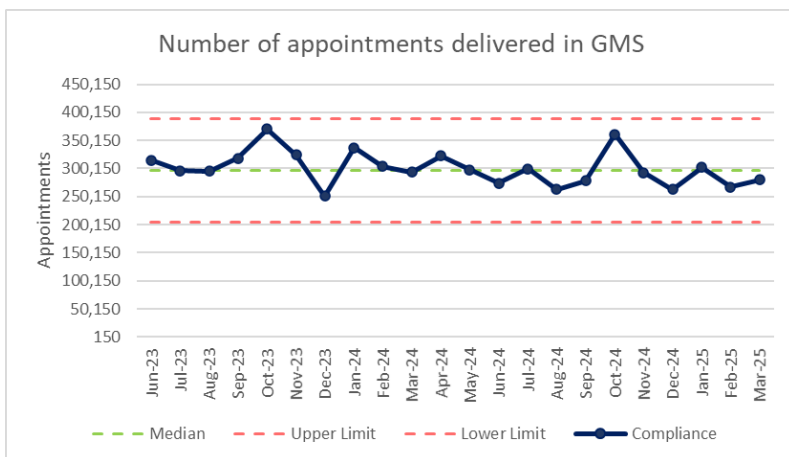
Progressing Place Based Models of Care and sustainability in Primary and Community Services

2 Cabinet Secretary Measures: 1 meeting trajectory/1 awaiting year end position

6 Annual Plan Measures: 2 meeting trajectory/3 borderline/1 not meeting trajectory

There are two Cabinet Secretary Priorities within this theme. The first is with regards to General Medical Services (GMS) and for 100% of Practices within the Health Board to achieve core access standards, and this has now been confirmed as achieved. The second relates to the percentage of contract fulfilled for General Dental Services (GDS). Year-end reporting is not yet available, however 62% of the contract value had been delivered as of the end of Q2.

In relation to the number of appointments delivered in General Medical Services (GMS), the Health Board was close to meeting the total number set in the Annual Plan of

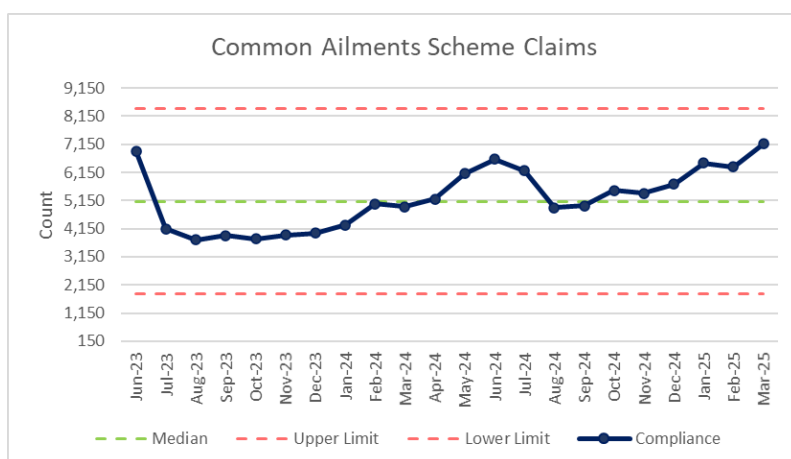


3,695,987. Despite not meeting the full annual target, we successfully delivered 94.7% of the total GP appointments planned, which is reflective of our commitment to providing accessible healthcare services and maintaining high performance levels. The Primary Care Contracting Team play a crucial role in managing GMS contracts. They ensure that any

concerns are promptly addressed by raising them directly with the Contractors. This proactive approach helps in maintaining strong relationships and ensuring compliance with contractual obligations. Contracts are continuously monitored to ensure they meet all requirements. In 2024/25 3 Practices moved to Health Board management: Aberbeeg, Brynmawr and Blaenavon on 1 March 2025. This included 63 staff TUPE'd, with additional support put in place for staff wellbeing and the establishment of Patient participation panels. The action and support received positive feedback on the turnaround in short time frames, which continues in to 2025/2026.

The number of patients accessing NHS Optometry Services was 242,439, well ahead of the Annual Plan trajectory of 168,851. The Health Board successfully implemented new and revised Clinical Pathways, specifically Welsh General Ophthalmic Services (WGOS) 4 and 5. All providers have transitioned to WGOS 4 provision, ensuring a standardised and improved approach to clinical care. The Primary Care Contracting Team has monitored contracts to ensure all Optometry Practices meet the required standards of performance, including WGOS activity. This oversight guarantees that Practices adhere to high-quality standards and deliver consistent, reliable care to patients. The Health Board has actively supported the rollout of digitisation across services. This support for digitisation has improved data management, accessibility, and overall efficiency in service delivery.

The number of consultations undertaken by Community Pharmacy under the Common Ailments Scheme (CAS) also far exceeded the Annual Plan trajectory of 47,250, at 70,9637. All Community Pharmacies are now signed up to the CAS, resulting in a notable increase in the number of consultations in the final quarter of the year at almost 20,000. This expansion has improved access to care for common ailments, providing patients with more convenient and timely treatment options. A new system is being developed to provide all GMS



Practices with access to live service provision data in their area. This system will cover CAS, flu, and other services, enhancing the ability of GMS Practices to coordinate and deliver comprehensive care. The number of Pharmacies commissioned for the Independent Prescribing Service has increased from 46 in Q2 to 55 at the end of the year, reflecting our commitment to expanding the scope of Pharmacy Services and improving patient access to prescribed medications.

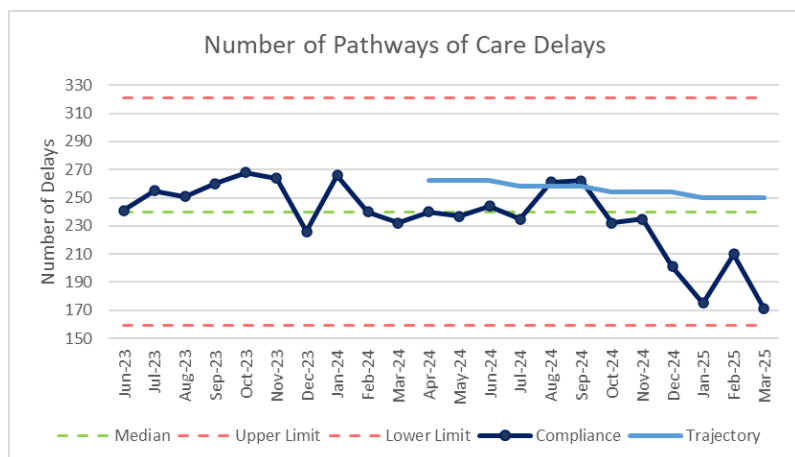
For the number of Units of Dental Activity (UDA) delivered performance was at 597,933 which reflects 97.1% of the total planned. There were 50 UDA Practices at the beginning of the year, with 25 of these Practices opting for contract reform. Following Contract Terminations, there were successful re-commissioning of Services, ensuring continuity and quality of care. Our usual contract monitoring processes remain in place, ensuring that all Practices meet the required standards of performance.

Performance of Palliative Care referrals assessed within 2 days has averaged 96% across the course of the year against a 95% target, with the latest reporting period (January) recording 94.4%. The proportion of GP referrals made to rapid response as a total of all medical assessments has been below the Annual Plan trajectory of 10.15% throughout the course of the year, averaging 8%. The expansion of the Community Resource Team (CRT) Rapid Medical Model is now fully embedded and operating as business as usual, and a new Standard Operating Procedure (SOP) was implemented in September to reduce variation and ensure a more equitable service across all CRT Rapid Teams. While GP referrals to Rapid have remained relatively static, there is an increasing trend of referrals from front door and back door services.

Improving our Urgent and Emergency Care System focusing on experience, access and discharge pathways

3 Cabinet Secretary Measures: 1 meeting trajectory/1 borderline/1 not meeting trajectory

11 Annual Plan Measures: 5 meeting trajectory/6 not meeting trajectory

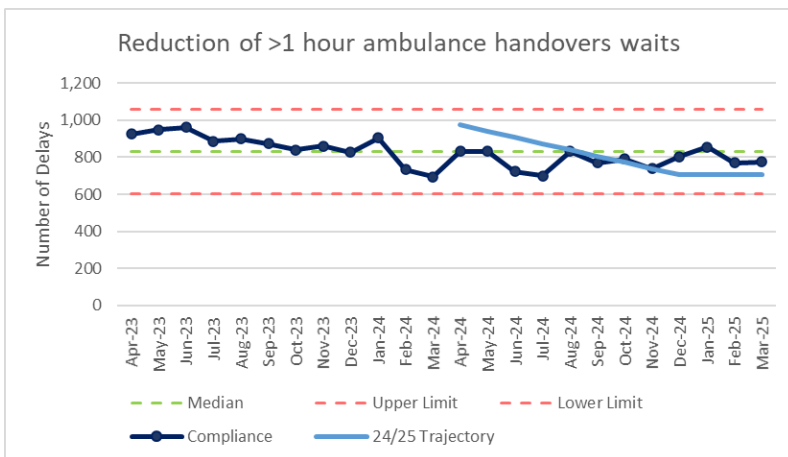


The Health Board has delivered significant progress against the Cabinet Secretary’s Priority of the reducing the number of Pathway of Care Delays (POCDs). Sustained improvement in POCDs was observed through the second half of the year, culminating in a year-end position of 171 from a year-high position of 262 in September. Additionally, there was a significant

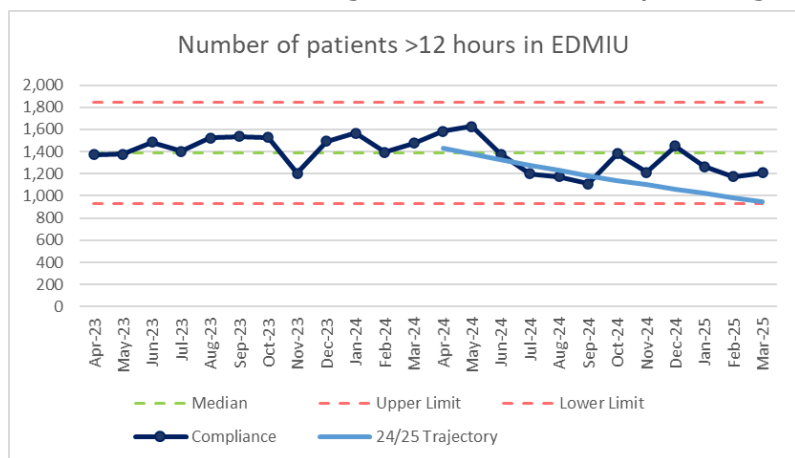
reduction in the total number of days delayed, from a high of 10,531 to 6,912 at year end. This success enabled the Health Board to also meet its ministerial targets as outlined by the Care Action Committee (CAC). Central to this success has been the actions undertaken as part of the 50 day challenge. Initiated in November, this focused

on enabling discharge and reducing POCD, in collaboration with Local Authority partners. The actions taken during this period have laid a strong foundation for continued improvements beyond the challenge timeframe. Hospital 2 Home has been further supported through the 50-day challenge, and saw a significant increase in number of patients supported through this pathway in January and continued elevated levels through the rest of Q4 and meeting its Annual Plan trajectory.

Across the measures within Urgent & Emergency Care (UEC), there has been expected seasonal variation which has impacted performance and reflects pressures faced by the health system particularly through the Winter period. Several key performance measures for Urgent Care peaked in January, as the system was subjected to the peak of Winter pressures, however they



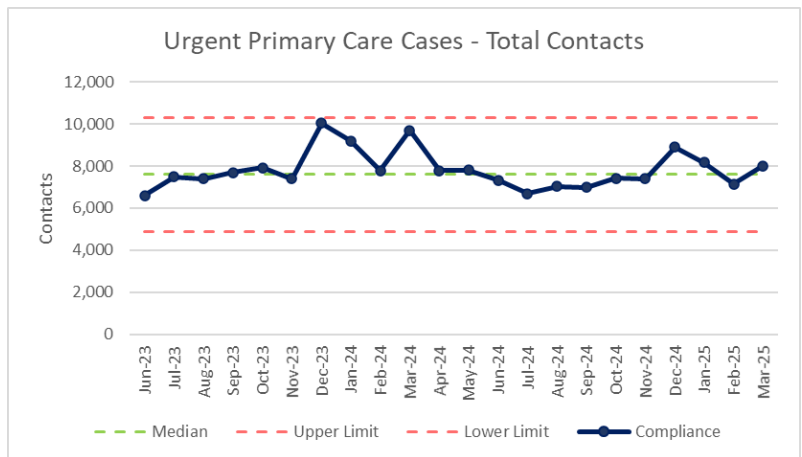
have since trended downwards from this point through the final two months of the year. End of year targets for the two key Cabinet Secretary Measures of >1hr Ambulance handovers and >12hr EDMIU attendances were not achieved, although 1hr Ambulances was borderline having reduced from a year high of 855 to 774 at year end. There are



continued Improvement Plans in place through 2025/26 with performance ambitions linked to WG de-escalation criteria. Despite the challenges across several Annual Plan metrics relating to Ambulance handovers and patients waits in the Emergency Department (ED), >4hr performance across our EDMIUs was consistently at or slightly above the Annual Plan target of 75%.

A new General Internal Medicine Model was implemented at GUH in November, linked to a new Model of Care for General Medicine patients led by the Respiratory Team. This initiative aims to enhance patient care and streamline service delivery. The 'SDEC First' pilot has been initiated at GUH for the Acute Medical Unit (AMU) to help manage demand. . A Clinical Prioritisation Framework protocol has been drafted, led by the Medical Director. This framework will guide prioritisation decisions, ensuring that patients receive timely and appropriate care based on clinical need. Weekly enhanced monitoring meetings continue to oversee and support improvements across our services. These meetings are crucial for maintaining high standards of care and operational efficiency.

Demand for Urgent Primary Care (UPC) has been high throughout the course of the year, with contacts in excess of 200% of the forecast in the annual plan. UPC have also provided additional support for practices in escalation. With regards to performance against the three measures relating to Stroke, performance figures are reported through SSNAP. As of Q3, the

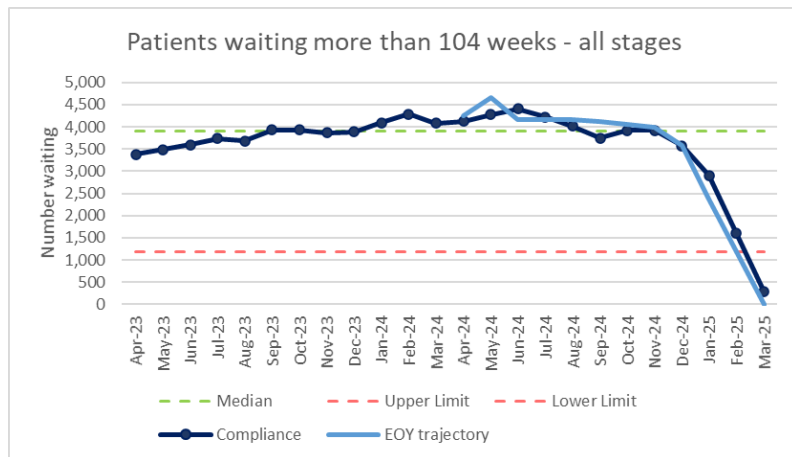


Health Board is meeting its Annual Plan trajectories in two standards (% of unique Stroke patients given Thrombectomy, and % Stroke Patients Assessed by one of OT, PT, SALT within 24 hours). A Stroke Improvement Plan is in place bringing together the 53 recommendations from GIRFT, HIW and the Welsh Government, the workstreams include: imaging, staffing, rehab, prevention, patient flow, governance, education and training, community, acute stay, data capture and audit compliance. The Health Board also approved the complete ring-fencing of the Stroke Pathway (Hyper Acute Stroke Unit & Rehab) to improve the pathway and also to support changes in Prince Charles Hospital.

Continuing to prioritise Cancer, Urgent and the longest waiting patients for Planned Care

4 Cabinet Secretary Measures: 1 meeting trajectory/3 borderline

7 Annual Plan Measures: 3 meeting trajectory/4 not meeting trajectory

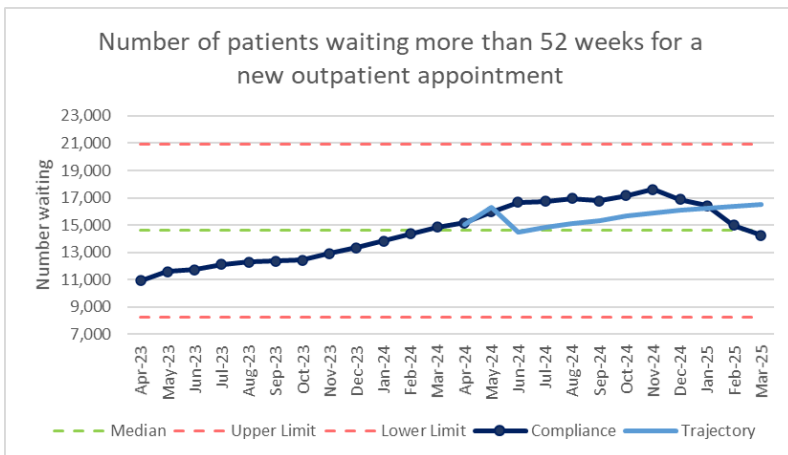


2024/25 saw the Health Board make significant progress with key priorities across Planned Care, Diagnostics and Cancer performance. This year, the Health Board made significant strides with the Cabinet Secretary Priority of reducing the number of patients waiting more than 104 weeks for referral to treatment (RTT), delivering substantial progress

through strategic initiatives and targeted funding. At the end of Q1, the Health Board had 4,408 patients waiting over 104 weeks for RTT, marking the highest point in the year. This situation highlighted the urgent need for intervention and improvement. The number of patients waiting began to decrease over the next two quarters, reflecting the Health Board's efforts to address the backlog and improve patient access to treatment. The Health Board received targeted funding from the Welsh Government across three key specialties: Ear, Nose & Throat (ENT), Ophthalmology, and Trauma & Orthopaedics. This funding was crucial in supporting ambitious plans to reduce waiting

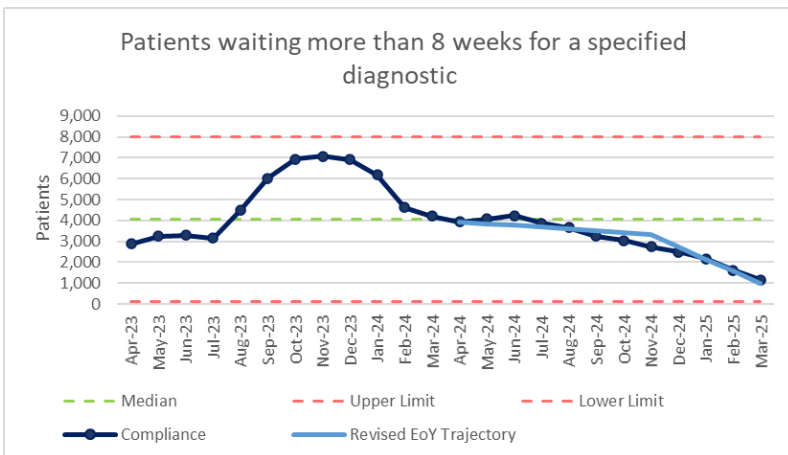
times and deliver a position as close to zero as possible by the end of the year. At year end the Health Board successfully reduced the number of patients waiting over 104 weeks to 288. This represents excellent progress and a significant achievement. Notably, the specialties of Ophthalmology-Cataracts and ENT achieved zero patients waiting over 104 weeks, demonstrating particular success in these areas.

For the Cabinet Secretary Priority Measure of the number of patients waiting more than 52 weeks for a new Outpatient appointment, the Health Board delivered a lower closing position of 14,625 when compared to that at the beginning of 2024/25 (15,160) and delivering ahead of a trajectory of 16,500. Significant gains were delivered through the second part of the year, reducing the position by almost 3,000.

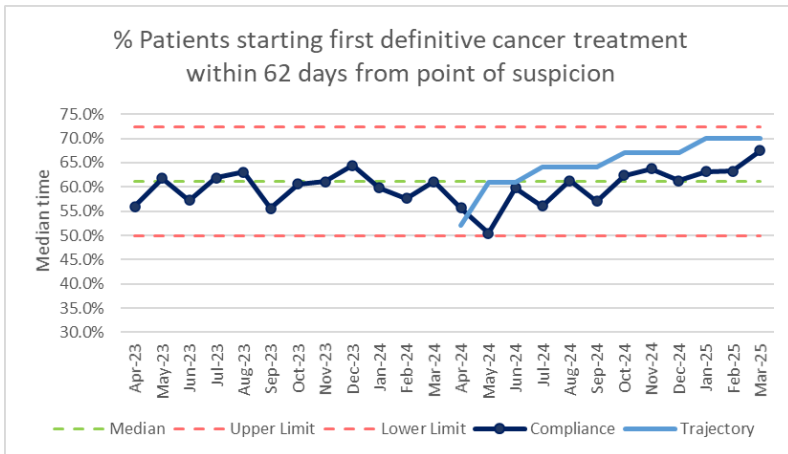


The Health Board also eliminated waits of over 156 weeks, having started the year with 52 patients breaching this measure to recording zero in the final two months of the year.

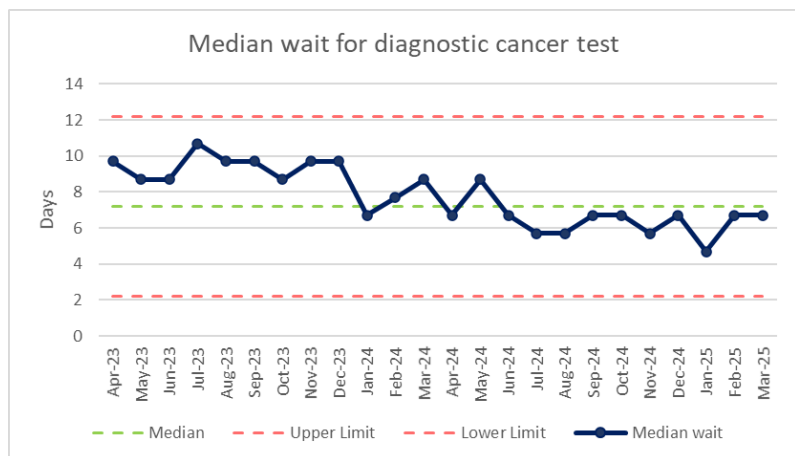
In respect of the number of patients waiting more than 8 weeks for a specified diagnostic, the Health Board was in receipt of Government funding across Endoscopy and Neurophysiology to deliver an improved year end position. With a target of 987, the final figure of 1,155 represented significant progress particularly when taken in the context of the previous two years and a Q1 2024/25 position of 4,221.



There has been a step forward with Cancer performance through 2024/25. For the Cabinet Secretary Priority of Single Cancer Pathway (SCP) compliance, which measures the percentage of people starting their first definitive treatment within 62 days from point of suspicion, the Health Board's performance through the first half of the year was subject to monthly fluctuations and behind trajectory. In the second half of the year performance was more stable,



and a further step forward was taken in March to deliver a year end position of 67.5%. Whilst this is marginally behind a trajectory of 70%, it is the highest monthly performance over the past 2 years and consolidates an improvement trend delivered over the course of the year, having been as low as 50.4% in May '24.



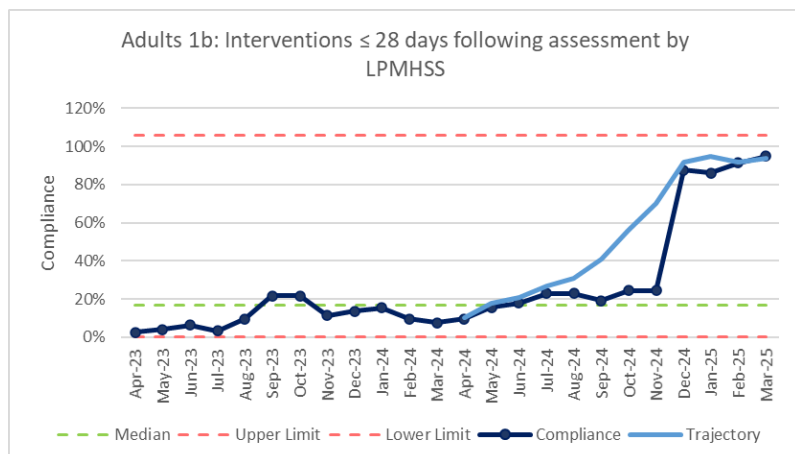
The 62 and 104 day backlogs for SCP have also seen substantial reductions over the year and, whilst slightly higher than annual plan trajectories, have stabilised over the past quarter and are in line with expected levels when taken in the context of the SCP census. Tumour Site Specific Task and Finish groups have been instrumental in delivering improvements in Cancer

performance, as has Divisional scrutiny to improve compliance and maintain attentive focus of management of patients going through the pathway.

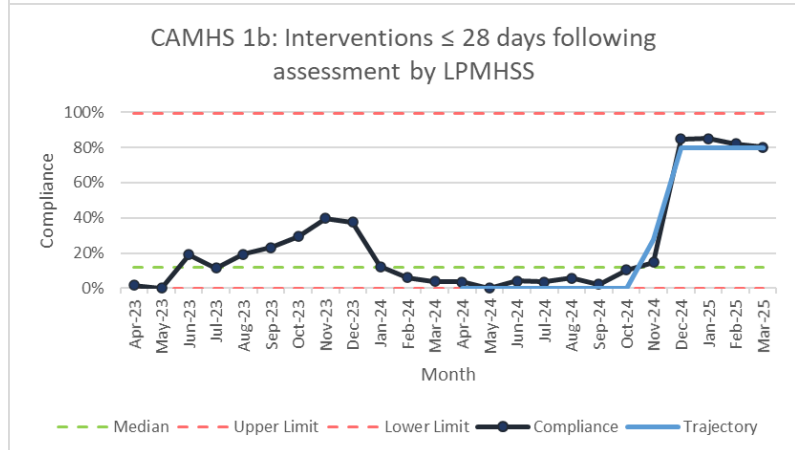
### Improving our Mental health services

2 Cabinet Secretary Measures: 2 meeting trajectory

7 Annual Plan Measures: 6 meeting trajectory/1 not meeting trajectory



The Health Board has been successful in delivering significant improvements across several measures through the course of 2024/25. For the two Cabinet Secretary Priorities for Part 1B across Child and Adolescent Mental Health Services (CAMHS) and Adults, which measures the percentage of Therapeutic interventions started within 28 days following an assessment by Local Primary Mental Health Services (LPMHSS) for people aged under 18 years, and then adults above 18 years, the Health Board had submitted ambitious improvement trajectories within the Annual Plan for both measures. Following significant focussed efforts from the respective Divisions, this

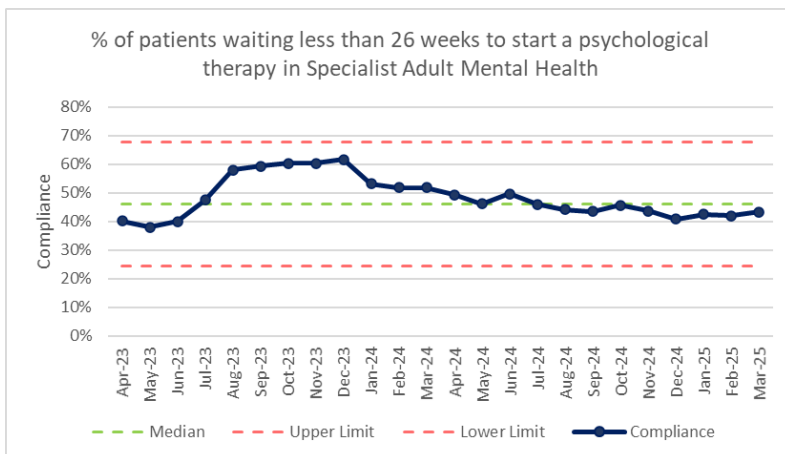


improvement was realised at the end of Q3 and sustained throughout the remainder of the year with both measures meeting the national standard of 80%. CAMHS performance closed the year at 80.3%, with Adults recording a closing position of 95%. The Adult waiting list has also seen substantial reduction through the course of 2024/25, from a high of 2,760 in July to 215 as of the end of the year. The CAHMS waiting list is also greatly reduced, from 584 in April 2024 to a year end position of 74.

For the Annual Plan Measure for Part 1A within Adults, which was to increase in to national target for Adult MH (assessment completed within 28 days), again significant improvement was delivered through the second part of the year with the national standard being met for the final five months of 2024/25 and recording a year end performance of 96%.

The waiting list also reduced from 1,320 at the beginning of the year, decreasing for six consecutive months from August to February before increasing slightly in March to achieve a year end position of 581. For Part 1A in CAMHS, performance had been excellent through 2024/25, however there was a decrease in March to 77.2%, which ends the year just below the national standard (80%). This is due to issues with the clinical system and therefore the ability to accurately capture pathway data. To mitigate, there is a forensic approach to waiting list management and to develop a Recovery Plan. The waiting list reduced through the first half of the year before increasing again, however the closing position of 224 is still lower than the opening one (250). Robotic Process Automation (RPA) was implemented in 2024/25 to help support the management of referrals and has resulted in taking ~3 days off the referral process between GPs and the PCMH team, which has been an enabler in improving performance across Part 1A.

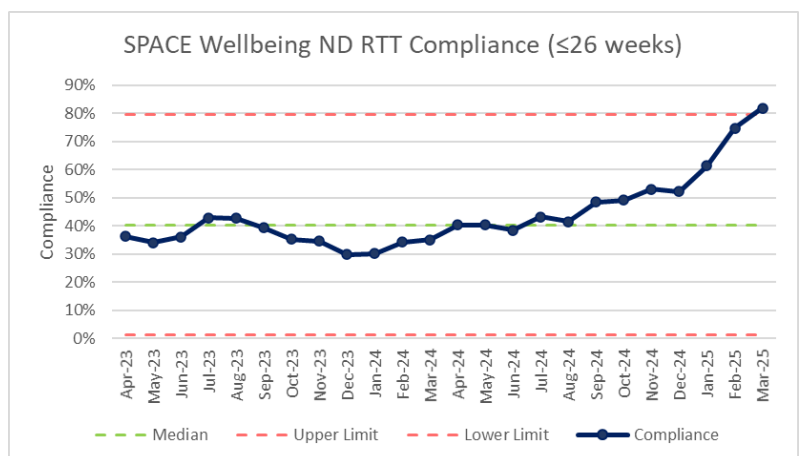
For the Annual Plan Measure for Part 2 within Adults, which was to maintain rates for the number of individuals with a valid care and treatment plan (CTP), performance had been strong throughout the year however there was a significant decrease in December to 68.4%, due to issues with the recording of data on clinical systems. There is an action plan in place to ensure compliance returns, and compliance has increased slightly over the final part of the year to close on a position of 71% which is ahead of the Annual Plan trajectory (68.3%). For CAMHS Part 2, performance increased in the second part of the year and was maintained at or very close to 100% for 6 consecutive months, closing the year at 98.2% and above the national standard.



Performance for the percentage of patients waiting less than 26 weeks to start a Psychological Therapy in Specialist Adult Mental Health has been challenged through the course of the year, having trended slightly downwards from an opening position of 49.3% to a closing one of 43.2%. This is below the Annual Plan trajectory of 70%. The number of patients waiting also remains

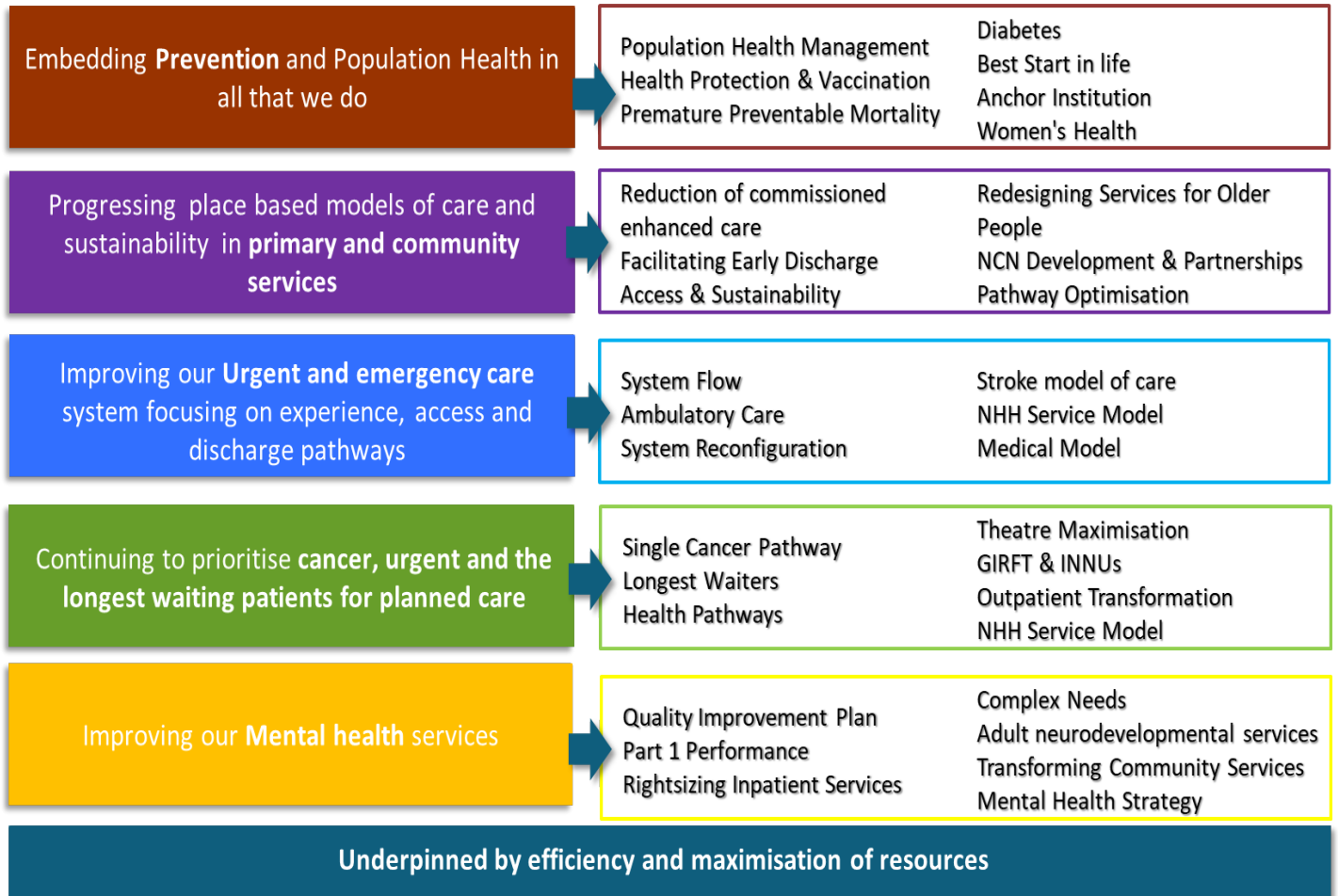
relatively flat at ~1,200, although the longest waiters have reduced slightly. This measure is an area of focus for 2025/26 following the delivery of improvements for Part 1, with a plan in place for 2025/26 to focus on data validation and pathway improvements.

Neurodevelopmental (ND) assessments for those aged 0-18 years are another improvement area for the Health Board. The Annual Plan Measure is compliance for the percentage of people assessed within 26 weeks, and our submitted trajectory was to achieve 57% compliance. Following some additional funding, the Service were able to utilise this to improve performance by having a dedicated ND Clinician to support through Q4, and holding additional clinics held at evenings and weekends. This delivered significant improvements over the final part of the year, with the closing position reaching 81.9% and meeting the national standard. The longest waits have also now reduced to under 52 weeks.



## 5. Annual Plan 2024/25 – Deliver of System Change

This chapter of the report updates on delivery against the five system change themes and the key priorities outlined in our Annual Plan 2024/25.



### Embedding **Prevention** and Population Health in all that we do

In Gwent there is the largest gap in healthy life expectancy between our least and most deprived communities of any Health Board in Wales. Male predicted years in healthy life at birth varies from 55.6 years in Blaenau Gwent to 68.7 years in Monmouthshire. Female predicted years in healthy life at birth varies from 55.3 years in Blaenau Gwent to 69.3 years in Monmouthshire.

Under the system change theme of embedding prevention and population health in all that we do there were 7 key areas we committed to delivery against in our Annual Plan for 2024/25.

1. Population Health Management,
2. Health Protection & Vaccination,
3. Premature Preventable Mortality, Cardiovascular & Cancer,
4. Diabetes,
5. Best Start in Life,
6. Anchor Institution,

## 7. Women's Health,

We made the following key achievements against these areas;

| Priority                                   | Achievements   |
|--|--|
| <b>Population Health Management</b>        | A pilot GP practice has been identified in Monmouthshire to further progress this work throughout 2025/26.   |
| <b>Health Protection &amp; Vaccination</b> | Work continues to address vaccine inequity through our Vaccine Inequity Strategy with actions being developed based on NHS Executive Feedback.                     |
| <b>Premature Preventable Mortality</b>     | Hypertension Programme was designed and began implementation through GP Practices focusing on case finding patients.   |
| <b>Diabetes</b>                            | The Diabetes Prevention Model now running in 6 areas across three Neighbourhood Care Networks with 2 in Blaenau Gwent, 3 in Caerphilly and 1 in Newport.           |
| <b>Best Start in Life</b>                  | Good progress has been made bringing a breadth of detailed information together to produce the Best Start in Life Joint Strategic Needs Assessment in Partnership. |
| <b>Anchor Institution</b>                  | Anchor institutions has been a fundamental part of our organisational strategy development articulating our joint commitments across Gwent.                        |
| <b>Women's Health</b>                      | A successful Women's Health Conference was held with dedicated sessions and feedback on how to develop our Women's Health Plan with targeted action in 2025/26.    |

Looking forward to 2025/26 we have set out the below as areas of focus for embedding prevention and population health in all that we do;

- **Resilient Communities & Health Protection:** Deliver the National Immunisation framework for Communities and accelerate action to embed community interventions that tackle the wider determinants of health recognising the local need and deprivation.
- **Best Start in Life:** Using the evidence developed in the Joint Strategic Needs Assessment to produce the Early Years Delivery plan with partnership commitment to deliver the actions.
- **Women's Health:** Working in partnership and understanding the gap in provision for Women implement the first Women's Health Hub in Gwent.
- **Preventable Premature Mortality:** Support our population to prevent premature mortality through targeted implementation of the Diabetes Prevention Programme and Hypertension Programme.

## Progressing Place Based Models of Care and sustainability in **Primary and Community Services**

Over the last few decades, we have seen significant, disproportionate, growth in Hospital-Based Services compared with Prevention, Primary Care and Community Services. It is important, now more than ever, to deliberately redirect resources towards helping people in Gwent maintain good health and well-being, so they can lead fulfilled and healthier lives for longer.

Under the system change theme of progressing Place Based Models of Care and sustainability in Primary and Community Services, there were 7 key areas we outlined we would deliver against in our annual plan for 2024/25;

1. Reduction of commissioned Enhanced Care,
2. Access & Sustainability for General Medical Services,
3. Access & Sustainability for General Dental Services,
4. Maximise Community Pharmacies,
5. Maximise Community Optometry,
6. NCN Development & Partnerships including ACD Programme,
7. Pathway Optimisation.

| Priority  | Achievements  |
|---|---|
| <b>Reduction of commissioned enhanced care</b>                  | Review of high-cost placements has been undertaken and publication is expected in July. The Teams continue to support patients that have potentially prevented a re-admission to an Acute Hospital by managing their complex needs at home.   |
| <b>Access &amp; Sustainability for General Medical Services</b> | 100% of our GP Practices achieving core access standards in December 2024. Continued monitoring processes in place and support continues with practices to ensure appropriate contract monitoring and achievement of the contractual requirements. 3 practices moved to Health Board management: Aberbeeg, Brynmawr and Blaenavon on 1 March 2025 |
| <b>Access &amp; Sustainability for General Dental Services</b>  | Exceeded national target for percentage of contract value fulfilled with 62% already delivered at the halfway point of the year. The enabling work to deliver Dental Services, as part of the 19 Hills Health and Wellbeing Centre development is ongoing. The Dental Practice will move into 19 Hills in June 2025.                              |
| <b>Maximise Community Pharmacies</b>                            | All Community Pharmacies are now signed up to the Common Ailments Scheme (CAS). CAS claims in the final quarter of the year were the highest of the year at almost 20,000. 55 Pharmacies have now been commissioned to undertake Independent Prescribing by the end of March 2025, which has increased from 39 in April 2024.                     |
| <b>Maximise Community Optometry</b>                             | All 5 providers of Ophthalmic Diagnosis and Treatment Centre provisions transitioned to national standards and provision in line with the National Glaucoma Pathway.  |

|  |  |
|--|--|
| <b>NCN Development &amp; Partnerships incl ACD Programme</b> | We have continued to deliver the Accelerated Cluster Development Programme building maturity in our Integrated Service Partnership Boards (ISPB). Local priorities are in place within each ISPB and during 2025/26 Q1-Q2 they will be developing implementation plans to further progress Place Based Care. |
| <b>Pathway Optimisation</b>                                  | Clinical Implementation Groups have been established to prioritise pathway development and redesign activities.  |

Looking forward to 2025/26, we have set out the below as areas of focus for progressing Place Based Models of Care and sustainability in Primary and Community Services;

- **Rightsizing of Commissioned Care:** On-going review of all placements and addressing any areas where targeted support is needed to ensure we deliver value and sustainability in Continuing Healthcare.
- **Access & Sustainability:** Ensure sustainable GP Services across Gwent and implement of new pathways for Primary Care Optometry Services. In addition, increase the number of Pharmacies providing Pharmacist Independent Prescriber Service and services through Common Ailments Service.
- **Focus on Community Pathways:** Working in partnership with Secondary Care Services develop prioritised workplan for pathway development that shifts care from an acute setting.
- **Place Based Care:** Working in partnership create a whole system Community Model based on need through multi-professional integrated neighbourhood making the necessary shift in resources and decision making from acute settings into our communities building community resilience.

## Improving our Urgent and Emergency Care System focusing on experience, access and discharge pathways

The six goals for Urgent and Emergency Care remains a significant priority with dedicated programmes coupled with targeted action to address Enhanced Monitoring in the Emergency Department at Grange University Hospital (GUH).

A strategic, coordinated approach is essential to manage growing demand and ensure the hospital system can deliver timely, high-quality care. By focusing on improving Ambulance handovers, reducing prolonged stays, and addressing care delays, the system can continue to make meaningful progress in enhancing patient outcomes and operational efficiency.

Under the system change theme of improving our Urgent and Emergency Care System focusing on experience, access and discharge pathways, there were 7 key areas we would deliver against in our annual plan for 2024/25;

1. System Flow,
2. System Reconfiguration,
3. Enhanced Monitoring,
4. Redesigning Services for Older People (Goal 1),
5. Urgent and Acute Transformation,
6. (Goals 2,3 &4),
7. Nevill Hall Hospital (NHH) Service Model.

| Priority  | Achievements  |
|---|---|
| <b>System Flow</b>  | Partnership continues through our collaborative with Welsh Ambulance Services Trust to embed alternative pathways. Progress has been made in reduction in handover delays, however further work required for long waits seen over Winter. |
| <b>System Reconfiguration</b>                             | System reconfiguration completed to consolidate changes on our St Woolos Hospital site and deliver the Respiratory Model changes for Service sustainability.  |
| <b>Enhanced Monitoring</b>                                | Robust assurance in place thoroughly a monthly scorecard and Executive Lead Whole System Safety Flow Meetings in place on a weekly basis to address continued pressures in supporting timely Ambulance handovers.                         |
| <b>Redesigning Services for Older People (Goal 1)</b>     | Successfully extended hours of our Community Resource Teams supporting care closer to home now fully operational. Implemented the first phase of our Acute Frailty Response Team.   |
| <b>Urgent and Acute Transformation (Goals 2,3 &amp;4)</b> | Same Day Emergency Care (SDEC) has continued to grow and at Grange University Hospital and now routinely sees over 230 patients and within Ysbyty Ystrad Fawr SDEC sees more than 70 patients per week.                                   |

**Facilitating Early Discharge (Goals 5&6)**

50-day challenge actions commenced in November with strong focus on enabling discharge and reducing Pathway of Care Delays working in partnership with Local Authorities. Work and actions will continue beyond the challenge period. Hospital 2 Home saw a significant increase in number of patients supported through this pathway in January and continued elevated levels through the rest of Q4.

**NHH Service Model**

Work continues on the clinical service models with table top exercises undertaken with Clinicians and Stakeholders to inform future Medical Service Model across all sites.

Looking forward to 25/26 we have set out the below as areas of focus for improving our Urgent and Emergency Care System focusing on experience, access and discharge pathways;

- **Admission Avoidance (Goal 1):** Ensure wider access to Community Hospitals from the community to avoid an acute admission is rolled out across all sites and deliver increased support to the Community and Care Homes.
- **Integrated Front Door (Goals 2,3 &4):** Further develop our Emergency Care Models and improve experience in our Emergency Departments. In addition, take actions to reduce community falls.
- **Integrated Back Door (Goals 5&6):** Continue to embed the optimal Hospital flow across all sites and progress Trusted Assessor Model working with Local Authorities across Gwent.
- **Medical Service Redesign:** Implementation of Clinical Service Models that redesign our Medical Service across our Hospital sites.

**Continuing to prioritise Cancer, Urgent and the longest waiting patients for Planned Care**

Planned Care and Cancer Services represent not just operational priorities, but fundamental components of a responsive and resilient healthcare system. By focusing on reducing waiting times, streamlining pathways, and enhancing patient outcomes, we can continue to adapt to rising demand while upholding our commitment to delivering equitable and effective care.

Under the system change theme of continuing to prioritise Cancer, Urgent and the longest waiting patients for Planned Care, there were 7 key areas we outlined we would deliver against in our annual plan for 2024/25;

1. Single Cancer Pathway,
2. Longest Waiting Patients,
3. Health Pathways,
4. Theatre Maximisation,

5. Getting it Right First Time (GIRFT) & Interventions Not Normally Undertaken (INNUs),
6. Outpatient Transformation,
7. Diagnostics 8 Week Wait.

| Priority   | Achievements  |
|--|---|
| <b>Single Cancer Pathway</b>   | Our year-end position for Single Cancer Pathway of 67.5% is the highest over the past 2 years. Tumour Site Specific Task and Finish groups have been instrumental in delivering improvement in the backlog position, as has Divisional scrutiny to improve compliance and maintain attentive focus of management of patients going through the pathway. |
| <b>Longest waiting patients</b>  | One of the few Health Boards in Wales to eliminate patients waiting over 156 weeks for treatment. We finished the year with 288 waiting for 104 weeks. Whilst not quite achieving the ambition of zero, huge progress has still been made when considering that the breach numbers were in excess of 4,000 in March 2024.                               |
| <b>Health Pathways</b>   | Continued high utilisation of Health Pathways Platform: 2,936 page views in March 2025 and 103 localised pathways live at end of Q4.  |
| <b>Theatre Maximisation</b>  | Sustained improvement in scheduling Key Performance Indicators since baseline in April. Reviewed opportunities for increased day case activity to inform short-term opportunities and longer-term Theatre Service Model as part of Nevill Hall Hospital developments.   |
| <b>Getting it Right First Time (GIRFT) &amp; Interventions not normally undertaken (INNUs)</b> | Ongoing monitoring of INNUs with quarterly reviews to identify further opportunities in line with evidence-based interventions project work. Implemented Ophthalmology GIRFT recommendations by increasing volume through Optometry Pathways, including Diabetic Eye Screening.   |
| <b>Outpatient Transformation</b>   | Continue to demonstrate opportunities for efficiency through 52 week validation process and further roll out of digital solutions such as Consultant Connect.   |
| <b>Diagnostics 8 Week Wait</b>   | Radiology performance is currently at >95% being seen in <8 weeks and with the support of additional Welsh Government funding significantly reduced our Endoscopy waiting times.  |

Looking forward to 2025/26 we have set out the below as areas of focus for continuing to prioritise Cancer, Urgent and the longest waiting patients for Planned Care;

- **Single Cancer Pathway:** Working with Velindre University NHS Trust to deliver a new Satellite Radiotherapy Centre and Systemic Anti-Cancer Therapy Outreach Services in Gwent.
- **Health Pathways:** Achieve additional 50 localised Pathways live on Aneurin Bevan local site.

- **Theatre Maximisation:** Theatres Service Model developed to inform the planning of a Day Case Centre of Excellence and delivery of improvements to increase Day Case activity.
- **Outpatient Transformation:** Ongoing monitoring of activity and opportunities for One-Stop Treatment Pathways in the Outpatient Treatment Unit and increased use of virtual clinics and identification of new pathways.

## Improving our Mental Health Services

Demand for Mental Health Services is sharply increasing and we need to find ways of supporting people earlier within the community to better support crisis prevention and recovery. The vision is to provide high quality, compassionate, person-centred Mental Health and Learning Disabilities Services, striving for excellent outcomes for the people for Gwent. There are a number of national strategic drivers including the Strategic Programme for Mental Health and National Programme for Suicide and Self harm Prevention.

Under the system change theme of improving our Mental Health Services there were 7 key areas we outlined we would deliver against in our annual plan for 2024/25;

1. Quality Improvement Plan,
2. Recovering Part1 Mental Health Performance,
3. Rightsizing Inpatient Services,
4. Complex Needs,
5. Neurodevelopmental Services,
6. Transforming Community Services,
7. Mental Health Strategy.

| Priority                               | Achievements   |
|--|--|
| <b>Quality Improvement Plan</b>        | Continued focus on quality improvement through the Embedded Programme management arrangements.   |
| <b>Recovering Part1 MH Performance</b> | For Adults, assessment completed within 28 days the waiting list has reduced from 1,320 at the beginning of the year, reducing for six consecutive months from August to February before increasing in March to achieve a year end position of 581. For Children and Young People, waiting list for interventions completed within 28 days has also seen significant reduction through the course of the year to date, from 584 in April to a year end position of 74. |
| <b>Rightsizing Inpatient Services</b>  | Service Models defined for Older Adults and Learning Disabilities and will be presented to Strategic Change Board in April and Adults working on developing their models following a number of rapid reviews.  |
| <b>Complex Needs</b>                   | The Commissioning Team has reviewed the findings from the National Clinical Commissioning Unit and implementing recommendations within the Team.   |

|  |   |
|--|---|
| <b>Neurodevelopmental services</b>     | We are implementing an Integrated Referral Front Door designed to improve the initial patient and stakeholder experience. This streamlined referral process is a key component of the Model and will form the basis for a more equitable and efficient Diagnostic Pathway across all Adult Neurodevelopmental services. The organisation has achieved successful recovery of the under 18's 80% target and maintained this performance. |
| <b>Transforming Community Services</b> | Work has progressed for Adults and Older Adults building their Demand and Capacity Models taking learning from an NHS England approach to inform future Service direction.  |
| <b>Mental Health Strategy</b>          | Engagement with stakeholders is underway to support the development of a new mental health strategy which will also be informed by the new national strategy. .   |

Looking forward to 2025/26 we have set out the below as areas of focus for improving our Mental Health Services;

- **Quality Improvement:** Continue to engage with the work of the National Patient Safety Programme and embed and sustain the commitments within the Quality Improvement Plan.
- **Ministerial Priority Performance:** Sustain progress of Part 1a and 1b for Adults and Children and improve measures for Psychological Services for Adults and start improvement project for Care Treatment Plans (CTP) for Children.
- **Neurodevelopmental Services:** Complete Children’s Neurodevelopmental Transformation Programme and deliver Single Neurodevelopmental Pathway for Adults.
- **Rightsizing Inpatient & Transforming Community Services:** Develop model for Adult Inpatient, Community and Forensic Services. In addition, identify all access points into Mental Health Services and commence initial design options for Single Pathway.

## 6. 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.

The Health Board has a well-established Decarbonisation Programme Board, which was established in 2022 with aim to develop future schemes that would help to reduce the organisations Carbon footprint over the next decade. The Board is chaired by the Executive Director for Finance and Procurement. Four working groups are now well established with a further introduction of working group 5 (Waste) each working group having a suite of the national initiatives assigned to them to take forward and develop associated projects. Through 2024/25, we have been proactively supporting the reporting to NWSSP/WG on the metrics/ DCR reporting submissions on the performance of the Decarbonisation Programme.

### Governance & Reporting Structure

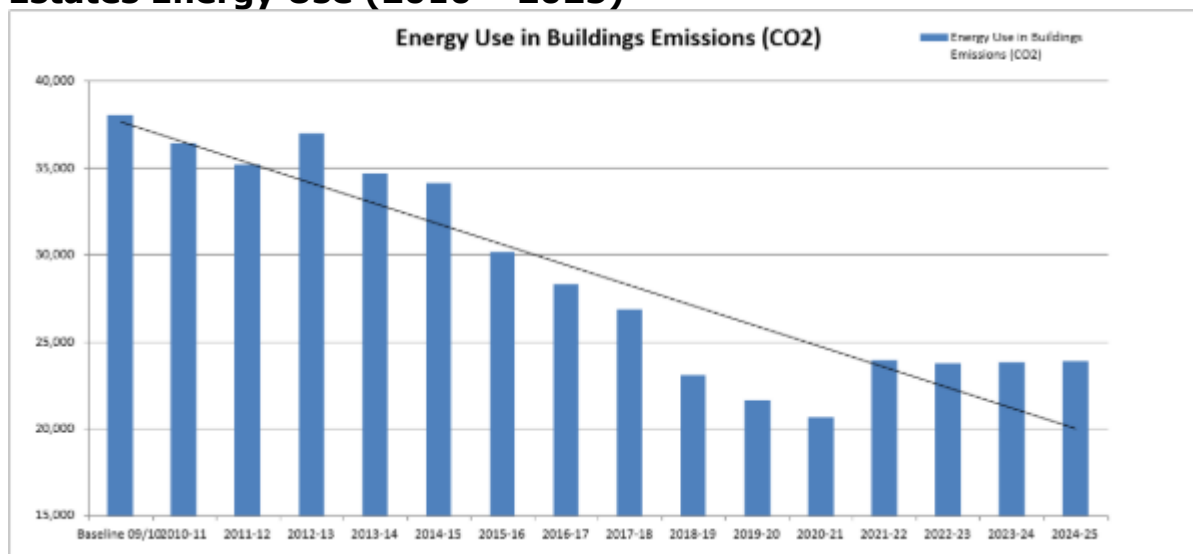
Rev 03  
06.05.2025

Decarbonisation "Programme Structure"



## Estates, Land Use & Fleet

### Estates Energy Use (2010 – 2025)-



The 2024/25 annual energy performance compared to the previous year was a 0.4% reduction in electricity consumption. Gas consumption saw a marginal increase of 0.6%. Year on year water consumption reduced by 10.3%, as we were able to minimise leakage events throughout the year.

The Estates and Facilities Division have made considerable progress with its ReFit Energy Performance Contract development during 2024/25. This long-term partnership with Vital Energi has the potential to deliver significant investment in low-carbon and renewable energy projects across the main hospital sites and community premises in the coming years and through several phases of work. During the year the Project Team have worked hard to finalise the High-Level Appraisal Report and then the development of the subsequent Investment Grade Proposal, which is currently undergoing its finalisation.

Phase 1 of ReFit (over a 2-yr Period) is focussing on Royal Gwent, St Woolos Casnewydd Unit, Serennu Children's Centre, Nevill Hall, Chepstow Community Hospital and Grange University Hospital and will look to implement traditional energy efficiency measures such as LED lighting, pipework insulation, ventilation upgrades and improvements to Building Management Systems. There are also plans for significant solar PV generation at RGH, GUH, St Woolos Casnewydd, Serennu Children's Centre and Chepstow Community Hospital. Collectively, these projects are anticipated to save 817 tonnes of CO2 annually.

During Q4 of the year, bids were submitted to Welsh Government for Targeted Estates Funding (TEF). The Health Board was successful in obtaining £6.6m funding over 2 years for decarbonisation initiatives that include window replacements at Nevill Hall, as well as insulation and heat pump installation at some of the staff residences buildings at Nevill Hall, delivering an annual carbon saving of 168 tonnes.

## Communications

The Communications Team have been supporting the Decarbonisation Agenda with newsletters, posters, advertisements on the web, video's and apps. Training opportunities and more recently the inclusion of the Green Champions within the Health Board. As part of a new initiative the Decarbonisation Board Members and the Communication Team will be looking to develop a Quarterly Post Board Review/Newsletter, which will provide a summary of the previous Quarter results and a view of what to expect in the next quarter.

## Health Care Services

The **Clinical and Health Service Planning Team** within the Decarbonisation Programme has grown into a vibrant, collaborative network of sub-groups driving real change across Services. From promoting use of the Green Theatre checklist in Operating Theatres and exploring options to switch to digital consent in Endoscopy, to reducing waste in Supply Chains such as maternity packs and influencing prescribing habits in Respiratory Care, their work is making a measurable difference. The Team's commitment to shared learning and spreading innovation has seen their projects adopted widely across the Health Board and beyond.

The Health Board proactively reduced the carbon emissions due to waste of Nitrous Oxide gas by decommissioning piped manifold supply in all eLGH sites and switching to a local cylinder supply where needed. An audit is underway to understand the N2O usage in the Grange University Hospital and whether the manifold can be downsized.

The Annual Purchase Data from BOC Ltd reported a significant reduction in the Health Board's use of Nitrous Oxide.

As a result of the decommissioning of the manifolds and the change to cylinder use the health board has seen a reduction of more than 1.6 million litres of Nitrous Oxide being used, over the last two years.

The plan for the next year is to increase awareness of appropriate glove use and conduct glove audits to understand how staff are using the gloves and provide education, if used inappropriately.

Under the Clinical and Healthcare Planning group, there are five priorities for 2025-26:

1. Reduction in the waste of Medical Gases,
2. Reduction in the unnecessary use of Non-Sterile Gloves,
3. Increase numbers of Green Wards and Champions,
4. Reduction in waste in Sterile Packs,
5. Reduction in unnecessary Blood tests.

## **Resources Group**

The Resources Group comprises of 3 elements of which the first is the introduction of a dashboard for measuring the carbon reduction on all aspects of the Decarbonisation Programme. The WG have announced that this will be possible from the information that has been produced through the previous DCR reporting to NWSSP. This will be available to all organisations from Mid-May and can form part of the Board reporting aspects of the highlight reports in the Resources Section of the Plan.

The second element is the digital space, which is moving at pace with around 40+ robotic interventions developed using the latest robotic interfaces in the Health Board. This is a different aspect to AI, as it does not provide the machine learning capability, but allows the individual systems to speak to each other hence saving manual administration activities.

The third element is the training aspects of everything we do to develop our staff across the Health Board, which during 2024/25 we have trained staff in SusQi with our ABCi support along with HEIW Carbon Literacy Training, Green Champion Training and this year we will be monitoring the uptake of the ESR Carbon Modules that were introduced recently.

## **Waste**

This group is a new initiative for the Decarbonisation Programme and will start to develop through 2025/26. 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 is working towards a zero-waste to landfill approach (this figure is not currently available), in collaboration with external Contractors. The vast majority of non-recyclable general waste now goes to energy-from-waste plants to generate sustainable electricity.

## **Inclusion of Adaptation January to December 2025.**

The UK Climate Change Act 2008 provides a legal framework to cut UK greenhouse gas emissions and build the UK's ability to adapt to a changing climate. Responsibility for climate change adaptation is devolved, meaning national governments in Northern Ireland, Wales and Scotland are responsible for developing their own respective adaptation Programmes and Plans. The Decarbonisation Members are actively involved in supporting the new Adaptation Tool Kit, which started in January 2025 with a target date for submission by December 2025. This will be added to the Dashboard, which will be used to monitor our delivery from June 2025, the adaptation delivery is now a strategic part of our future reporting format to NWSSP/WG.

## 7. Agile Working



### Agile Working

We understand the importance of agile and flexible working to staff wellbeing through giving greater autonomy of work and improving work life balance. During 2024/25, we continued to strengthen our Agile Working Strategy, building on areas of good practice underpinned by a set of principles. The Strategy has been delivered through a workplan aligned to the Estate Strategy and Digital Strategy and a Dashboard with measurable benefits of Agile/Hybrid working.

We have tested our Strategy this year through the delivery of a significant milestone in our Estate Strategy, the opening of Ty Gwent. The principles of working at Ty Gwent and the design of accommodation were based on agile working principles. A total of 570 staff were transferred to this new accommodation in late 2024. Whilst this was a new way of working for many staff, it has been well received and benefits delivered through improved team co-locations and staff feeling valued through the investment in improved accommodation. The opening of Ty Gwent released additional benefits because of reducing lease premises and reducing the Estate footprint.

We are in the process of resetting our workplan for 2025/26 building on intelligence gained through the agile working evidence base, benefit measures, collaboration with agile networks and engagement with services. In conjunction with this, we will continue to update supporting frameworks and policies. The emerging priorities and workplan will be aligned with the Estate Strategy and Digital Strategy, which continue to be the key enablers for the delivery of the Agile Strategy.

## 8. Quality and Safety

In 2024/25, we kept a strong focus on improving the quality and safety of care by putting our *Quality Strategy* and *Patient Experience & Involvement Strategy* into action. This work supports our legal responsibilities under the *Duty of Quality* and *Duty of Candour* - making sure we are always honest, open, and focused on doing what is right for patients. We updated our Implementation Plan to make sure we are on track to meet these key priorities.

Our Performance Report - used by the Patient Quality, Safety, and Outcomes Committee - has grown stronger over the past year. It now gives a clear picture of assurance, what we have learned, and where we can improve. It looks at everything from patient experience to safety, clinical outcomes, and how effectively we deliver care.

The Health Board uses the *Health and Care Quality Standards* to guide how we plan, deliver, and monitor Services. We have also strengthened our *Quality Outcomes Framework*, making sure it reflects the six key areas of quality and the tools that help us deliver it.

Our commitment remains clear: to provide safe, high-quality care that is built around patients, with learning and improvement at its core. This will continue throughout 2025/26.



### Putting Quality at the Heart of Your Care

We are working hard to deliver safe, effective, and high-quality care that meets national priorities and tackles local challenges. Our focus is on what matters most - improving patient experience, learning from feedback, and making care better every day.

To do this, we’re guided by six key areas, known as our *Pillars of Quality*: Patient and Staff Experience, Incident Reporting, Complaints, Concerns and Compliments, Health, Safety And Security, Infection Prevention and Control and Safeguarding. These pillars help us track our performance, learn from what’s working well, and take action where improvements are needed. By strengthening our approach to quality, we aim to make sure every decision we make leads to better, safer care for everyone. Quality and safety are not just goals - they are part of everything we do.

Over the past year, the Health Board has made significant strides in improving patient care through the implementation of innovative feedback platforms, detailed monitoring of patient safety incidents, and a commitment to zero tolerance of preventable healthcare-associated infections. The introduction of CIVICA, an electronic feedback platform, has enhanced the collection and analysis of patient feedback, providing valuable insights into areas of positive performance and areas needing improvement.

The Patient Experience and Involvement Strategy makes a commitment to delivering Person-Centred Care that puts the people at its heart, to deliver a positive patient experience. The launch of the system to capture patient’s experience across the Health Board (CIVICA), has provided the opportunity to receive direct patient feedback. Through this Strategy, the Health Board are committed to:

- Respecting people’s **values**, preferences and expressed need;
- Improving **information** and education;
- Improving **access** to care;
- Improved provision of **emotional** support to relieve fear and anxiety;
- **Involving** family, friends and people who matter to the individual;
- Providing **continuity** and secure transition between healthcare settings;

- Providing **physical comfort**;
- Delivering **co-ordinated** care.

## Goals and Objectives

|  |  |
|--|--|
| <b>Quality Strategy</b>                    | <ul style="list-style-type: none"> <li>• This strategy will be aligned to and embedded within the organisational Quality Strategy.</li> <li>• Feedback from people will be used to support quality improvement activity and ensure learning.</li> </ul>  |
| <b>Improved Involvement and Experience</b> | <ul style="list-style-type: none"> <li>• We will work with patients, families, carers, staff, communities and partners to determine what matters to people.</li> <li>• We will actively encourage and learn from feedback and make positive changes to improve experience.</li> <li>• We will expand upon and develop innovative ways to engage better with vulnerable groups, people with protected characteristics and people/communities with seldom heard voices.</li> </ul> |
| <b>Improved Accessibility</b>              | <ul style="list-style-type: none"> <li>• We will engage with people to co-design and develop accessible, high quality and responsive services that provide a positive patient experience.</li> <li>• We will consider the Accessibility Standards to improve access to services and people's experiences.</li> </ul>   |
| <b>Improved Person Centred Care</b>        | <ul style="list-style-type: none"> <li>• Our organisational values and behaviours will be embedded in the principles of person-centred care.</li> <li>• We will use feedback to develop a programme of learning to help us embed person centred care across our services.</li> <li>• We will use digital narratives and other means to support learning events.</li> </ul>   |
| <b>Prevention and Learning</b>             | <ul style="list-style-type: none"> <li>• We will work with patients, families, carers, and staff to seek early resolution to concerns and complaints.</li> <li>• We will listen and learn from what may have gone wrong and ensure lessons are learned and used to improve experience and quality.</li> </ul>  |
| <b>Accountability</b>                      | <ul style="list-style-type: none"> <li>• Patient Experience will be a priority in the organisations IMTP.</li> <li>• Thematic analysis of patient, family, carer, staff and community feedback to inform priorities for improvement.</li> <li>• Staff will be engaged in the Strategy implementation.</li> <li>• Progress reports will be scrutinised through Committees and Board.</li> </ul>   |

### Working Together for Safer, Better Care

We have continued to work closely with NHS Wales Boards, Trusts, and the NHS Wales Executive through the *Safer Care Partnership*. This national collaboration supports local Teams in delivering safe, reliable, and high-quality care. As part of this, we have refreshed our approach to quality improvement and strengthened our ability to deliver change. Several improvement projects are already underway, with more to come. National work continues around caring for deteriorating patients and using standardised early warning scores to keep people safe. Other focused areas include tackling deconditioning (loss of physical ability due to inactivity) and building a strong *Quality Management System* to guide everything we do. This will form part of our workplan for 2025/26.

### Learning and Improving, Together

Over the past year, we have built a strong culture of learning and improvement across the Health Board. The *Patient Quality and Safety Learning and Improvement Forum* has been key to this, creating regular opportunities for teams to come together, share experiences, and drive change across services.

At the heart of this approach is our *Listening and Learning Framework*. This helps us identify and act on learning in a meaningful way—making sure good practice is shared, and improvements are embedded. We have also made great use of our *Learning*

*Repository*—a central place where knowledge is collected and shared to inspire innovation, shape improvements, and support excellence in care.

Throughout the next year, we will ensure these efforts are helping us to learn from experience, support staff, and deliver better outcomes for patients.

## **Driving Quality Through Action: What We've Achieved**

We are proud of the strides we have made this year in improving care, improving people's experience, building staff skills, and creating a safer, more effective health system for all and will build on these in the next 12 months.

### **Quality Improvement – Building Skills, Changing Culture**

We launched our Quality Improvement Capability approach, setting out a clear vision to become a truly learning organisation. Our first group of 31 Quality Improvement Coaches completed their training and are now helping us work towards an ambitious goal - a million minutes of coaching over the next four years. From better training to smarter tools, quality improvement is now firmly part of everyday practice across the Health Board.

### **Deteriorating Patients and Sepsis – Acting Fast, Saving Lives**

In November 2024, we held a major workshop on Caring for Deteriorating Patients. This work supports national safety priorities, including the implementation of standardised Early Warning Scores, these help to identify acute deterioration, to suggest a point at which care needs to be escalated and to define a response to escalation triggers. This will involve implementing a standardised, national approach using evidence-based tools to ensure clarity, minimise risk and support improved patient outcomes. The use of All Wales Early Warning Scores such as National Early Warning Score 2 (NEWS2), Paediatric Early Warning Score (PEWS), Maternity Early Warning Scores (MEWS) and the Newborn Early Warning Track and Trigger 2 will help the workforce spot signs and serious illness earlier.

We are developing new Sepsis Monitoring Tools and staff education to boost early recognition and treatment. We have launched an internal Sepsis Awareness Campaign for staff over Winter. A public facing campaign is due to launch in Q1 of 2025, aimed at improving public awareness of signs and symptoms of sepsis and inform them when and where to seek help".

### **Human Factors – Learning from Practice**

Our focus on Human Factors - how people interact with systems and environments - has grown across the Health Board. A major milestone was reached when our Theatre Safety Improvement Project was accepted for presentation at the International Forum on Quality and Safety in Quebec.

## **Infection Prevention and Control – Staying One Step Ahead**

We've continued to tackle infections like C. difficile, Staph Aureus, and E. coli with strong monitoring, training, and evidence-based policies. Unfortunately, this has not led to the Health Board achieving the trajectory outlined by Welsh Government,

## **Ward/Team Accreditation – Recognising Excellence**

Ward/Team Accreditation facilitates high standards through regular Senior Nurse visits and Clinical Audits. Implementation of our Ward/Team Accreditation Programme has been divided into three phases. Phase one is complete, with partial completion of phase 2 and is embedded in 78 clinical areas. So far, eight teams have received Bronze Awards for their quality and safety efforts.

### **• Priorities for the next year:**

- Completion of phase 2 & 3; extending accreditation to Teams including Health Visiting, District Nursing and Maternity Services.
- Supporting Wards/Teams to move through the accreditation process – to include Phase 1 areas, who will all have achieved bronze level of accreditation, with more than 20 achieving silver and 5 achieving gold.

## **What We've Achieved This Year: A Look at Our Pillars of Quality**

cross 2024/25, Aneurin Bevan University Health Board has continued to deliver safe, effective care while listening, learning, and improving. For the next year, we will be updating our objectives and milestone mapped to our pillars of quality. Here is how we have made a difference across the six key quality areas:

## **Patient and Staff Feedback – Listening, Learning, Improving**

We introduced *CIVICA*, a Digital Feedback Tool, making it easier to understand how patients and staff feel about our services. So far, 91% of emotional responses have been positive. Feedback themes often highlight compassion, support and kindness.

We are actively working towards setting up *Patient Participation Panels*, strengthened our *PALS and Bereavement Services*, and launched a "*Big Conversation for Future Care Planning (FCP)*" to involve the public in improving communication and information and planning for FCP services and ongoing involvement of the population.

### **Successes:**

- Record-high Survey responses in February 2025.
- New SMS surveys launched in the Emergency Department to make it easier for the Public to provide feedback.
- More patients involved in shaping services, particularly around Dementia and Neurodiversity.
- Established Bereavement Collaboratives inclusive of people, staff and partners.

- Increased involvement of people living with Dementia and their carers through targeted community engagement.
- Developed public information on Treatment Escalation Planning including Easy Read that has been adopted across Wales.

### **Areas for further progress:**

- Low uptake of QR code and paper surveys—SMS aims to boost this
- Divisional reporting in regard to 'you said, we did'.

## **Incident Reporting – Safer Care, Together**

We remain committed to learning from incidents and reducing avoidable harm. Between April 2024 and February 2025, 504 moderate or above harm incidents were reported - a slight drop from the previous year.

### **Successes:**

- No *Never Events* in Theatres since November 2023.
- Better reporting of early warning notifications to Welsh Government.
- 99% of falls were no or low harm.
- Risk-Adjusted Mortality Index (RAMI) remains stable at 101.91 - RAMI is a risk-adjusted mortality rate means that a mortality rate has been statistically adjusted to account for the predicted risk of death.
- The Health Board proactively reports and manages all patient safety incidents to reduce future risks and mitigate further recurrence.
- The Patient Safety Incident Policy promotes an open reporting culture that encourages staff to look critically at their own actions and those of their Teams, with an emphasis on learning and not blame.
- Learning is at the heart of all claims investigated by the Health Board, with local Divisional Teams responsible for the development of Learning from Events Reports, the assurance of actions taken, with support from the Divisional Senior Leadership Team and Divisional Director final approval and sign off.
- As of November 2024, Learning From Events Report (LFER's) are sent from Legal Services directly to the relevant Divisional Triumvirate teams to have ownership and oversight of the completion and return of the LFER with supporting evidence, within prescribed timescales. At the beginning of every month a spreadsheet is sent to each Division to assist with identifying and tracking any outstanding LFER's.
- **Organisational focus on Nutrition & Hydration:** The Health Board recognises the importance of appropriate Nutrition & Hydration (N&H) for better patient care and outcomes. Two Task and Finish Groups have undertaken a multidisciplinary approach to improving fluid balancing monitoring, as well as providing an Escalation Protocol for patients at risk through delays in artificial nutritional care. This and future work is supported by a refreshed N&H Steering Group. Food Standards and Clinical Standards Sub-Groups feed into the Steering Group to provide the operational influence.

- **Embedding Speaking Up Safely:** The Health Board is committed to embedding Speaking Up Safely as part of its culture.
- **Compliance in NRI's** increased from 29% in July 2024 to 77% in January 2025. However, by the end of the year, this figure had slightly decreased to 63%. This decline is partly due to vacancies, sickness, and the addition of new members to the divisional and Corporate PSI Teams. By the end of March 2025, the Corporate PSI Team was fully staffed, providing a greater opportunity to monitor and improve compliance once again.

### **Areas for further progress:**

- Maintaining open reporting culture, while continuing to reduce harm.
- Balancing Safety Intelligence: Incident Reports are just one part of the Assurance Framework and should be considered within the broader context of other sources of safety intelligence.
- Welsh Risk Pool financial penalties for late or outstanding assurance of learning.

### **Falls – Caring for those at Risk (Hospital Adult Inpatients)**

We continue to strive for improvements in managing falls and falls-related injuries by adopting a multifaceted approach that considers both individual and environmental factors. Our goal is to minimize the risk of injury from falls and maintain quality of life.

#### **Successes**

- National Contributions: Contributed to the development of the Falls National Head Injuries Pathway and the National Inpatient Falls Network's work on sensor use, setting a national standard.
- Digital Integration:
  - Successful rollout of the Welsh Nursing Care Record (WNCR) Multi-Factorial Risk Assessment (MFRA) to Adult Inpatient Wards.
- Modified MFRA developed for use in Emergency Departments (ED), adopted in Assessment Units.
  - Training: Progress in developing a national approach to implementing ESR Modules for Mandatory Falls Training.
  - Review of Falls Incidents: Agreement to transition to a new approach to reviewing falls incidents by means of a Falls Strategic Oversight Panel (FSOP) with alignment to the National Audit of Inpatients Falls (NAIF) Annual Report 2024 to consider all falls with fractures and falls related Head Injuries.
  - Post-Fall Management: Successful procurement of additional Flat Lifting Equipment in support of improvements in Post Falls Care.
  - Initiatives:
    - Rollout of the SWARM's Methodology to further promote the MDT approach.
    - Implementation of the yellow wristband initiative to visually indicate patients at risk of falls.

### **Areas for further progress:**

- Development of a Fall's Dashboard representing real-time activity.
- Strengthening assurance controls to mitigate falls risk by enhancing data availability related to WNCR-MFRA, DECI, One Patient One Audits and Ward Accreditation.
- The required successful digital integration of an immediate Post Falls Risk Assessment, as part of WNCR once ratified nationally.
- Compliance with reporting Falls Incidents under RIDDOR.
- Ongoing work in relation to admission avoidance for those who have experienced a fall in the Community setting.
- Expanding the opportunities for falls prevention and management within falls resources available to the Health Board.

### **Complaints, Concerns & Compliments – Listening to Every Voice**

We are resolving more complaints earlier and capturing more compliments than ever before.

#### **Successes:**

- 67% early resolution rate for Complaints.
- Greater than 9 months+ reduced by 72% in the last 12 months Deep dives into Divisions have led to significant reductions in the number of open formal concerns.
- Reduced number of formal Complaints thanks to improved early resolution.
- Compliments now tracked in both CIVICA and Datix systems.

#### **Areas for further progress:**

- Continued effort needed to further reduce formal Complaint volumes.
- Formal Complaints compliance still below target.
- Consistent communication with Complainants.

### **Health, Safety and Security – A Safe Environment for All**

We've seen big improvements in safety compliance and contributed to national work on reducing Violence and Aggression.

#### **Successes:**

- *RIDDOR compliance* improved from 68.4% to 86.4%.
- Developed a *Violence Prevention & Reduction Strategy*.
- Improved *Fire Safety and Manual Handling Training*
- *New Patient Safety Bedside Boards in ward areas*.

#### **Areas for further progress:**

- Manual Handling Compliance still below target—training ongoing.
- Fire response changes require ongoing staff engagement.

## **Infection Prevention and Control – Staying Ahead of the Curve**

We have taken a zero-tolerance approach to Healthcare-Acquired Infections (HCAIs), using data and focused action to drive change.

### **Successes:**

- Targeted actions for *C. difficile*, *Staph aureus*, and *E. coli*.
- Strong focus on *hand hygiene and environmental cleaning*.
- Infection-Specific Working Groups created QI projects.
- Refreshed intranet as an additional resource for staff.
- Webinars for specific focus for education.
- Divisional Dashboard for timely surveillance.

### **Areas for further progress:**

- Ongoing work needed to reduce infection rates in some areas.
- Human factors and non-adherence to Infection Prevention Fundamentals of Care.
- Condition of some of our hospital premises.
- High prevalence of Winter virus, escalation process in development in collaboration with PHW Colleagues.  
Balancing whole systems risks for patient placement and enhanced cleaning, a review of the process will be undertaken for 2025/26.

## **Safeguarding – Protecting the Vulnerable**

We have formalised and strengthened our safeguarding processes internally within the Health Board, alongside strengthening our relationships with Local Authorities, Police and Probation as our statutory partners.

### **Successes:**

- Increased compliance with Level 1 and 2 Adults and Children Safeguarding Training to be consistently above 80%, though further work is required to reach the target of 90%.
- Mandating of Level 3 Training Safeguarding Adults and Children via ESR.
- Worked with Divisions to develop processes to ensure that progress of complex investigations is monitored and escalated, whilst ensuring that early learning is identified and embedded into practice.
- Re - launched *Strategic Safeguarding Group*, whilst implementing Subgroups to oversee and deliver improvements in key priority areas.
- Developed a Rollout Plan and implemented its first stages to ensure that the Datix Safeguarding Module is utilised for case management and monitoring of actions.

### **Areas for further progress:**

- Expanding safeguarding efforts to keep pace with growing need.
- Meeting the demand in regard of Level 3 Safeguarding Training.
- Monitoring and improving quality of safeguarding referrals.

## **Learning from Deaths – Turning Reflection into Safer Care**

At Aneurin Bevan University Health Board, we believe that every life matters — and every death offers a vital opportunity for learning and improvement. Over the past year, we have strengthened our approach through the development of a comprehensive Learning from Deaths Framework, supported by a detailed report capturing key mortality metrics and insights.

Our Risk Adjusted Mortality Index (RAMI) improved, positioning the Health Board as the best-performing in Wales. Crude mortality rates remained steady, while specific mortality rates for conditions such as Myocardial Infarction (heart attacks) and Stroke showed a noticeable decline, reflecting better recognition, response, and management in these critical areas.

The Medical Examiner Service expanded to include Primary Care, Paediatrics, Neonates, Maternity, and Gynaecology. The referrals made, contributing to a growing understanding of care pathways and areas for improvement. Themes identified through these reviews were shared via newsletters and briefings, ensuring learning is disseminated across Teams and embedded into practice.

Importantly, the Health Board recorded a reduction in confirmed suicides. This reflects ongoing efforts to improve Mental Health support and early intervention. Enhanced reporting processes also helped improve the identification of deaths in patients with Learning Disabilities, ensuring that no voices are missed in our mission to learn and improve.

### **Clinical Effectiveness**

Ensuring clinical care is consistently safe, effective, and evidence-based is central to the Health Board's vision. Over the last year, we have actively participated in the National Clinical Audit Programme, using its findings to benchmark the quality of care we provide and identify areas for focused improvement.

Each national audit undertaken has offered valuable insights into our strengths and areas for development. These have been discussed in detail by the Clinical Standards and Effectiveness Group and reported through to the Patient Quality, Safety, and Outcomes Committee, ensuring clear oversight and accountability.

As part of this work, we have developed and implemented an Annual Clinical Audit Plan, ensuring that our participation in national and local audits remains structured and purposeful. Local actions and recommendations have been shaped from the results, helping us refine practice, raise standards, and deliver better outcomes for our patients.

This ongoing focus on clinical effectiveness ensures we continue to improve, respond to evidence, and provide the highest quality care to the communities we serve.

These achievements reflect our unwavering commitment to quality, safety, and patient-centred care which we will build on annually. By embedding learning and improvement at every level, we are creating a stronger, safer health system for everyone.

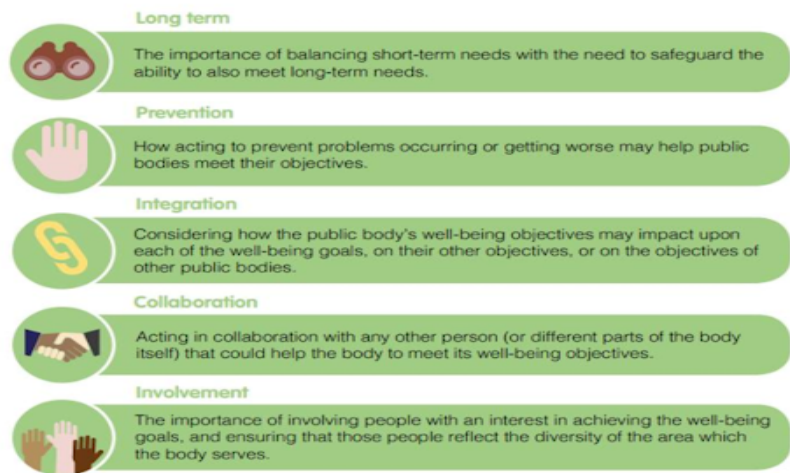
## 9. Well-Being of Future Generations

The Wellbeing of Future Generations (Wales) Act (2015) ('the Act') has the central aim of improving the social, economic, environmental and cultural wellbeing of Wales, whilst also reducing health inequalities through long term prevention and the delivery of sustainable, outcome focused services. The Act has seven wellbeing goals and five ways of working which help organisations understand how they can work more sustainably together to meet the duties of the Act.

### The seven wellbeing goals



### The five ways of working



Source: Future Generations Commissioner for Wales

### Gwent Well-being Plan

During 2024/25, Aneurin Bevan University Health Board worked closely with Partners in Gwent Public Services Board to turn the findings of the Gwent Well-Being Assessment into a Well-Being Plan, which will improve the social, economic, environmental and cultural wellbeing of citizens in Gwent. Using the five ways of working, Public Services Board Partners have worked together to develop a plan which will deliver ambitious and transformational change 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, and communities to be resilient, connected, thriving and safe.

During 2024/2025 the Aneurin Bevan University Health Board continued to work closely with Gwent Public Services Board Partners, establishing an up-to-date picture of delivery across Gwent against the recommended actions from the Building a Fairer Gwent Report, monitoring progress against the Marmot recommendations amongst PSB Partner organisations.

The Marmot recommendations were categorised into the four Areas of Focus for the PSB to monitor progress and identify any gaps or opportunities for regional delivery against each of the Area of Focus:-

1. That every child has the best start in life (agreed as the initial Area of Focus).
2. That everyone lives in a place they feel safe.
3. That everyone has the same economic chances.
4. That everyone lives in a climate-ready community where their environment is valued and protected.

As part of the ongoing collaboration between Gwent Public Services and Public Health Wales (PHW), significant progress has been made in developing the regional area of focus on ensuring the Best Start in Life for children and families across Gwent.

PHW is leading this priority area, with current work centred on:

- Agreeing a shared definition of what constitutes a “Best Start in Life,” ensuring all partners are aligned in their understanding and approach.
- Identifying key workstreams that will underpin delivery, aligned with this shared definition.

A Distributed Leadership Model is being developed to support this work. This model will enable the appointment of workstream leads who will establish Task Groups and develop detailed delivery plans. A core principle of this work is the realisation of children’s rights, which will underpin all aspects of planning and delivery.

Progress monitoring and assessment have been crucial in tracking the implementation of the Marmot recommendations. The Gwent Strategic Well-being Action Group (GSWAG) engaged Local Authorities and the Health Board to ensure comprehensive monitoring. The Gwent Joint Strategic Assessment (JSA) Team committed to providing baseline and trend data to monitor progress, inviting partners to flag any data gaps for inclusion in the JSA.

Initial findings indicated progress in early years health, such as the Healthy and Sustainable Pre-School Scheme, and education, including efforts to address school absences. However, overall progress has been mixed, highlighting several opportunities for improvement.

The Gwent PSB agreed the following:

1. Note the initial findings from the Regional Assessment of progress towards the year one Marmot recommendations relating to the Best Start in Life Area of Focus and provide feedback on the approach taken.
2. Ensure the collation of further intelligence/updates from your Partner Organisations on the outlined recommendations for Best Start in Life.
3. Consider where regional influence and coordination from the PSB can add most value in supporting progress against the Best Start in Life Marmot recommendations in the short, medium and long-term.
4. Agree a PSB member to lead and shape the delivery of the Marmot approach recommended in the Building a Fairer Gwent report for Best Start in Life.
5. Agree to lead the next regional assessment of progress towards the year one Marmot recommendations and shaping delivery relating to:
  - a. Climate-Ready Communities
  - b. Economic Chances
6. Safe Places.
7. PSB members to deliver approach within their own partner organisation to support PSB collective agreement to become a Marmot region.

The two-year tenure of Cllr. Sean Morgan as Chair of Gwent Public Services Board (PSB) ended in December 2024 and Cllr. Anthony Hunt, Leader of Torfaen County Borough Council, has now taken over the role of Chair. Tracy Daszkiewicz (Executive Director for Public Health & Strategic Partnerships) has been appointed to the role of Vice-Chair, enabling the Gwent-wide partnership to continue to address inequity and the wider determinants of health as part of 'Building a Fairer Gwent'.

### **Aneurin Bevan University Health Board Wellbeing Objectives**

The development of our new Strategy Gwent 2035 champions population health and puts the Wellbeing of Future Generations at the heart of everything we do to improve the health of our population through partnerships. The development of a new Strategy has provided a unique opportunity to look to the future with communities in order to determine: what matters to them; and how we can work in partnership to improve wellbeing through Place Based Care. Under the Wellbeing of Future Generations Act (2015), the Health Board has a statutory responsibility to set and publish wellbeing objectives and these are proposed to be our new strategic aims as set out below:

| <b>Our Aims</b>      |   |
|----------------------|---|
| <b>Better Health</b> | Together we will support people to be healthy, active and happy.  |
| <b>Better Care</b>   | Together we will deliver what matters to people, supporting our staff to thrive and achieving quality, kind and sustainable care. |
| <b>Better Lives</b>  | Together we will create strong, safe and connected communities.   |

During 2024/25, Aneurin Bevan University Health Board has continued to maintain a life course approach to its wellbeing objectives, as it continues to endeavour to reduce health inequalities and improve population health. 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 large differences can be made in promoting or restoring health and wellbeing of both current and future generations. Adopting the life course approach means identifying opportunities for minimising risk factors and enhancing protective factors through evidence-based interventions at important life stages, from the perinatal period through early childhood to adolescence, working age, pre-conception and the family-building years, and into older age. It also capitalises on the potential to deliver an intergenerational approach to health improvement and reduce health inequalities from generation to generation and improve conditions of daily life. Our health services are there to provide universal coverage to everyone throughout the life course, whilst also recognising that we need to provide more support to those in greatest need.

This approach requires holistic, long-term, policy and investment strategies and engagement that promote better health outcomes for individuals and greater health equity in the population. Aneurin Bevan University Health Board is confident this approach can achieve high 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.

The five ways of working set out in the Act have continued to be demonstrated by Aneurin Bevan University Health Board in 2024/25. Through the regional partnership arrangements of the Regional Partnership Board and Public Services Board, integration has been demonstrated through joint approaches to Wellbeing, Health and Social Care delivery. Aneurin Bevan University Health Board's Communications Team have undertaken a number of public involvement and engagement activities during 2024/25. Through work on the Well-being Plan and Area Plan, Aneurin Bevan University Health Board has worked in partnership to establish a long-term vision for wellbeing in Gwent. Through 'Building a Fairer Gwent', Aneurin Bevan University Health Board has worked 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 Aneurin Bevan University Health Board is working in collaboration to achieve gains for the population of Gwent that cannot be delivered by individual organisations alone.

## **Putting Neighbourhoods and Place at the heart of the Health and Social Care System**

Over the last 10-15 years the healthcare system has struggled to meet the rising demand and needs for Health and Care Services, due to factors such as an ageing population, increasing complexity, workforce supply challenges and the widening gap in healthy life expectancy. The Health Board and its Partners are working together to break down traditional barriers between Organisations, Teams and Funding Streams to put neighbourhoods and place at the heart of the Health and Social Care System. This aims to support a rapid shift towards prevention, early intervention and self-care, focusing on what matters to people and communities. The approach will place a greater

emphasis on physical and mental well-being within the context of people's day-to-day lives and on reducing health inequalities.

Place Based Care has long been recognised as the strategic approach for:

- Building resilient and connected communities;
- Prevention and earlier intervention;
- Reducing health inequalities;
- Collaborative working to establish effective and efficient Multi-Disciplinary Teams;
- Providing care closer to home and streamlining access to Specialist Care;
- Reducing preventable admissions and optimal hospital discharge through a Home First approach.

The Place Based Care model in the Health Board is based on a continuum from building resilient communities through to intermediate care service to prevent avoidable admissions and support timely discharge (see below).



The Integrated Wellbeing Network programme (see above) is funded by the RPB to:

- Engage communities and build capacity for community-led approaches to health improvement and reducing inequities.
- Map and organising community asset so they are clearly accessible to the public and professionals.
- Bridge, link and co-ordinate wellbeing assets in each neighbourhood.
- Supporting individual and group behaviour change to help people prevent health problems and live well with long term conditions.

The Neighbourhood Care Networks (see above) are focussed on four priority areas:

- Multidisciplinary working for people with complex needs, including but not exclusively, people with moderate or severe frailty.
- Reducing premature mortality and morbidity through prevention and management of Diabetes and Cardiovascular risk factors, initially Hypertension Case Finding and management.
- Connecting people to Non-Medical Activities, Groups and Services in their community which can address their practical, social and emotional needs.

- Equity of access to Supplementary Services particularly for Inclusion Health groups.

At the heart of the proposed approach is bringing together Public Health, Primary Care and Community Services to create Integrated Neighbourhood Teams serving populations of around 20-30,000 people. Doing this is a key part of the plan for improving health outcomes for the population and tackle inequalities as set out in Building a Fairer Gwent (Marmot Report). The principles underpinning Integrated Neighbourhood Teams is rooted in a shared ownership for the health and well-being of the local population and brings together Professionals and Practitioners that have a high level of interaction with each other and the local population. It will require a culture of collaboration with time and space to build trusted relationships, solve problems and agree more effective ways of working. This will replace complex referral and administrative systems that can often create barriers, with a more rapid, relationships-based approach to providing health, care and well-being support.

The Health Board and Partners will be developing plans to advance Place Based Care in each Borough through Integrated Services Partnership Boards, in conjunction with the local Integrated Wellbeing Networks and NCNs.

## **Improving access to Healthier Food Especially for our Youngest Children**

Gwent Public Health Team are working with Partners across Gwent to take a 'whole system approach' to healthy weight and identify the most impactful levers for 'system change'. A 'whole system approach' presents an opportunity to work with Communities and Partners at a local level to tackle and prevent the underlying causes of Obesity, complimenting work being undertaken nationally by Public Health Wales and Welsh Government. Across Gwent our aims are to:

### **1. Embed Healthy Weight Ambitions and Goals within Local Strategic Partnerships and Plans**

We are working to maximise opportunities for planning policy to contribute to the creation of healthier environments by contributing to the Replacement Local Development Plans. We are also working with Food Partnerships to embed healthy weight into council food strategies and programmes and have gathered views from residents across Gwent as part of a Great Weight Debate.

### **2. Increase Access to Healthier Food for Early Years Children and their Families**

We are working with Stakeholders across Gwent to create a framework for action for healthier food in childcare settings. We are supporting childcare settings to create opportunities for children to explore a range of foods via sensory food play and the engagement of parents. We recognise the challenge of eating well for families when they are out and about around Gwent. To address this we are exploring opportunities for promoting access to healthier food in Public Sector Venues, such as Leisure Centres, visited by early years children and their families.

### 3. Support ABUHB to become an Exemplar Health Promoting Health Board

We recognise the potential for the Health Board act as an exemplar on Public Sector Catering and are exploring opportunities to increase access to healthier foods in our own catering.

For further information, please visit:

Gwent Regional Partnership Board <https://gwentrpb.wales/>

Gwent Public Services Board <http://www.gwentpsb.org/en/>

## 10. Equality, Diversity and Inclusion

The Health Board published its Strategic Equality Action Plan for 2024 – 2028 in March 2024, in line with the Public Sector Equality Duty (2011), demonstrating its commitment to advancing Equality, Diversity, and Inclusion (EDI) and fulfilling its statutory responsibilities under the Equality Act (2010) and the Human Rights Act (1998).

Our Strategic Equality Plan update published in March 2025 highlights the progress made in embedding equitable, inclusive, and person-centered approaches across the organisation in Year 1 of our new plan.

Key achievements during **2024/25** include:

- Commencement of Engagement with Staff, Patients and the Public to coproduce an Aneurin Bevan LGBTQ+ Action Plan.

Further Expansion of Staff Diversity Networks and Advisory Boards, with Executive Sponsors and Chairs playing a more active role in shaping strategic EDI initiatives, including the publication of the Strategic Communications Framework for Staff Networks.

- Continued Implementation of the Health Board's Anti-Racism Action Plan, aligning with the Welsh Government's Anti-Racist Wales Action Plan. With key achievements around the introduction of our Reverse Mentorship Scheme, our IMG Induction for Internationally Educated colleagues, working with HEIW and the BMA around Improving Employee Experience for our Black and Ethnic Minority Groups and the achievement of Diverse Cymru Cultural Competence Certificate across a number of teams.
- Enhanced accessibility and inclusion initiatives, including the continued Health Board-wide rollout of the SignLive service, providing real-time British Sign Language (BSL) interpretation for Deaf patients, families and staff.
- The creation of Visually Better Spaces in clinical spaces including the Eye Clinic in the Royal Gwent Hospital.
- The continued roll out of our bespoke Visual Awareness Training to colleagues across the Health Board.

- The roll out of our Health and Well-Being Passport for Staff developed in collaboration between our Equality, Diversity and Inclusion Disability Lead, Occupational Health and Trade Union Representative.
- The delivery of Widening Access projects such as the Skills Surgery, a project introducing Year 6 students to careers in Health. Delivered to two Primary Schools, Ysgol Gymraeg Bro Helyg in Blaenau Gwent and Pill Primary School in Newport.

The key achievements in Year 1 of our Strategic Equality Plan demonstrates the Health Board's ongoing dedication to fostering an inclusive and equitable workplace and healthcare environment. EDI and Human Rights remain key Executive and Board-level priorities, with a continued focus on monitoring, measuring, and driving sustainable progress in addressing health and workplace inequalities.

## 11. Welsh Language Regulations

The Health Board has published its Annual Report for 2024/25 on its website in both Welsh and English. This 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. The report shows our progress and work in this field. It notes key achievements as well as our strategy and plans for the future.

<https://abuhb.nhs.wales/files/key-documents/other-reports/welsh-language-standards-annual-report-2023-2024-pdf/> English

<https://bipab.gig.cymru/ffeiliau/key-documents/adroddiad-blynyddol-safonaur-gymraeg-2023-2024-pdf/> Welsh

Some of the notable points from the report include:

- Establishment of a Welsh Language tutor to work with staff who lack confidence in using the Welsh language skills they have. We have also further developed our training offer to all staff with a new system that better matches the learning offered with the needs of the individual.
- We have worked with our colleagues in Health Education and Improvement Wales as well as our partners in Careers Wales to offer appropriate information around career opportunities in Welsh to our future workforce. This includes the development and delivery of our 'Syrjeri Sgiliau – Skills Surgery' programme designed for Primary School children.
- Working with our colleagues across the Workforce and Organisational Development directorate we have delivered bespoke training around Welsh language service delivery in induction programmes such as the Health Care

Support Workers Clinical Induction. We've also delivered training to leadership programmes such as the 'Leadership Development Programme and the 'Nursing & Midwifery Academy'.

- New resources have been generated to support our frontline staff who do not have Welsh language skills to utilise common basic Welsh phrases with patients.
- Working closely with our Digital, Data and Technology Division we have ensured that any new technologies procured are fully functional for our Welsh speaking service users.

As a Health Board we work collaboratively with our colleagues across NHS Wales and have established a 'Welsh Language Leads' group to identify areas for collective work. We work closely with Welsh Government and maintain a strong positive relationship with the Welsh Language Commissioners office as we strive to deliver the best care to our Welsh speaking service users.

## 12. Financial Management and Performance

The Annual Accounts 2024/25, at Section 3 of the Annual Report and Accounts 2024/25, Page XX, sets out the detailed accounts for the full year to 31 March 2025 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.

### Revenue Resource Performance

Aneurin Bevan University Health Board has not met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2022-23 to 2024-25.

For the period 2024-25, the Board reported an overspend of £7,185K, as shown in the table below:

| 3 Year Revenue Breakeven Duty | 2022-23 | 2023-24 | 2024-25 | Total   |
|-------------------------------|---------|---------|---------|---------|
| Underspend Against Allocation | -36,842 | -49,766 | -7,185  | -93,793 |

## 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 £70.475m was met in 2024/25 with a small underspend of £66K. The target is measured over a 3 year period as shown below:

| 3 Year Capital Resource Duty  | 2022-23 | 2023-24 | 2024-25 | Total |
|-------------------------------|---------|---------|---------|-------|
| Underspend Against Allocation | 43      | 41      | 66      | 150   |

## Long-term Expenditure Trends, 2019-2020 to 2024-2025

### 3. Analysis of gross operating costs

|  | £'000          | £'000          | £'000          | £'000          | £'000          | £'000          |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| 3.1 Expenditure on Primary Healthcare Services | 2019-20        | 2020-21        | 2021-22        | 2022-23        | 2023-24        | 2024-25        |
| General Medical Services                       | 103,343        | 108,993        | 112,524        | 116,217        | 122,671        | 132,671        |
| Pharmaceutical Services                        | 22,900         | 27,109         | 25,082         | 25,273         | 25,756         | 29,224         |
| General Dental Services                        | 36,608         | 33,079         | 38,030         | 39,817         | 39,870         | 44,444         |
| General Ophthalmic Services                    | 8,911          | 8,734          | 9,343          | 8,866          | 10,659         | 15,075         |
| Other Primary Health Care expenditure          | 2,872          | 2,289          | 2,487          | 2,612          | 4,373          | 4,729          |
| Prescribed drugs and appliances                | 102,280        | 106,852        | 106,282        | 114,331        | 121,947        | 125,771        |
| <b>Total</b>                                   | <b>276,914</b> | <b>287,056</b> | <b>293,748</b> | <b>307,116</b> | <b>325,276</b> | <b>351,914</b> |

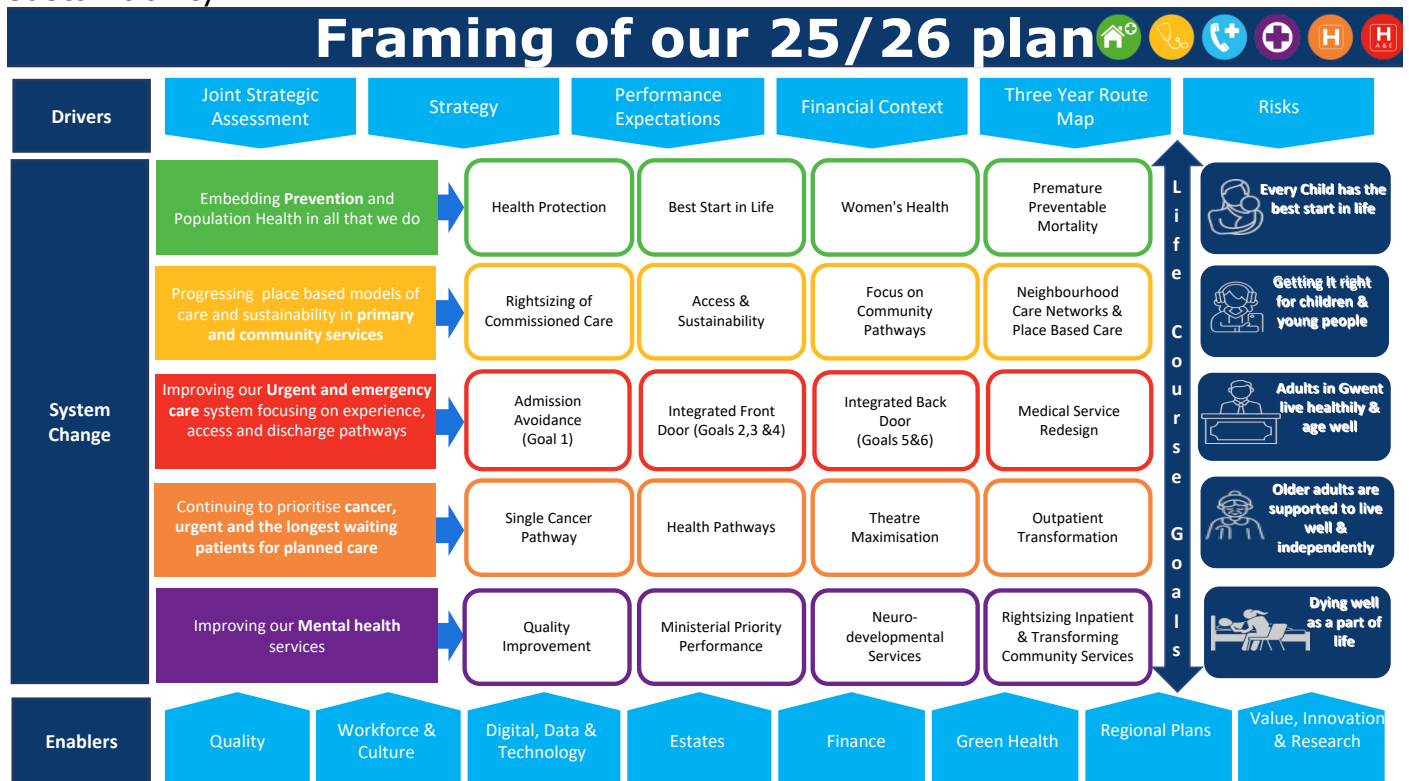
|  | £'000          | £'000          | £'000          | £'000          | £'000          | £'000          |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| 3.2 Expenditure on healthcare from other providers | 2019-20        | 2020-21        | 2021-22        | 2022-23        | 2023-24        | 2024-25        |
| Goods and Services from Other NHSbodies            | 103,179        | 103,278        | 117,637        | 117,587        | 129,254        | 133,420        |
| Goods and services from WHSC / EASC                | 144,458        | 161,384        | 177,035        | 198,320        | 208,640        | 218,320        |
| Continuing Care                                    | 71,005         | 81,347         | 83,675         | 86,006         | 99,136         | 99,904         |
| Other  | 61,107         | 71,795         | 85,054         | 72,240         | 71,368         | 75,559         |
| <b>Total</b>                                       | <b>379,749</b> | <b>417,804</b> | <b>463,401</b> | <b>474,153</b> | <b>508,398</b> | <b>527,203</b> |

### 3.3 Expenditure on Hospital and Community Health Services

|  | £'000          | £'000          | £'000          | £'000            | £'000            | £'000            |
|--|----------------|----------------|----------------|------------------|------------------|------------------|
|  | 2019-20        | 2020-21        | 2021-22        | 2022-23          | 2023-24          | 2024-25          |
| Staff Costs                                      | 579,760        | 671,972        | 714,255        | 762,081          | 821,197          | 888,882          |
| Non Pay  | 152,277        | 172,611        | 191,827        | 200,118          | 206,261          | 221,025          |
| Depreciation and Impairments                     | 23,197         | 96,361         | 31,056         | 30,804           | 59,994           | 49,908           |
| Losses, special payments and irrecoverable debts | 3,154          | 1,886          | 2,831          | 1,526            | 3,217            | 3,065            |
| Other operating expenses                         | 7,990          | 8,526          | 11,009         | 9,538            | 14,599           | 14,310           |
| <b>Total</b>                                     | <b>766,378</b> | <b>951,356</b> | <b>950,978</b> | <b>1,004,067</b> | <b>1,105,268</b> | <b>1,177,190</b> |

## 13. Conclusion and Forward Look

The organisation is rightly proud of its achievements in 2024/25, significant progress has been made as the organisation strives to come out of areas of escalation. Importantly the organisation has set out a clear path to sustainability with a financial roadmap and plans to deliver improvement in performance and quality. Notably the organisation has a strong track record of planning and delivery, achieving much of the ambitions set out in the Annual Plan. Looking forward the IMTP set out the organisations plans for 2025/26 and beyond as the organisation continues on its path to sustainability.



# **Part 2: Accountability Report**

**1<sup>st</sup> April 2024 –  
31<sup>st</sup> March 2025**

## **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.

## **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 2024/25 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 2025. 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 47 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 Health Board also complies with the Social Partnership Duty in Wales, established by the Social Partnership and Public Procurement (Wales) Act 2023, which mandates that the Health Board works with trade unions and other worker representatives when making strategic decisions about their well-being objectives.

The Board's Annual Report for 2024/25 and Integrated Medium Term-Plan (IMTP) 2022-25 (approved by the Board March 2023) 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 2024/25 provides greater detail in relation to the achievements of the Health Board in delivering the IMTP during 2024/25.

## **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 2024/25 year.

## **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 2024/25 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.

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**Name:** Nicola Prygodzicz, Chief Executive

**Date:**

## **SECTION B(2): STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS FOR 2024/25**

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, Chair  
Dated:

Nicola Prygodzicz, Chief Executive  
Dated:

Robert Holcombe, Director of Finance and Procurement  
Dated:

### 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.

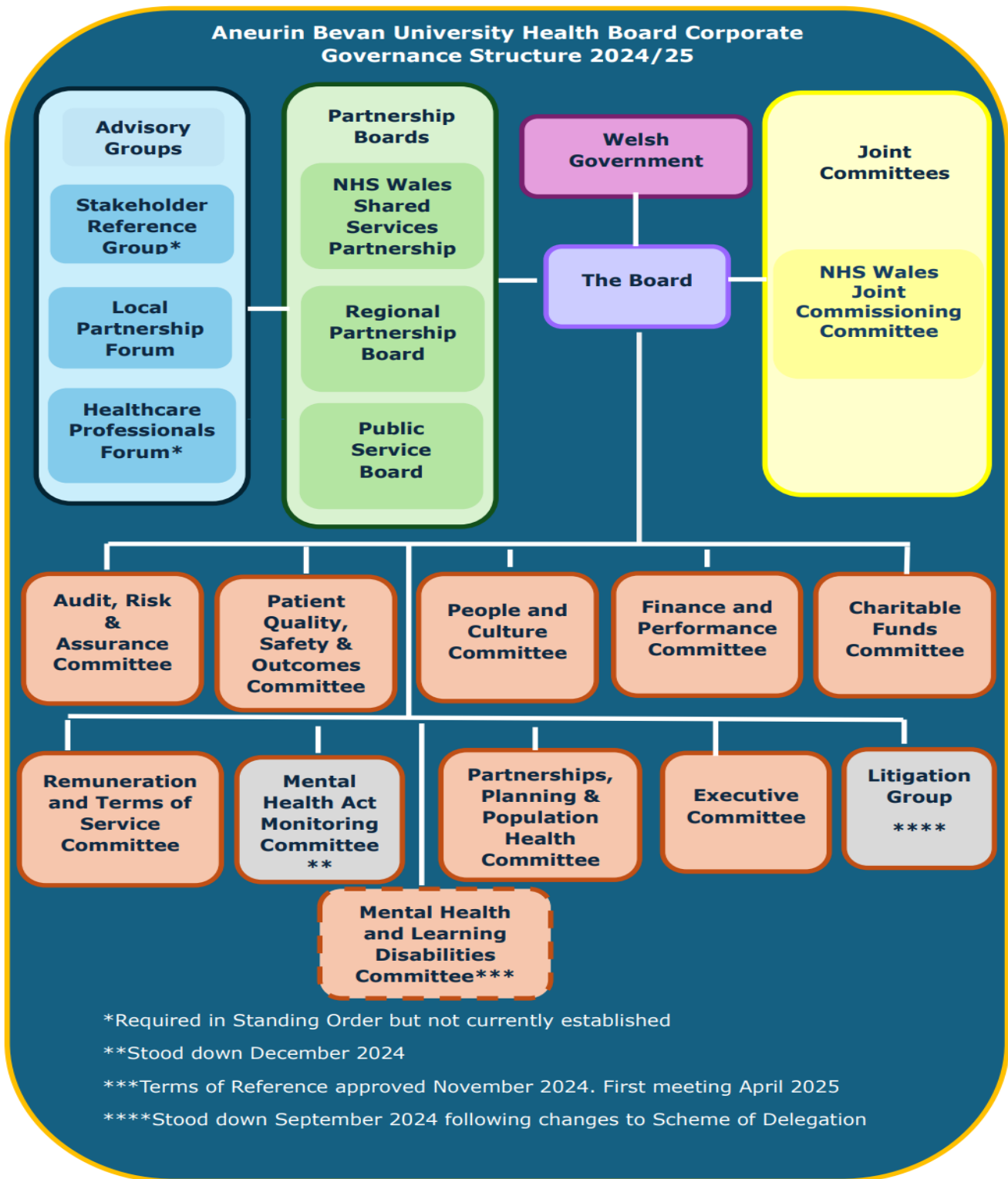
[Welsh Government's Escalation and Intervention Arrangements for NHS Wales](#) sets out the collective arrangements in place between the Welsh Government and external review bodies for identifying and responding to serious issues affecting NHS service delivery, quality and safety of care, and organisational effectiveness. As at 31<sup>st</sup> March 2025, Aneurin Bevan University Health Board was in 'Targeted Intervention' for planning and finance and 'Enhanced Monitoring' for performance and outcomes related to urgent and emergency care pathways as a result of extended waits for patients in ambulances and emergency department clinical assessment at the Grange University Hospital. The Performance Report (Part 1) of the Annual Report and Accounts for 2024/25 provides greater detail on the Health Board's performance and improvement actions in these areas.

### 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 *Local Health Boards, NHS Trusts and Special Health Authorities (Constitution, Membership and Procedures) (Miscellaneous Amendments) (Wales) Regulations 2024*, which came into force on the 20 January 2025, and the *Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009*, into day to day operating practice. The Standing Orders, 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, provide the regulatory framework for the business conduct of

the Health Board and define its 'ways of working'. These documents, together with the Strategic Risk Register 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 below outlines the corporate governance structure in place during 2024/25:



Delivery of the Governance Assurance Framework within the organisation is deployed through the Executive Team (as noted below in table 1), with each Executive Director having an agreed portfolio of delegated responsibilities. This is underpinned by operational divisions which lead operational planning and service delivery across primary and community care, mental health and learning disabilities, acute services, estates and facilities, all of which have ultimate accountability to the Chief Operating Officer.

### Membership of the Health Board and its Committees

**Attachment 1** provides the Board’s membership during 2024/25 and attendance at Board meetings for this period. The membership of the Board and changes during 2024/25, are outlined in Table 1 below:

| Name                       | Designation   | Dates (If not full year) |
|----------------------------|---|--------------------------|
| <b>Executive Directors</b> |   |                          |
| Nicola Prygodzicz          | Chief Executive   |                          |
| Hannah Evans               | Director of Strategy, Planning and Partnerships           |                          |
| Rob Holcombe               | Director of Finance and Procurement                       |                          |
| Dr James Calvert           | Medical Director / Deputy Chief Executive                 |                          |
| Sarah Simmonds             | Director of Workforce and OD                              |                          |
| Jennifer Winslade          | Director of Nursing                                       |                          |
| Peter Carr                 | Director of Allied Health Professions and Health Sciences |                          |
| Tracy Daszkiewicz          | Director of Public Health                                 |                          |
| Leanne Watkins             | Chief Operating Officer                                   |                          |
| <b>Independent Members</b> |   |                          |
| Ann Lloyd                  | Chair   |                          |
| Pippa Britton              | Vice Chair  | Until 30/11/2024         |
| Louise Wright              | Independent Member (Trade Union)                          |                          |
| Richard G Clarke           | Independent Member (Local Authority)                      |                          |
| Professor Helen Sweetland  | Independent Member (University)                           |                          |
| Paul Deneen                | Independent Member (Community)                            |                          |
| Iwan Jones                 | Independent Member (Finance)                              |                          |
| Dafydd Vaughan             | Independent Member (Digital)                              |                          |
| Neil Patrick               | Independent Member (Community)                            | From 01/04/2024          |
| Penny Jones                | Independent Member (Community)                            |                          |
| Martin Blakebrough*        | Independent Member (Third Sector)                         | Until 08/06/2024         |

| Name   | Designation                        | Dates (If not full year) |
|--|------------------------------------|--------------------------|
| <b>Directors in Attendance**</b>             |                                    |                          |
| Paul Solloway                                | Director of Digital                |                          |
| <b>Special Advisors to the Board***</b>      |                                    |                          |
| Phil Robson                                  | Special Advisor to the Board       |                          |
| <b>Associate Members****</b>                 |                                    |                          |
| Vacant                                       | Chair, Stakeholder Reference Group |                          |
| Vacant                                       | Chair, Health Professionals Forum  |                          |
| Vacant                                       | Director of Social Services        |                          |
| <b>Director of Corporate Governance*****</b> |                                    |                          |
| Rani Dash                                    | Director of Corporate Governance   |                          |

*\* Absent in agreement with Chair and Welsh Government (effective 01/09/23 to 08/06/2024)*

*\*\*The Director of Digital is not an Executive Post. The Director of Digital is therefore not a Board Member and attends meetings of the Board in an ex-officio capacity 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 in an ex-officio capacity 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 Health Board. 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.*

## **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* and the *Local Health Boards, NHS Trusts and Special Health Authorities (Constitution, Membership and Procedures) (Miscellaneous Amendments) (Wales) Regulations 2024*. 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 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.

### **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 2024/25.

The committee structure has been designed to enable an appropriate balance between strategy, delivery and performance, and culture and takes into consideration feedback from Board Members and Audit Wales in respect of Board effectiveness.

During 2024/25, 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.

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

Members of the public have been able to attend all Board meetings in person during 2024/25. In addition, the Microsoft Teams link is also published with the agenda and on social media channels to enable members of the public to observe the meeting in real time if they are unable to attend in person. All Board meetings in 2024/25 were recorded and published to the Health Board's You Tube Channel within 24 hours for public viewing.

During 2024/25, 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 2025/26 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 2024/25, 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 September 2024 was livestreamed, with in person attendance also permitted.

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 in 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 Development 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. 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 2024/25**

During 2024/25, the Board held 6 scheduled meetings, as well as its Annual General Meeting on 10<sup>th</sup> September 2024 and an extraordinary meeting in April 2024 to discuss proposals for the Emergency Medical Retrieval and Transfer Service.

All the meetings of the Board in 2024/25 were appropriately constituted and quorate. The key business and risk matters considered by the Board during 2024/25 are outlined below.

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

|   |  |
|---|--|
| <p><b>Business Cases:</b></p> <ul style="list-style-type: none"> <li>• Approved a Business Justification Case for a <b>Central Decontamination Unit at the Royal Gwent Hospital</b></li> <li>• Approved the Business Justification Case (BJC) for a <b>South-East Wales Radio pharmacy</b></li> <li>• Approved the <b>Urgent and Emergency Care Business Cases: The Grange University Hospital (GUH) Transfer Lounge and Increase in Emergency</b></li> </ul> | <p><b>Plans/Strategies/Policies/Service Change</b></p> <ul style="list-style-type: none"> <li>• Approved the <b>proposed budget delegations</b> for 2024/25</li> <li>• Noted progress in the implementation of the <b>Nursing, Midwifery and SCPHN Workforce Strategy 2023-26</b></li> <li>• <b>Approved the Three-Year Route Map to Service and Financial Sustainability</b> acknowledging the</li> </ul> |
|---|--|

### Department (ED) Consultant Establishment

- Approved the Business Case for the **addition of a second MRI scanner at the Grange University Hospital (GUH)**
- Approved the Business Case for an **Electronic Prescribing Medicines Administration (EPMA) System**
- **Approved the expansion of the Multiple Sclerosis Team** to support the implementation of Fampridine and Siponimod drugs as well as ensuring that all MS patients received an annual review.

### Governance and Assurance

- Received assurance in respect of arrangements for compliance with the **Nurse Staffing Levels (Wales) Act**.
- Approved the **Annual Report and Accounts 2023-24**.
- Approved the **Charitable Funds Annual Accounts and Annual Report 2023-24**
- Received the following **Annual Reports**:
  - Health and Safety
  - Gender Pay and Ethnicity Pay Gap
  - People Plan Annual Review
  - Welsh Language
  - Annual Quality Report
- Received the **Audit Wales Annual Audit Report and Structured Assessment**.

### 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

need for regular progress reports and further engagement to address delays in transfers of care and ensure effective resource allocation.

- Received updates on the **Nevill Hall Development Programme**
- Update on **Community Therapy MSK Transformation**
- Progress and next steps on the development of the refreshed **digital, data, and technology strategies**
- Endorsed the approach to developing a **Quality Assurance Framework for Commissioned Services**
- Approved the **Winter Plan 2024/25**
- Update on **planned care performance** and endorsed the deployment of additional funding received from Welsh Government to make further improvements
- Development of proposals under the **ReFit framework** for invest to save capital funding to enhance the Health Board's estate, reduce carbon emissions and reduce costs associated with energy.
- Endorsed the **approach to Quality Improvement**
- Approved and adopted the **Compassionate Leadership Pledge**
- Approved a 12 month extension on the temporary **Stroke reconfiguration** and the consolidation of services across the Hyper Acute Stroke Unit (HASU) at the Grange University Hospital and one stroke rehabilitation site at Ysbyty Ystrad Fawr (YYF)
- Review of **Children and Young People's Services**
- Received the **Statutory and Mandatory Training Report** and endorsed the actions to improve compliance
- Update on the **NHS Wales Electronic Prescribing & Medicines Administration programme (ePMA)**

and the actions being taken forward to improve performance.

- Considered performance against the Health Board's Quality Outcomes Framework.
- 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.

and the implementation across the Health Board.

## 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 Board has remained committed to hearing and learning from the experience of staff and patients. During 2024/25 the Board received patient/staff stories in respect of:

**Respecting patient's wishes at end of life, improving communication with families and our bereavement offer** - reflecting upon the end of life and bereavement services over the past year, with the work culminating in the production of the Bereavement collaborative report.

**Hospital to Home Pilot** - aims to facilitate earlier discharges for clinically optimised patients, reducing hospital bed occupancy and associated risks.

**Arts Therapies** - the role of arts therapies within the Health Board, particularly focusing on art, music, and drama therapies for individuals who struggle with traditional talking therapies

**Children's Rights and Participation in Action** - an insight into work to embed children's rights and the work of the Child and Adolescent Psychology Service

**My Medical Record within the Urology Service** - an insight into the adoption of the MyMedical Record (MyMr) application to support patients manage their prostate cancer.

Throughout 2024/25, **Llais, Gwent Region** attended meetings of the Board to provide an overview of recent issues of concern and positive observations or public feedback being addressed by Llais in relation to the planning and delivery of health services in Gwent.

## Items considered by Committees of the Board

During 2024/25, 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 roles and responsibilities, membership and areas considered by the Committees of the Board is provided below:

| Audit, Risk and Assurance Committee |  |                   |
|-------------------------------------|--|-------------------|
| <b>Roles and Responsibilities</b>   | <p>The Committee has been established to enable the scrutiny and review of matters related to audit, financial accounting, assurance, and risk management, to a level of depth and detail not possible in Board meetings.</p> <p>The purpose of the Committee is to support the Board and Accounting Officer by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements and the annual report.</p> <p>Full <a href="#">Terms of Reference</a></p>  |                   |
| <b>Chair</b>                        | Iwan Jones, Independent Member (Finance)   | 6/6               |
| <b>Members and Attendance</b>       | Richard Clark, Independent Member<br>Neil Patrick, Independent Member – from May 2024<br>Dafydd Vaughan, Independent Member  | 2/6<br>5/5<br>5/6 |
| <b>Regular Executive Attendance</b> | Rob Holcombe, Director of Finance and Procurement  | 6/6               |
| <b>No Meetings per year</b>         | 6  |                   |
| <b>Items Considered</b>             | <p>Among the key issues considered by the Committee during 2024-25, as outlined in the Committee's Work Programme, the following were also considered:</p> <ul style="list-style-type: none"> <li>• Update Report on the Clinical Audit Activity</li> <li>• Update Report on Consultant Job Planning</li> <li>• Update Report on the Implementation of the Actions from the Audit Wales Community Pharmacy Data Matching Report.</li> <li>• Receive Private Practice Policy.</li> <li>• Chairs of Audit Committees Operating Arrangements.</li> <li>• National KPI Template for Capital Projects.</li> <li>• Responses from Welsh Government on the Questions set out in the Audit Wales Community Pharmacy Data Matching Report.</li> </ul> |                   |

|  |   |  |
|--|---|--|
|  | <ul style="list-style-type: none"> <li>• Review of Audit Recommendation Tracking Process.</li> <li>• Reviewed the Standards of Business Conduct Policy</li> <li>• Review Audit Enquires to those charged with Governance and Management</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 2024-25.</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 2024-25, including the management response from the relevant Executive Director.</p> <p>Further information is available in the <a href="#">Audit, Risk and Assurance Committee Annual Report 2024/25</a></p> |  |
|--|---|--|

| Patient Quality, Safety and Outcomes Committee |  |     |
|--|--|-----|
| <b>Roles and Responsibilities</b>              | <p>The scope of the Patient Quality, Safety and Outcomes Committee encompasses all areas of patient experience, quality and safety relating to patients, carers and service users, within directly provided services and commissioned services.</p> <p>Full <a href="#">Terms of Reference</a></p>   |     |
| <b>Chair</b>                                   | Pippa Britton - until December 2024  | 5/5 |
|  | Helen Sweetland, Independent Member - from December 2024   | 1/1 |
| <b>Members and Attendance</b>                  | Helen Sweetland, Independent Member  | 4/5 |
|  | Paul Deneen, Independent Member  | 6/6 |
|  | Penny Jones, Independent Member  | 6/6 |
|  | Louise Wright, Independent Member – until May 2024   | 1/1 |
| <b>Regular Executive Attendance</b>            | Jennifer Winslade, Director of Nursing   | 6/6 |
|  | James Calvert, Medical Director  | 5/6 |
|  | Peter Carr, Director of Allied Health Professions and Health Science   | 6/6 |
| <b>No Meetings per year</b>                    | 6  |     |
| <b>Items Considered</b>                        | <p>Among the key issues considered by the Committee during 2024-24, as outlined in the Committee's Work Programme, the following were also considered:</p> <ul style="list-style-type: none"> <li>• Regular Committee Risk Reports detailing the key risks allocated to the Committee</li> <li>• Covid-19 Nosocomial Investigation Report</li> <li>• Listening and Learning Framework</li> <li>• Primary Care Quality Report</li> <li>• Commissioning Assurance Framework</li> </ul> |     |

- Quarterly reporting on the Performance of Patient Quality and Safety Outcomes, including:
  - Duty of Candour triggers
  - Infection Prevention and Control
  - Enhanced Monitoring
  - Falls
  - Health, Safety and Security
  - Complaints, Concerns and Compliments
  - HIW Inspections
- Annual Reports:
  - Pharmacy and Medicines Management
  - Volunteering
  - Hospital Transfusion Committee
  - Putting Things Right
  - Human Tissue Act
  - Organ Donation
  - Dementia Care
  - Falls and Bone Health Management
  - Health and Safety Compliance
  - Radiation Protection Committee
  - Research and Development
  - Infection Prevention, Decontamination, and Antimicrobial Stewardship
  - Safeguarding

Further information is available to the [Patient Quality, Safety and Outcomes Committee Annual Report 2024/25](#)

## Partnerships, Population Health and Planning Committee

|                                   |   |     |
|-----------------------------------|---|-----|
| <b>Roles and Responsibilities</b> | <p>The purpose of the Partnerships, Population Health and Planning Committee is to seek assurance on:</p> <ul style="list-style-type: none"> <li>• The robustness of the Health Board’s approach, systems and processes for developing strategies and plans, including those developed in partnership;</li> <li>• Plans and arrangements for the following matters are adequate, effective, and robust and achieving intended outcomes: Joint committee and partnership planning; Engagement and communication; and Civil Contingencies and Business Continuity;</li> <li>• That partnership governance and partnership working is effective and successful; and that those arrangements in place to improve population health and wellbeing are robust and effective and delivering intended outcomes.</li> </ul> <p>Full <a href="#">Terms of Reference</a></p> |     |
| <b>Chair</b>                      | Ann Lloyd, Chair  | 4/4 |
| <b>Members and Attendance</b>     | Dafydd Vaughan, Independent Member  | 3/4 |
|                                   | Richard Clark, Independent Member   | 2/4 |
|                                   | Penny Jones, Independent Member (From 01.07.24)   | 3/3 |

|                                     |  |            |
|-------------------------------------|--|------------|
| <b>Regular Executive Attendance</b> | Hannah Evans, Director of Strategy, Planning and Partnerships<br>Tracy Daszkiewicz, Director of Public Health  | 3/4<br>4/4 |
| <b>No Meetings per year</b>         | 4  |            |
| <b>Items Considered</b>             | <p>Among the key issues considered by the Committee during 2024-25, 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 work of the <b>Gwent Public Service Board (PSB)</b>, including the alignment of PSB priorities with that of the Marmot principles and actions.</li> <li>• An overview of the Health Boards <b>Long Term Strategy Development for 'Strategy 2035'</b>.</li> <li>• An update on progress of <b>Regional Planning</b> including the development of a regional acute clinical strategy between Aneurin Bevan, Cwm Taf Morgannwg and Cardiff &amp; Vale University Health Boards.</li> <li>• An overview of meetings of the <b>Regional Partnership Board</b>, including discussion around topics raised as a concern.</li> <li>• Updates on the <b>Health Protection and Vaccination Programme</b>; with a focus on the distribution of a new respiratory vaccination rolled out in September 2024, and catch-up work undertaken into HPV in school aged teenagers.</li> <li>• Committee Risk Report</li> <li>• An overview of the <b>Nevil Hall Hospital Strategic Outline Case</b>, with emphasis on work ongoing to develop the new Nevil Hall Hospital clinical service model, including future service models around Enhanced Local General Hospital (eLGH)</li> </ul> <p>Further information is available in the <a href="#">Partnerships, Population Health and Planning Committee Annual Report 2024/25</a></p> |            |

| <b>People and Culture Committee</b> |   |            |
|-------------------------------------|---|------------|
| <b>Roles and Responsibilities</b>   | <p>The purpose of the People and Culture Committee is to provide assurance to the Board on:</p> <ul style="list-style-type: none"> <li>• all matters relating to staff and workforce planning of the Health Board;</li> <li>• plans to enhance the environment that supports and values staff in order to engage the talent and nurture the leadership capability of individuals and teams working together to drive the desired culture throughout the Health Board to deliver safer better health care;</li> <li>• the direction and delivery of Organisational Development and other related frameworks to drive continuous improvement and to achieve the objectives of the Health Board.</li> </ul> <p>Full <a href="#">Terms of Reference</a></p> |            |
| <b>Chair</b>                        | Louise Wright, Independent Member (Trade Union)   | 3/3        |
| <b>Members and Attendance</b>       | Paul Deneen, Independent Member<br>Helen Sweetland, Independent Member  | 3/3<br>3/3 |

|                                     |  |     |
|-------------------------------------|--|-----|
|                                     | Penny Jones, Independent Member  | 1/3 |
| <b>Regular Executive Attendance</b> | Sarah Simmonds, Director of Workforce and OD   | 3/3 |
| <b>No Meetings per year</b>         | 3  |     |
| <b>Items Considered</b>             | <p>Among the key issues considered by the Committee during 2023-24, as outlined in the Committee's Work Programme, the following were also considered:</p> <ul style="list-style-type: none"> <li>• Key matters relating to Employee Relations and suspensions over 4 months.</li> <li>• Annual Reports: <ul style="list-style-type: none"> <li>• Medical Revalidation</li> <li>• Job Planning including Medical E-Systems</li> <li>• Nursing, Midwifery and SCPHN Workforce</li> </ul> </li> <li>• Progress with the implementation of the Health Board's People Plan 2022/25</li> <li>• Progress in relation to Equality, Diversity and Inclusion across the Health Board</li> <li>• Results of the Health Board's Staff Experience Survey and the NHS Wales Survey</li> <li>• Compliance with the Welsh Language Standards "More than just words"</li> <li>• Talent Management and Succession Planning Framework</li> <li>• Regular review of the workforce dashboard including sickness absence, turnover and performance reviews</li> </ul> <p>Further information is available in the People and Culture Committee Annual Report 2024/25</p> |     |

| <b>Finance and Performance Committee</b> |  |
|--|--|
| <b>Roles and Responsibilities</b>        | <p>The purpose of the Finance &amp; Performance Committee is to provide assurance to the Board on the achievement of the Board's aims and objectives as set out in its Integrated Medium-Term Plan. In doing so, the Committee will seek assurance that there is:</p> <ul style="list-style-type: none"> <li>• ongoing development of an improving performance culture which continuously strives for excellence and focuses on improvement in all aspects of the health board's business, in line with the Board's Performance Management Framework;</li> <li>• that arrangements for financial management and financial performance are sufficient, effective and robust;</li> <li>• that services are improving efficiency and productivity and financial plans are being delivered;</li> <li>• there is timely and appropriate access to health care services to achieve the best health outcomes within agreed targets, for directly provided and commissioned services; and</li> </ul> |

|                                     |  |                          |
|-------------------------------------|--|--------------------------|
|                                     | <ul style="list-style-type: none"> <li>risks are suitably identified, mitigated, residual risks controlled, and corrective actions are taken as required to sustain or improve performance.</li> </ul> <p>Full <a href="#">Terms of Reference</a></p>  |                          |
| <b>Chair</b>                        | Richard Clark, Independent Member  | 4/4                      |
| <b>Members and Attendance</b>       | Iwan Jones, Independent Member<br>Dafydd Vaughan, Independent Member<br>Helen Sweetland, Independent Member<br>Neil Patrick, Independent Member  | 4/4<br>2/4<br>3/4<br>4/4 |
| <b>Regular Executive Attendance</b> | Rob Holcombe, Director of Finance and Procurement<br>Hannah Evans, Director of Strategy, Planning and Partnerships   | 4/4<br>4/4               |
| <b>No Meetings per year</b>         | 4  |                          |
| <b>Items Considered</b>             | <p>Throughout 2024/25, the Committee has maintained oversight of the Health Board's escalation and intervention arrangements, including the Health Board's escalation status as set by Welsh Government (as at 31st March 2025, Health Board was in 'Targeted Intervention' for planning and finance and 'Enhanced Monitoring' for performance and outcomes related to urgent and emergency care pathways as a result of extended waits for patients in ambulances and emergency department clinical assessment at the Grange University Hospital).</p> <p>Among the key issues considered by the Committee during 2024-25, as outlined in the Committee's Work Programme, the following were also considered:</p> <p><b>Financial Management and Performance</b></p> <ul style="list-style-type: none"> <li>Routine monitoring of the financial position of the Health Board through the provision of quarterly financial performance reports and specific focussed reports on efficiency and savings opportunities and delivery.</li> <li>Value and Sustainability updates outlining the savings positions aligned to divisional reported schemes and Value and Sustainability Board theme areas</li> <li>Quarterly updates on efficiency opportunities</li> </ul> <p><b>Organisational performance and management:</b></p> <ul style="list-style-type: none"> <li>Digital, Data and Technology reports highlighting successful projects such as completion and installation support of Body Cam security</li> <li>Information Governance and SIRO reports providing assurance on Cyber Security and Information Governance</li> <li>Update on application of Health Board's Performance Management Framework, providing an overview of the Performance and Accountability Framework 6 monthly reviews for all nine operational directorates</li> <li>Quarterly performance and activity reports</li> <li>Overview of three impairments in relation to large capital schemes completed in 2023/24 – The Bevan Health and Wellbeing Centre, Endoscopy Unit and the Breast Unit at Ysbyty Ystrad Fawr</li> </ul> |                          |

|  |   |  |
|--|---|--|
|  | <ul style="list-style-type: none"> <li>• Estates compliance overview with a focus on risks and mitigating actions</li> <li>• Freedom of Information Act Performance reports</li> </ul> <p>Further information is available in the <a href="#">Finance and Performance Committee Annual Report 2024/25</a></p> |  |
|--|---|--|

| Charitable Funds Committee        |  |                          |
|-----------------------------------|--|--------------------------|
| <b>Roles and Responsibilities</b> | <p>The purpose of the Charitable Funds Committee is to ensure the stewardship and effective management of funds which have been donated, bequeathed and given to the Aneurin Bevan Health Charity for charitable purposes by making and monitoring arrangements for the control and management of the Health Board’s Charitable Funds.</p> <p>Full <a href="#">Terms of Reference</a></p>  |                          |
| <b>Chair</b>                      | Paul Deneen, Independent Member  | 4/4                      |
| <b>Members and Attendance</b>     | Neil Patrick Independent Member<br>Richard Clark, Independent Member<br>Nicola Prygodzicz, Chief Executive<br>Robert Holcombe, Director of Finance and Procurement   | 4/4<br>3/4<br>3/4<br>4/4 |
| <b>No Meetings per year</b>       | 4  |                          |
| <b>Items Considered</b>           | <ul style="list-style-type: none"> <li>• The Committee considered and endorsed the Charitable Funds Accounts and Annual Report 2023/24</li> <li>• Received the Audit Wales – Audit of Accounts Report 2022/23</li> <li>• Throughout the year the Committee received the Finance report on the current financial position for each quarter, providing Members with assurance of income, total spend, donations, grant income and total losses.</li> <li>• The Committee approved several small grants throughout the year and received updates on projects previously agreed.</li> <li>• The Committee received regular updates on spending plans over £25k</li> <li>• The Committee received an annual update on CCLA investment funds, which included an overview of the communities the funds had been invested in.</li> </ul> <p>Further information is available in the <a href="#">Charitable Funds Committee Annual Report 2024/25</a></p> |                          |

| <b>Mental Health Act Monitoring Committee</b> |   |     |
|---|---|-----|
| <b>Roles and Responsibilities</b>             | <p>The purpose of the Mental Health Act Monitoring Committee is to advise and assure the Board and the Accountable Officer by critically monitoring and reviewing the way in which the Health Board discharges its functions and responsibilities under the Mental Health Act 1983 (the MH Act).</p> <p>It supports the Health Board in discharging its accountabilities and responsibilities for the achievement of the Health Board’s objectives and organisational requirements in accordance with the standards of good governance determined for the NHS in Wales.</p>   |     |
| <b>Chair</b>                                  | Pippa Britton, Vice Chair (until December 2024)   | 1/1 |
| <b>Members and Attendance</b>                 | Paul Deneen, Independent Member   | 1/1 |
| <b>Regular Executive Attendance</b>           | Leanne Watkins, Chief Operating Officer   | 1/1 |
| <b>No Meetings per year</b>                   | 4 (1 held in 2024/25, please see note below)  |     |
| <b>Items Considered</b>                       | <p>The Committee received a quarterly report which provided assurance to the Committee on the compliance with the legislative requirements of the Mental Health Act.</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>Note: In November 2024, the Board approved revised <a href="#">Terms of Reference</a> to enable a broader focus on all aspects of the Health Board’s activities in relation to mental health, learning disabilities and child and adolescent mental health services. As a result, the Mental Health Act Monitoring Committee was stood down and a Mental Health and Learning Disabilities Committee established. The first meeting of the new Committee was held on 9<sup>th</sup> April 2025.</p> <p>In the interim, the Mental Health Act Compliance Report was presented to the Patient Quality, Safety and Outcomes Committee in February 2025.</p> |     |

| <b>Remuneration and Terms of Service Committee</b> |   |                   |
|--|---|-------------------|
| <b>Roles and Responsibilities</b>                  | The Committee considers and approves the remuneration and terms of service for the Chief Executive, Executive Directors and other very senior staff within the framework set by the Welsh Government, on behalf of the Board. The Committee seeks assurance in respect of objectives for Executive Directors and other Very Senior Managers and the associated performance assessment; agreeing actions on behalf of the Board where required.<br><br>Full <a href="#">Terms of Reference</a> |                   |
| <b>Chair</b>                                       | Ann Lloyd, Chair  | 1/1               |
| <b>Members and Attendance</b>                      | Pippa Britton, Vice Chair (Until December 2024)<br>Iwan Jones, Independent Member<br>Louise Wright, Independent Member  | 1/1<br>1/1<br>1/1 |
| <b>Regular Executive Attendance</b>                | Sarah Simmonds, Director of Workforce and OD  | 1/1               |
| <b>No Meetings per year</b>                        | Quarterly, as required  |                   |
| <b>Items Considered</b>                            | The Committee received updates on: <ul style="list-style-type: none"> <li>• Chief Executive and Executive Director Performance</li> <li>• Executive and Senior Manager Secondments</li> <li>• Settlement Agreements</li> <li>• Progress with AFC non pay collective agreement and other pay related issues (national discussions)</li> </ul>  |                   |

### **Board Development and Briefing**

Board members took part in a number of development and briefing sessions through 2024/25. Topics covered at these sessions included:

- ❖ Long Term Strategy Development
- ❖ Charity Trustee Training
- ❖ Service Development Business Cases
- ❖ Health and Safety Training
- ❖ Corporate Manslaughter Training
- ❖ Health Pathways Overview
- ❖ Estates Strategy
- ❖ Speaking Up Safely
- ❖ Social Partnership and Public Procurement (Wales) Act Training
- ❖ Cyber Security Awareness

### **Self Assessment and Evaluation**

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.

The purpose of regular self-review is to promote self-knowledge, reflection and vigilance, and to develop and improve leadership and governance. It helps boards identify strengths and development areas to deliver continuous improvement. High performing boards are likely to carry out some form of self-review of their leadership and governance regularly.

In order to support the ongoing development of the Health Board, the Health Board are working with the Good Governance Institute (GGI) to develop and roll out a board development programme during 2025/26.

This programme will focus on core concepts such as governance, risk, culture and effective decision-making and leadership – these are components drawn directly from the principles which underpin high performing boards and organisations and the opportunity to better understand and improve our performance in these areas will ensure a more effective board and better outcomes for patients and service users.

In addition to these core components, GGI colleagues met with each member of the Board during February/March 2025 to inform a baseline position of the Board’s development programme.

The outputs of the baseline position and a discussion with board members regarding opportunities for targeted development will be held in April 2025

Committees of the Board undertook self-assessment during January 2025. In undertaking these assessments, committee members considered their composition, establishment and ways of working, the outcomes of which informed a review of Committee Terms of Reference. The revised Terms of Reference for each Committee were approved by the Board in May 2025.

## **Compliance with Standing Orders**

A review of compliance has been undertaken against the Health Boards Standing Orders; Reservation and Delegation of Powers. Although further work is identified to strengthen arrangements in a number of areas, three (3) key areas have been identified where the Health Board is not currently compliant with the Standing Orders. These are:

Section 5 – *The LHB’s Advisory Groups include a Stakeholder Reference Advisory Groups Group, Healthcare Professionals’ Forum and Local Partnership Forum.* [Local Partnership Forum is established]

Section 7 - *The availability of papers in English and Welsh languages and Meetings in accessible formats, such as Braille, large print, easy read (where requested or required) and in electronic formats;*

Section 7 - *The LHB shall encourage attendance at its formal Board Meetings by the public and members of the press as well as LHB officers or representatives from organisations who have an*

*interest in LHB business.* (noting that the SOs, as far as they are applicable, also apply to meetings of any formal Committees established by the Board)

Actions will be put in place to address each of these areas during 2025/26.

## **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 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 will be considered by the Board in 2025.

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 runs a comprehensive community engagement program that ensures communities can speak directly with Health Board staff and share their views on health services.

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.

The Health Board is currently developing its Quality Management System and as a part of this a review and design of the Healthcare Professional's Forum will be undertaken, ensuring it is fit for purpose and fully effective and does not duplicate other aspects of the Health Board's clinical engagement mechanisms. A proposal for re-establishment of the HPF will be considered by the Board in 2025.

In the absence of a formal HPF, the Board also continues 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.

In addition, in 2024/25, the Health Board established a Clinical Advisory Forum, which is a non-executive advisory group that provides advice to the Executive Team and onwards to the Board where relevant. The Clinical Advisory Forum is a multi-professional advisory group which offers advice or recommendations on new treatments, Quality Impact Assessments and processes and services within the Health Board.

## **NHS Wales Joint Commissioning Committee**

As set out within the Health Board's Standing Orders, during 2024/25, the Board was required to establish the NHS Wales Joint Commissioning Committee.

The [National Health Service Joint Commissioning Committee \(Wales\) Directions 2024](#) (the Directions) came into force on 7<sup>th</sup> February 2024 which provide that the Local Health Boards in Wales will work jointly to exercise functions relating to the planning and securing of services specified within the Directions or as identified by the Local Health Boards. Specifically, these are: (a) specialised services for: (i) cancer and blood disorders, (ii) cardiac conditions, (iii) mental health and vulnerable groups, (iv) neurosciences, and (v) women and children; (b) services where there is agreement between the Local Health Boards that they should be arranged on a regional and national basis; (c) emergency medical services; (d) non-emergency patient transport services; (e) emergency medical retrieval and transfer services; (f) NHS 111 services; (g) sexual assault referral centres; and (h) other services as directed by the Welsh Ministers.

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 the Joint Commissioning Committee is available on their [website](#)

## **Statutory and 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
- Tracy Daszkiewicz, Director for Public Health
- Hannah Evans, Director of Strategy, Planning & Partnerships
- Phil Robson, Special Advisor to Health Board

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

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 of NHS Wales, 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 NHS 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 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](#).

### **Partnership working with other Health Boards**

The Health Board is fully committed to active collaboration where this delivers added value to clinical service delivery, access, and sustainability.

The Health Board meets on a regular basis with other Health Boards in South Wales to agree common approaches to strategic challenges, progress ongoing regional collaborative programmes, share experience / best practice and to consider future opportunities for closer working to mutual benefit.

In addition, the Health Board, Cardiff and Vale University Health Board, Cwm Taf Morgannwg University Health Board and Velindre University NHS Trust have agreed to work together on a portfolio of regional opportunities that at the time of writing includes Orthopaedics, Ophthalmology, Diagnostics, Stroke, Cancer and the development / implementation of a single regional clinical strategy for South-East Wales. A Regional Portfolio Oversight Board has been established to oversee the portfolio of work. Each Health Board / Trust is represented on this forum via its Chief Executive, Director of Planning and Chief Operating Officer.

Directed by the Cabinet Secretary for Health and Social Care, in Quarter 3 of 2025/26, Aneurin Bevan University Health Board, Cardiff and Vale University Health Board, and Cwm Taf Morgannwg University Health Board will establish a Joint Regional Committee to exercise the facilitation and oversight of regional planning to drive effective collaboration and regional working.

### **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 2025 and up to the date of approval of the annual report and accounts.

### **Capacity to Handle Risk**

As Chief Executive and Accountable Officer, I hold overall responsibility for risk management and provide regular reports to the Board on its effectiveness across the Health Board. My advice to the Board is informed by executive officers and insights from the Board's Committees, particularly the Audit, Risk, and Assurance Committee and the Patient Quality, Safety, and Outcomes Committee. This ensures a well-rounded approach to risk oversight, integrating both strategic and operational perspectives.

Risk management is embedded within the Health Board's governance structure. The Executive Committee serves as a key forum for executive directors to discuss and escalate risks. This enables continuous monitoring of the organisation's risk profile and ensures that emerging risks are actively managed and reported to the Board and its Committees.

The Director of Corporate Governance leads the Health Board's risk management framework, overseeing the development of systems and processes that support a proactive and structured approach to risk identification, mitigation, and review. Responsibility for specific risks is delegated to relevant Directors, ensuring expert oversight and accountability. For example:

- Patient safety risks are managed by the Medical Director, the Director of Nursing and the Director of Allied Health Professionals and Health Science.
- Operational risks fall under the purview of the Chief Operating Officer
- Workforce-related risks are overseen by the Director of Workforce and Organisational Development.
- Digital-related risks are overseen by the Director of Digital

This structured approach ensures that risks are managed effectively at all levels of the organisation, safeguarding both service quality and organisational resilience.

### **Risk Management Framework**

The Health Board employs a robust risk management framework, integrating systematic identification, assessment, and mitigation processes.

The current Risk Management Framework (RMF) was approved by the Board in January 2024 and as required by the Model Standing Orders, undergoes an annual review. This year's (2025) review resulted in minimal

changes; however, key updates have been incorporated to ensure staff assess the intent behind risks, whether malicious or non-malicious. This distinction determines the timeframe over which the risk's potential impact should be considered, in alignment with the National Security Risk Assessment (NSRA):

- **Malicious risks:** Assessed over a 2-year period.
- **Non-malicious risks:** Assessed over a 5-year period.

The updated Risk Management Framework was presented to the Audit Risk and Assurance Committee in April 2025 for review and feedback, prior to its submission to the Board for approval in May 2025.

The Chief Executive has overall accountability for risk management, with delegated responsibilities assigned to senior leadership teams and operational managers as appropriate. Staff are equipped with risk management training tailored to their roles, ensuring that decision-making aligns with the Board's risk appetite. This includes:

- Comprehensive induction training on risk awareness for new employees.
- Ongoing professional development in risk assessment methodologies.
- Periodic risk scenario exercises and workshops to enhance preparedness for Major Incidents and Business Continuity Incidents.

### **Risk Profile, Strategic Risk and Assurance Register**

The Board maintains an integrated risk management approach by linking risk assessment to the Integrated Medium-Term Plan (IMTP). This provides a structured mechanism for monitoring high-impact risks and ensure that mitigation strategies are aligned with strategic objectives.

Significant risk areas identified during the reporting year include:

- Operational resilience amid external pressures, such as increased demand for healthcare services in response to workforce shortages and recruitment challenges.
- Cybersecurity threats, due to dated systems posing operational vulnerabilities, staff vigilance of potential cyber threats.
- Financial pressures, due to increase in costs and limitations impacting delivery of efficiency savings.
- Compliance with meeting national environmental goals within its regulatory responsibilities.

Each identified risk is assigned a designated risk owner, ensuring accountability and oversight at the appropriate governance level.

The Director of Corporate Governance submits a comprehensive Strategic Risk Report at every Board meeting, along with tailored reports for each Board Committee. These Committee reports include in-depth risk assessments specific to the areas for which each Committee is responsible, in line with its Terms of Reference.

To promote transparency and accountability, the Strategic Risk Report is published in the public domain. This ensures openness around the key strategic risks identified by the Health Board as potential obstacles to achieving its strategic priorities.

As of the end of March 2025, the Strategic Risk Register contained **Nine** active principal risks with **21** (threats) sub-risks. These represent the most significant threats to the successful delivery of the Health Board’s strategic objectives. Each risk is evaluated and categorised according to its likelihood of occurrence and potential impact, as outlined below.

| Risk Level & Score           | Number of Risks | Number of Risks outside of Appetite |
|------------------------------|-----------------|-------------------------------------|
| <b>Extreme<br/>(15 – 25)</b> | <b>8</b>        | <b>1</b>                            |
| <b>High<br/>(9 – 12)</b>     | <b>9</b>        | <b>4</b>                            |
| <b>Moderate<br/>(5 – 8)</b>  | <b>4</b>        | <b>-</b>                            |
| <b>Low<br/>(1 – 4)</b>       | <b>-</b>        | <b>-</b>                            |

The highest risk included on the Strategic Risk Register has a score of **16** (L4 x I4) and is owned by the Director of Finance and Procurement (SRR 001G) and is concerned with safeguarding the financial sustainability of the Health Board.

The infographic below depicts the Health Board's current risk exposure to the 21 strategic sub-risks, demonstrating that the majority of the strategic risks are concentrated in the central line of the risk matrix indicating a high level of risk exposure.

| Risk Scoring Matrix                |               |          |                                |  |   |
|------------------------------------|---------------|----------|--------------------------------|--|---|
| Likelihood                         | Impact        |          |                                |  |   |
|                                    | 1. Negligible | 2. Minor | 3. Moderate                    | 4. Major   | 5. Catastrophic                               |
| <b>5. Almost Certain</b><br>(>75%) |               |          |                                |  |   |
| <b>4. Likely</b><br>(41-75%)       |               |          |                                | <b>1 x (Extreme)</b><br>SRR 001G   |   |
| <b>3. Possible</b><br>(11-40%)     |               |          | <b>1 x (High)</b><br>SRR 007 B | <b>13 x (High)</b><br>SRR 001 A - D, F, *I,<br>*SRR 002 B<br>*SRR 004 B,<br>SRR 005 A<br>SRR 006 A, B, C<br>*SRR 010 | <b>2 x (Extreme)</b><br>*SRR 002A<br>SRR 011A |
| <b>2. Unlikely</b><br>(1-10%)      |               |          |                                | <b>4 x (Moderate)</b><br>SRR 001 E<br>SRR 004 A<br>SRR 007 A<br>SRR 008 A  |   |
| <b>1. Rare</b><br>(<1%)            |               |          |                                |  |   |

A copy of the latest Strategic Risk Report, presented to the Board in May 2025, is available on the Health Board’s [website](#). The risks contained within this report have undergone thorough scrutiny, challenge, and review by the designated Executive Risk Owners. In addition, a robust assessment of the Health Board’s internal control systems has been completed, alongside an evaluation of all sources of assurance related to each risk.

Ongoing work is being undertaken to strengthen assurance over risks currently operating outside the Board’s defined risk appetite. This includes conducting targeted deep dives into these risks and developing action plans to enhance control measures and reduce the likelihood and/or impact of adverse events.

Recent enhancements to the risk assessment template, along with the implementation of a risk dashboard, have significantly improved the Board’s visibility of how current risk profiles align with its strategic objectives and the Board’s appetite for risk in achieving them. The revised reporting format used for both Committees and the full Board offers a high-level summary of the risks under their oversight, clearly indicating:

- Whether each risk is being managed within the agreed risk appetite
- Where risks are outside of appetite, whether appropriate mitigation plans are in place to address them

While progress has been made, the Board acknowledges that further work is needed to enhance both risk control and assurance mechanisms across the full spectrum of strategic risks.

Accordingly, a high-level summary of the overall assurance level the Board can draw from this iteration of the Strategic Risk Report is provided below:

| Overall Assurance on the Management of Risk |              |              |
|---|--------------|--------------|
| Nil   | Satisfactory | Considerable |
|   | X            |              |

As a result, the Board can take a satisfactory level of assurance that the strategic risks recorded on the Strategic Risk Register (as at May 2025) which reflect the most significant threats to the delivery of the IMTP are being effectively managed.

Furthermore, the internal control systems in place to manage these risks are assessed as satisfactory.

### Risk Appetite Determination

The Health Board establishes its risk appetite through a structured assessment process, balancing the need for innovation with patient safety, financial sustainability, and regulatory compliance. The Health Board’s Risk appetite was approved by the Board in January 2024 through strategic discussions that consider operational challenges, stakeholder expectations, and emerging trends.

The Board ensures a proportionate approach to risk-taking, allowing for flexibility where necessary while maintaining strict controls in critical areas such as patient care, clinical safety, and financial governance.

The table below summarises the Health Board's position on its appetite for risk and the level of tolerance it is willing to accept. The full Risk Appetite Statement is available [here](#).

|                      | Risk Theme   | Risk Appetite Level | Risk Appetite Description  | Risk Appetite Thresholds |
|----------------------|--|---------------------|--|--------------------------|
| <b>RISK APPETITE</b> | Aneurin Bevan University Health Board Activities (Compliance & Safety) | Minimal             | Ultra-safe leading to only minimum risk exposure as far as practicably possible: a negligible/low likelihood of occurrence of the risk after application of controls | Score 8 and below        |
|                      | Aneurin Bevan University Health Board Activities (Service Delivery)    | Open                | Willing to consider all potential options, subject to continued application and/or establishment of controls: recognising that there could be a high-risk exposure   | Score 17 and below       |
|                      | People   | Open                |  |                          |
|                      | Transformation and Partnership working                                 | Open                |  |                          |
|                      | Financial Sustainability   | Cautious            | Preference for safe, though accept there will be some risk exposure: medium likelihood of occurrence of the risk after application of controls                       | Score 13 and below       |
|                      | Confidence and Trust   | Cautious            |  |                          |

### Strategic Risks Outside of the Health Board’s Defined Threshold as at 31<sup>st</sup> March 2025

All five strategic risks outlined below exceed the Health Board’s defined threshold and fall under the category of Safety and Compliance, a domain in which the Health Board has a minimal risk appetite, with a threshold set at a score of 8 or lower. These risks are currently being managed using the 5T’s risk control framework: Tolerate, Treat, Transfer, Terminate, or Take the opportunity. This structured approach ensures each risk is assessed and addressed with appropriate action in line with the Board’s governance and safety priorities.

| Risk ID  | Sub Risk Description   | Current Score | Treatment of the Risks  |
|----------|--|---------------|---|
| SRR 001I | Due to a failure to implement the required performance improvements in some areas of the organisation in line with the Health Board's Performance Management Framework domains of Quality and Safety, Operational Delivery, and Finance.   | 12            | <b>Treat</b> the residual risk, but also<br><b>Take the Opportunity</b> to redesign and strengthen services for long-term sustainability. |
| SRR 002A | Due to the presence of Reinforced Autoclaved Aeriated Concrete (RAAC) within structures  | 15            | <b>Tolerate</b> the risk until it can be <b>Terminated</b> .  |
| SRR 002B | Due to significant levels of backlog maintenance and structural impairment.  | 12            | <b>TREAT</b> the risk through proactive estate investment and maintenance planning.   |
| SRR 004B | Due to ineffective and insufficient arrangements across all service areas to respond to a Business Continuity or Critical Incident   | 12            | <b>TREAT</b> the risk by developing, standardising, and testing effective Business Continuity and Critical Incident Response Plans.       |
| SRR 010  | Due to inadequate and ineffective systems, processes, governance, and assurance arrangements in place to implement, embed and monitor the Health Board's compliance with the Act's requirements, specifically, Manual Handling, RIDDOR Reporting, Fire Safety Risk Assessments, and Work-based Risk Assessments. | 12            | <b>Treat</b> the residual risk, but also<br><b>Take the Opportunity</b> to improve staff safety culture.                                  |

## Risk & Assurance Related Internal Audit Reviews

The Board's Internal Audit Work Plan is developed with careful consideration of the key risks that could impact the achievement of the Health Board's strategic and operational objectives, as well as its long-term sustainability. Any risks identified through the audit process are reviewed by the Head of Corporate Risk and Assurance to determine whether they should be incorporated into the appropriate risk register strategic, corporate, or operational to ensure they are subject to effective monitoring and management

The Audit, Risk and Assurance Committee received one risk management audit with a reasonable assurance rating from the 2024/25 Internal Audit Plan. The review assessed whether the governance arrangements in place within the Primary Care and Community (PCC) Division ensure key risks and matters arising were escalated and managed effectively.

The report issued in April 2025 concluded that divisional management demonstrated effective risk escalation processes, supported by current policies and procedures. Clear guidance was provided on identifying and escalating key risks, with appropriate use of judgement. Risks were well-documented, tracked, and escalated to the relevant governance bodies with feedback recorded and acted upon in a timely manner.

Overall assurance levels were rated as **Substantial to Reasonable** with four medium recommendations for action.

## **Public and Stakeholder Involvement in Risk Management**

Public stakeholders play a crucial role in shaping risk management strategies. Engagement mechanisms include:

- Public consultations to gather community perspectives on service delivery risks.
- Collaboration with patient advocacy groups such as Llais to address concerns related to clinical and operational risks.
- Partnerships with external agencies, including regulatory bodies, emergency services, and local authorities, ensuring a coordinated response to shared risks.

These collaborative efforts have strengthened the Board's ability to anticipate and respond to risks effectively, fostering transparency and public trust.

## **Addressing Weaknesses in the Risk Environment**

Where weaknesses in the risk environment have been identified, the Health Board has taken decisive actions to strengthen controls. Measures include:

- Enhanced governance processes, ensuring clearer oversight of risk mitigation efforts.
- Investment in digital transformation, reducing reliance on outdated systems that pose operational vulnerabilities.
- Strengthened audit and assurance mechanisms, providing greater scrutiny and accountability in high-risk areas.

By adopting these measures, the Health Board ensures continuous improvement in risk management, supporting the delivery of high-quality, safe, and sustainable healthcare services.

## **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, health protection response plans and supporting documents. These plans were considered by the Board's Partnerships, Population Health and Planning Committee in July 2024.

The Major Incident Plan was Exercised fully in June 2024 with lessons identified through debrief processes and there is ongoing refinement to departmental plans and action cards. There has additionally, in accordance with the Act, been collaborative planning and exercising with Local Resilience Forum partners throughout the year aligned to the LRF Risk Register, and shared and collaborative response to incidents.

## THE CONTROL FRAMEWORK

### Patient Safety, Quality, Experience and Learning

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

- ❖ Health and Social Care (Quality and Engagement) (Wales) Act 2020, including the Health and Care Standards;
- ❖ A Healthier Wales;
- ❖ Core Commissioning Requirements.

In 2023 the Health Board published and implemented the [Quality Strategy](#) and the [Patient Experience and Involvement Strategy](#). These strategies are shaped by the experiences of patients, families, carers, staff, and communities, focusing on improvement, planning, and assurance where it matters most. They align with the Duty of Quality objectives, Health and Care Standards and support our responsibilities under the Duty of Candour. Both Strategies set out the Health Board's goals to enhance clinical effectiveness, safety, and service user experience. They reflect our commitment to meaningful engagement, listening to feedback, learning from it, and driving improvement across all services.

The Health Board has made several notable achievements in relation to the Quality Strategy, particularly focusing on **insight, involvement and improvement**. These include:

- ❖ Development of the Quality Management System which sets out the Assurance Framework to enable the delivery of safe high-quality care.
- ❖ Improved understanding of patient safety by drawing insights from multiple sources of patient safety information, including incident reports, medical examiners' reviews, and patient feedback. This comprehensive data collection has enabled more informed decision-making and targeted interventions.
- ❖ Implementation of data analytics has allowed the Health Board to monitor performance effectively. For example, there is now an ability to track and report on various quality metrics, ensuring continuous improvement in service delivery. This includes implementation and refining of a Quality Outcomes Framework (QOF) to systematically measure and enhance healthcare quality.
- ❖ Introduction of the CIVICA Citizen Feedback System which has significantly increased the volume of feedback from patients and staff. This system has facilitated the collection of valuable insights, which are used to make informed changes and improvements.

- ❖ Prioritised person-centered care by involving patients, relatives, carers, and system partners in the planning and delivery of care. This approach has led to an overall satisfaction score of 88%, which is above the benchmark of 85%.
- ❖ Promoted a culture of openness and transparency, by encouraging staff to report incidents and concerns without fear of blame. This has fostered a supportive environment where continuous learning and improvement are prioritised.
- ❖ Established several quality improvement programmes, including those within the Safe Care Collaborative, which focuses on key safety priorities. These programs provide structured support for teams to implement changes, leading to effective and sustainable improvements.
- ❖ Developed continuous learning and development by providing structured training programs, learning from feedback and incidents, direct coaching, and support for improvement initiatives. This has ensured that staff have the necessary skills and opportunities to drive effective change.
- ❖ Promoted a whole systems approach to quality, encouraging collaboration across different departments and services. This integrated approach has ensured that improvements are sustainable and have a broad impact on patient care.

### **Clinical Audit Programme**

The Health Board's Annual Clinical Audit Plan is developed and updated each year which provides timelines of audit publications for the year ahead. The Health Board actively participates in the National Clinical Audit Programme. By using its findings, the Health Board benchmarks the quality of care provided and identify areas for focused improvement. Each national audit offers valuable insights into strengths and areas for development. These insights are discussed by the Clinical Standards and Effectiveness Group and reported to the Board's Patient Quality, Safety, and Outcomes Committee, ensuring clear oversight and accountability. These can be seen in our Annual Audit report. Actions for improvement arising from Clinical Audit are recorded on the Health Board's Audit Management and Tracking (AMaT) system.

### **Information Governance**

Information is a critical asset, essential for both the clinical management of individual patients and the efficient management of services and resources. Information Governance (IG) involves establishing high standards for handling this information and equipping the organisation with the necessary tools to achieve these standards.

The Health Board has designated several key roles with specific responsibilities related to the information it holds, uses, and shares. The Medical Director serves as the Caldicott Guardian, the Director of Digital is the Senior Information Risk Owner (SIRO), and the Head of Information Governance is the Data Protection Officer (DPO).

Throughout 2024/2025, the Health Board continued to enhance its forums to address information governance requirements consistently. These forums facilitate processes and communications to ensure compliance with Data Protection obligations. Dashboards are produced to support and assist in training compliance, complaint handling, incident, and breach management. Annual reports detailing progress are disseminated to relevant divisions and boards.

At the request of the DPO, the organisation underwent a consensual audit by the Information Commissioner's Office (ICO), focusing on Information Security, Requests for Access and Information Risk Management. The audit resulted in a "Reasonable score" for each aspect. Following a subsequent review, the ICO deemed the audit engagement complete after evaluating the actions taken in response to their recommendations.

The Senior Information Risk Owner (SIRO) report was published which provided an overview of the organisation's information governance activities and performance. It informs senior management about the organisation's efforts in managing information risks and ensuring compliance with relevant regulations.

The Wales Accord on the Sharing of Personal Information (WASPI) framework is firmly embedded in the Health Board's practices for sharing relevant information with partner organizations.

In 2024/2025, there was a 12.5% increase in the number of Subject Access Requests (SARs), rising from 6,724 in 2023/2024 to 7,568 in 2024/2025. There was also a 4% increase in IG incidents reported by staff, from 531 incidents in 2023/2024 to 555 incidents in 2024/2025.

There were 11 complaints made to the Information Commissioner's Office (ICO), with 9 not upheld and 2 pending a final outcome at the time of writing.

In 2024/2025, the Health Board reported no serious lapses in data security to the ICO.

## 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.

## 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 Health Board's Annual Plan: Three Year Intent 2024/25 ("The Plan"), together with supporting templates and appendices, was approved by the Board in its meeting on the 27th of March 2024. The submission recognised the significant challenges and risks going forward and the financial context within which the Health Board is operating to deliver the plan. The Duties of Quality and of Candour and a refocusing of the Health Board's ambition

with respect to prevention were at the forefront of the Annual Plan, alongside the need to drive efficient and effective in year service delivery.

The Plan outlined an end of year outturn of a £48.9m deficit, notwithstanding a significant savings programme and a high-level line of sight towards a balanced position within three years.

Following correspondence from Welsh Government, the Health Board updated its Annual Plan for 2024/25 and re-submitted this by 31<sup>st</sup> May 2024.

On 26<sup>th</sup> July 2024 the Health Board received correspondence from Welsh Government which confirmed that the Health Board had been unable to submit a balanced integrated medium-term plan (IMTP) for 2024-27 in line with section 175(2A) of the National Health Service (Wales) Act 2006 (as amended by NHS Finance (Wales) Act 2014) and in accordance with the NHS Planning Framework. The Health Board's Annual Plan with a forecast deficit was noted by Welsh Government alongside a number of accountability conditions issued:

- Ensure delivery of performance in line with expectations;
- Continue to review and take action to reduce the deficit and maximise your savings plan in year and deliver on the escalation framework and de-escalation requirements;
- Continue to adopt the Value and Sustainability Board programme, maximise opportunities for efficiency and productivity;
- Progress regional solutions, working collaboratively with partners; and
- Agree LTAs with other organisations, working collaboratively to avoid arbitration.

In December 2024, the Health Board received a letter from Welsh Government which notified the Health Board of additional funding totalling £40.5m; £9.5m issued recurrently to support ongoing operational pressures, and a further £31m also issued on a recurrent basis but conditional on the Health Board delivering against objectives specified within the letter. As a result of this new recurrent funding, the Health Board was issued a revised control total of £7.356m and aimed to meet this target as a minimum, whilst continuing to identify opportunities to improve the position further.

Throughout the year the Board and its Finance and Performance Committee has maintained a focus on overseeing delivery of the commitments set out by the Health Board within the Annual Plan for 2024/25.

## MANDATORY DISCLOSURE STATEMENTS

### Equality, Diversity & Human Rights

It is a key priority for the Health Board to become a truly inclusive organisation which celebrates its diverse workforce, and where staff feel they are treated equally regardless of their ethnic background, gender, religion, sexual orientation, disability or age.

The Health Board published its [Strategic Equality Action Plan for 2024 – 2028](#) in March 2024, in line with the Public Sector Equality Duty (2011), demonstrating its commitment to advancing Equality, Diversity, and Inclusion (EDI) and fulfilling its statutory responsibilities under the Equality Act (2010) and the Human Rights Act (1998). The Strategic Equality Plan Update published in March 2025 highlights progress made in embedding equitable, inclusive, and person-centered approaches across the organisation in Year 1 of the new plan.

The key achievements in Year 1 of our Strategic Equality Plan demonstrates the Health Board's ongoing dedication to fostering an inclusive and equitable workplace and healthcare environment. EDI and Human Rights remain key executive and board-level priorities, with a continued focus on monitoring, measuring, and driving sustainable progress in addressing health and workplace inequalities.

The Health Board has a statutory duty to publish the organisation's Gender Pay Gap data annually based on snapshot as at the 31<sup>st</sup> March each year with a reporting deadline of the 30<sup>th</sup> March of the following year. The Health Board submitted its data as at the 31<sup>st</sup> March 2024 on time and by the 30<sup>th</sup> March 2025.

The Health Board has seen a decrease in the Pay Gap percentage for average hourly rates from 25.37% in March 2023 to 24.71% in March 2024 which is a move in the right direction. The average hourly rate remains static at 9.56% in March 2023 and 9.68% in March 2024.

In addition to our annual reporting cycle, governance arrangements for ED&I ensure the Board and its People and Culture Committee receives regular assurance that the Health Board is meeting its Public Sector Equality Duty (PSED) requirements.

### 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 2024/25 Financial Statements (Note 20).

### **Carbon Reduction Delivery Plans**

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

*"The organisation has undertaken risk assessment 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 organisation completed the initial presentation on Adaptation by Welsh Government on the 2<sup>nd</sup> May 2025 and are now completing the planned adaptation tool kit in readiness for submission to the Welsh Government in December 2025. Public Health Wales are helping to co-ordinate the upcoming literacy sessions through the summer 2025 and we have started to share best practice in the approach of the adaptation process with our local councils.

### **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 Annual Report 2024/25](#).

### **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 2024/25 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 2024/25 Financial Statements (Note 20).

## **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.

NHS Wales Shared Services Partnership (NWSSP) Procurement Services, on behalf of the Health Board, commits to ensure that any parts of our supply chain comply with all elements of the code of practice including:

- Modern slavery & human rights abuses;
- Blacklisting;
- False self-employment;
- Unfair use of umbrella schemes and false self-employment; and
- Paying the living wage.

NWSSP Procurement Services has:

- Embedded the Code of Practice in standard operating procedures, including terms and conditions of contract;
- Provided training to those involved in buying/procurement on modern slavery and ethical employment practices, through various training mediums;
- Aligned the Code of Practice within our broader Sustainable Procurement Code of Practice;
- Developed standard questions that ensure ethical employment practices are considered as part of the procurement process;
- Became a signatory to the Transparency in Supply Chains (TISC) register, and published the NWSSP Ethical Employment Statement; and
- Encouraged our suppliers sign up to the TISC register, and publish their own modern slavery/ethical employment policies and statements;
- Engaged with wider NHS Scotland, NHS Northern Ireland and NHS England colleagues to continue to develop and share best practice.

NWSSP Procurement Services will continue to:

- Conduct appropriate and targeted engagement with our bidders, to ensure that the way in which we work does not contribute to the use of illegal or unethical employment practices within the supply chain;
- Maintain and share knowledge of ethical employment issues and themes, ensuring continuing support of fair and decent work;
- Leverage our tender processes to encourage our suppliers to sign up to the commitments of Ethical Employment in Supply Chains Code of Practice and also to the TISC register, to publicise their commitments and their Modern Slavery/Ethical Employment Statements;
- Assess our expenditure to identify areas of high risk, and continue to address any issues of modern slavery, human rights abuses and/or unethical employment practice.

The NWSSP Ethical Employment statement and more information can be found on the NWSSP [Website](#)

## **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 2024/25, 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. During 2024/25 work has continued to embed the Risk Management Framework approved by the Board in January 2024. The Board's Quality Strategy, approved in March 2023 and updated in February 2024, 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.

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 2024-25.

### **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.

### **Reports included within the 2023/24 Internal Audit Plan, and reported in the Annual Governance Statement 2023/24, reported to the Audit, Risk and Assurance Committee in 2024/25:**

#### **Unified Breast Unit at Ysbyty Ystrad Fawr (2023/24)**

The audit sought to review the management arrangements in place to progress the Ysbyty Ystrad Fawr Unified Breast Unit – in the period after the prior audit which was completed in December 2022.

#### **Financial Controls (2023/24)**

This internal audit was undertaken to provide an opinion over the effectiveness of the Health Board's treasury financial controls.

#### **Early Supported Discharge – Stroke (2023/24)**

During September 2022, a GIRFT (Getting It Right First Time) report was published, following the completion of a review of stroke services that was requested by Aneurin Bevan University Health Board (the 'Health Board'). A range of recommendations were raised, but this audit focusses on the implementation of the early supported discharge (ESD) pathway. The overall objective of the audit was to assess whether the arrangements in place for the early supported discharge of stroke patients are operating effectively.

### **Maternity Action Plan (2023/24)**

The Purpose of the audit was to review the governance arrangements in place and examine the tracking and progress of maternity related actions from key recent external reviews.

### **Reports included within the 2024/25 Internal Audit Plan:**

#### **Declarations of Interest (2024/25)**

The purpose of this audit was to review the arrangements for registering and managing potential conflicts cause by the receipt of gifts, hospitality and external interests.

### **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.

### **Reports included within the 2023/24 Internal Audit Plan, and reported in the Annual Governance Statement 2023/24, reported to the Audit, Risk and Assurance Committee in 2024/25:**

#### **Asset Management (2023/24)**

This internal audit has been undertaken to provide an opinion over the effectiveness of the Health Board's processes to create and maintain accurate and up-to-date records of its equipment assets.

#### **Risk Management and Assurance (2023/24)**

The audit sought to access on the effectiveness of the risk management and assurance arrangements in pace within the Health Board in order to ensure that strategic objectives are received.

#### **Long-Term Sickness Absence Management (2023/24)**

The purpose of the audit was to review the compliance with the NHS Wales Managing Absence at Work Policy. This was not an audit on the number of sickness absence episodes but whether the Health Board is acting promptly and managing the interests of all parties within the process of managing long term sickness absence.

#### **Savings Programmes (2023/24)**

The overall objective of the audit is to provide assurance that the Health Boards savings programmes are specific, realistic and measurable and that monitoring arrangements are effective. This audit did not assess the overall 2023/24 deficit position, including additional cost pressures/funding allocation received, but rather focussed on the delivery and management of savings programmes.

**Medical Equipment and Devices (2023/24)**

This internal audit has been undertaken to provide an opinion over the management and tracking of ultrasound devices throughout the Health Board.

**Waiting List Management (2023/24)**

To establish whether all patients on the waiting list have been assessed and assigned an appropriate priority rating in line with the Royal College of Surgeons guidance and that suitable arrangements are in place to communicate and support those patients, where applicable, at Aneurin Bevan University Health Board.

**Directorate Review – Theatre Stock (2023/24)**

This internal audit was undertaken to provide an opinion over the effectiveness of the Health Board's processes to manage and monitor theatre stock.

**Intra-site Patient Transfers (2023/24)**

This internal audit was undertaken to provide an opinion over the management of intra-site patient transfers within Aneurin Bevan University Health Board (the 'Health Board').

**LINC Programme (2023/24)**

To review the arrangements in place for the mitigation of risk associated with the non or late delivery of the LINC programme of work.

**NHH Satellite Radiotherapy (2023/24)**

The audit was undertaken 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 i.e. time, cost, and quality. This was the second audit of the RSC project.

**Reports included within the 2024/25 Internal Audit Plan:****IMTP – Service Delivery Plans (2024/25)**

This internal audit was undertaken to provide an opinion over the controls to ensure the delivery of IMPT/ Strategic Objectives.

**Facilities Stock (2024/25)**

A dedicated follow-up review over the implementation progress of the Facilities stock recommendations raised within the 2023/24 audit.

**End of Life Care (2024/25)**

To determine if care arrangements for end-of-life care (EoL) patients are planned sufficiently in advance to enable their care to be provided in the community and to avoid unnecessary hospital admission.

**Providing Care to Asylum Seekers and Refugees (2024/25)**

To provide an opinion over the arrangements in place within Aneurin Bevan University Health Board for providing care to asylum seekers and refugees, including that applicable guidance is being adhered to.

### **Intelligence Led Organisation (2024/25)**

To evaluate and determine the processes in place to deliver information products to staff and maximise the use of analytics in an appropriate and secure manner.

### **Nevill Hall RAAC (2024/25)**

Reinforced Autoclaves Aerated Concrete (RAAC) is a form of lightweight concrete used in construction in many buildings between the 1950s and 1990s and has only recently been identified as posing a significant risk to the structural integrity of buildings. The audit sought to evaluate the arrangements in place to manage/mitigate the risks associated with the presence of RAAC found within Nevill Hall Hospital (NHH).

### **Estates Assurance – Energy Management (2024/25)**

Noting rising costs of energy, effective management and control of energy costs has been risk assessed as an area of potential benefit for audit.

### **Newport East HWBC (2024/25)**

The audit was undertaken to review the delivery and management arrangements in place to progress the Newport East Health and Wellbeing Centre project, and the performance to date against its key delivery objectives. This was the second audit of the project and covered the period from the last review in January 2023 to April 2024.

## **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.

## **Reports included within the 2023/24 Internal Audit Plan, and reported in the Annual Governance Statement 2023/24, reported to the Audit, Risk and Assurance Committee in 2024/25:**

### **Bevan Health and Wellbeing Centre (2023-24)**

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

The audit recognised the significant delays to the delivery of the project (currently circa 49.6 weeks) which are attributed to the Supply Chain Partner (SCP) and the corresponding delay in achieving the anticipated business case objectives.

The project faces significant challenges going forward as the contractor is likely to be operating at a loss – accordingly, maintaining reasonable performance from the SCP through existing project management tools will be essential through to completion and handover

A management action plan is in place to respond to the recommendations.

### **Financial Controls – RPB (2023-24)**

This review tested the compliance with the Model Standing Orders Reservation and Delegation of Power / Standing Financial Instructions (SFIs) / Financial Control Procedures (FCPs) of the Health Board, regarding Regional Partnership Board (RPB) payments made on behalf of the RPB, by the Health Board.

The audit found that the financial framework, for the management of RPB activities is, in principle, aligned to the Health Board’s approach to ordering, receipting and payments of purchases. However, a lack of a documented record of roles and responsibilities throughout that process, specific to the RPB, was noted.

In addition, detailed sampling of payment transactions identified examples of compliance issues with the FCPs and SFIs, partly due to the non-standard nature of the funding transactions, and opportunities for operational effectiveness to be improved.

### **Decarbonisation (2023-24)**

This audit was undertaken to determine if the Health Board was adhering to the Welsh Government’s requirements for the achievement of net zero carbon emissions.

The audit determined that the Health Board is unlikely to reach the Welsh Government (WG) target of 34% carbon emissions reduction by 2030. The audit found that this is not due to poor governance or an unwillingness from the organisation to achieve the target, but rather the Health Board faces similar issues as other NHS Wales organisations, with a lack of funding to implement the necessary steps to achieve the WG target.

Furthermore, 67% of the Health Board’s overall emissions sit within its procurement processes, which is managed by NHS Wales Shared Services Partnership (NWSSP) and therefore, outside of its direct control.

Positively, there has been clear progress and development of the internal controls since our previous audit. This included a clearly defined governance framework and a well-developed decarbonisation action plan (DAP) monitoring process.

**Reports included in the 2024/25 Internal Audit Plan:**

**Records Management (2024/25)**  
The purpose of this audit was to assess the implementation of the recommendations raised within the 2022/23 internal audit and to retest the agreed objectives.  
  
The Audit, Risk and Assurance Committee has raised concerns about the pace of the digitisation project and the risks it poses, and has escalated this to the Board to enable a discussion on how records are kept safe while awaiting digitisation.

**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.

**Reports included within the 2023/24 Internal Audit Plan, and reported in the Annual Governance Statement 2023/24, reported to the Audit, Risk and Assurance Committee in 2024/25:**

**Follow-up of High Priority Recommendations (2023-2024)**  
The review sought to assess whether high-level internal audit recommendations have been implemented and the completeness and accuracy of the updates provided to the Committee via the Audit Recommendation Tracking Tool (the 'Tracker')

**Flexible Working (2023-24)**  
This audit assessed the Health Board's progress in embedding flexible working practices and the identification of good practice.

**Reports included in the 2024/25 Internal Audit Plan:**

None

The following reports included in the 2024/25 Internal Audit Plan have been deferred to 2025/26:

- Welsh Intensive Care Information System
- Capital Systems/Major Project Provisions (not separately provided)
- NHH Regional Satellite Centre

**Monitoring and Implementation of Audit Recommendations**

The Audit, Risk and Assurance Committee monitors the implementation of audit recommendations. In April 2022, the Committee adopted a standard operating procedure (SOP) outlining the internal and external recommendation tracking process. This SOP provides rationale for how tracking recommendations benefits the organisation.

During 2024/25, significant and sustained progress has been made in strengthening the management of audit recommendations. A focused effort has been made to ensuring timely implementation, with particular attention given to longstanding recommendations (pre-2022). This targeted approach has contributed to a more robust and accountable system of oversight. The Audit, Risk and Assurance Committee receives regular updates at each meeting on the status of both internal and external audit recommendations.

To provide assurance to the Committee and the Board, Internal Audit conducts an annual review of how audit recommendations have been implemented, specifically high priority recommendations to ensure they are addressed in an appropriate and timely manner. The review assesses the risk to the Health Board if the implementation of high-priority recommendations is delayed. This review is underway at the time of writing.

As of the final meeting of the 2024/25 financial year, the Audit Recommendations Tracker recorded 69 outstanding recommendations across 38 audit reports. These 69 recommendations are broken down and set out below, demonstrating a continued focus on implementation of recommendations to ensure improvements in quality, safety and governance across the Health Board.

| <b>Number of Live Recommendations on the Tracker by Priority Rating</b> |               |            |                 |              |
|---|---------------|------------|-----------------|--------------|
| <b>High</b>   | <b>Medium</b> | <b>Low</b> | <b>Advisory</b> | <b>Total</b> |
| <b>15</b>   | <b>32</b>     | <b>12</b>  | <b>10</b>       | <b>69</b>    |

### **Head of Internal Audit’s Opinion for 2024/25**

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 2024/25 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 & 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 covers both 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, and other information obtained during the year that we deem to be relevant to our work. 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<br>assurance |  | <p>The Board can take reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively.</p> <p>Some matters require management attention in control design or compliance.</p> <p><b>Low to moderate impact</b> on residual risk exposure until resolved.</p> |
|-------------------------|--|---|

### EXTERNAL AUDIT: AUDIT WALES STRUCTURED ASSESSMENT

The Audit Wales 2024 Structured Assessment work reviewed the Health Board’s corporate governance and financial management arrangements, particularly the progress made in addressing the previous year’s recommendations.

Overall, the Audit Wales report stated:

***“The Health Boards Board and committee governance arrangements are stable and generally effective. However, given its financial and performance challenges, the Health Board’s development of a new long-term strategy and delivery of its three-year route map are crucial to enabling the organisation to transform services to meet current and future demand.”***

The report went on to say that:

❖ **Board transparency, effectiveness, and cohesion** – “Despite reasonably effective Board and committee arrangements, the Health

Board should, increase the number of patient safety leadership walk arounds, and improve committee chairs' reporting to Board".

- ❖ **Corporate systems of assurance** – “while the Health Board is strengthening its assurance arrangements and its performance management approach is improving, further work is needed.”
- ❖ **Corporate approach to planning** – “the Health Board has generally effective arrangements for developing strategic plans built on good engagement.
  - Developing a new long-term strategy is a clear priority for the Health Board. However, it needs to ensure clinical services plans are developed in consultation with all relevant stakeholders and fully reflects the changes needed to further deliver sustainable clinical service models.”
- ❖ **Corporate approach to managing financial resources** - “the Health Board is improving its financial controls and has a stronger focus on value and savings delivery. However, its significant ongoing financial challenges suggest that it needs a longer-term and detailed financial strategy aligned to sustainable care models.”

The Structured Assessment also considered whether the Health Board had a sound approach to setting its well-being objectives in accordance with the sustainable development principle in the Well-being of Future Generations Act. The Assessment found that, while the Health Board worked well with partners to assess and understand its population needs, it needed to review its well-being objectives and ensure their delivery features more explicitly in corporate plans.

The report recommended that the Health Board needed to take the opportunity presented through the development of its new long-term strategy to more fully integrate the requirements of the Well-being of Future Generations (Wales) Act 2015 across the organisation and set well-being objectives, which the Health Board will now take forward.

The Annual Audit Report for the Health Board is available on the following [link](#). This report summarises the findings from Audit Wales' 2024 audit work at Aneurin Bevan University Health Board undertaken to fulfil their responsibilities under the Public Audit (Wales) Act 2004.

Copies of all reports produced by Audit Wales can be accessed via [Audit Wales Publications](#).

## 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.

During 2024/25, the Health Board proactively identified areas requiring improvement and requested that Internal Audit undertake detailed assessments in order to manage and mitigate associated risks. Work will continue in 2025/26 to ensure implementation of recommendations arising from audit reviews, in particular where a limited assurance rating is applied. Work will also continue in 2025/26 to further embed and mature risk management and assurance arrangements at a corporate and operational level. Implementation of further improvements identified by the External Audit will see a further strengthening of the Board's effectiveness and the system of internal control in 2025/26.

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 and that our governance framework continues to develop and mature.

It is disappointing that in 2024/25, the Health Board has remained under enhanced escalation and intervention arrangements in some areas with Welsh Government. Significant progress has been made, and we will continue to progress at pace towards sustainable improvements that enable de-escalation to routine monitoring arrangements.

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 and care landscape in Gwent is rapidly changing. The COVID-19 Pandemic and Cost of Living Crisis have exacerbated pre-existing health inequalities; in 2024, women in Monmouthshire can expect to live 14 more healthy life years than women in Blaenau Gwent. In addition to this, there are now more people over the age of 65 living in Gwent than ever before – and fewer young people too.

This pattern is set to continue in the future which will have a significant impact on healthcare provision and the overall healthcare workforce over the coming years. In 2025/26 we will therefore launch a new long-term strategy which will articulate our joint commitments with the population of Gwent through to 2035.

**Signed:**

Nicola Prygodzicz  
Chief Executive  
Dated: XX 2025

## 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                       | Designation                          | Dates (If not full year) | Attendance at Board Meetings | Champion Role             |
|----------------------------|--------------------------------------|--------------------------|------------------------------|---------------------------|
| <b>Independent Members</b> |                                      |                          |                              |                           |
| Ann Lloyd                  | Chair                                |                          | 7 out of 7                   |                           |
| Pippa Britton              | Vice Chair                           | Until 30/11/2024         | 4 out of 5                   | Mental Health             |
| Louise Wright              | Independent Member (Trade Union)     |                          | 6 out of 7                   | Speaking Up Safely        |
| Richard G Clarke           | Independent Member (Local Authority) |                          | 4 out of 7                   |                           |
| Professor Helen Sweetland  | Independent Member (University)      |                          | 7 out of 7                   | Research                  |
| Paul Deneen                | Independent Member (Community)       |                          | 7 out of 7                   | Children and Young People |
| Iwan Jones                 | Independent Member (Finance)         |                          | 6 out of 7                   | Welsh Language            |
| Dafydd Vaughan             | Independent Member (Digital)         |                          | 7 out of 7                   |                           |
| Neil Patrick               | Independent Member (Community)       | From 01/04/2024          | 6 out of 6                   | Armed Forces              |
| Penny Jones                | Independent Member (Community)       |                          | 7 out of 7                   |                           |
| Martin Blakebrough*        | Independent Member (Third Sector)    | Until 08/06/2024         |                              |                           |
| <b>Executive Directors</b> |                                      |                          |                              |                           |
| Nicola Prygodzicz          | Chief Executive                      |                          | 7 out of 7                   |                           |

| Name                                    | Designation   | Dates (If not full year) | Attendance at Board Meetings | Champion Role                          |
|---|---|--------------------------|------------------------------|--|
| Hannah Evans                            | Director of Strategy, Planning and Partnerships           |                          | 7 out of 7                   | Emergency Planning                     |
| Rob Holcombe                            | Director of Finance and Procurement                       |                          | 7 out of 7                   |  |
| Dr James Calvert                        | Medical Director / Deputy Chief Executive                 |                          | 5 out of 7                   | Caldicot                               |
| Sarah Simmonds                          | Director of Workforce and OD                              |                          | 7 out of 7                   | Raising Concerns<br>Welsh Language     |
| Jennifer Winslade                       | Director of Nursing                                       |                          | 7 out of 7                   |  |
| Peter Carr                              | Director of Allied Health Professions and Health Sciences |                          | 5 out of 7                   | Fire Safety<br>Violence and Aggression |
| Tracy Daszkiewicz                       | Director of Public Health                                 |                          | 4 out of 7                   |  |
| Leanne Watkins                          | Chief Operating Officer                                   |                          | 7 out of 7                   |  |
| <b>Directors in Attendance</b>          |   |                          |                              |  |
| Paul Solloway                           | Director of Digital                                       |                          | 7 out of 7                   |  |
| <b>Director of Corporate Governance</b> |   |                          |                              |  |
| Rani Dash                               | Director of Corporate Governance                          |                          | 7 out of 7                   |  |

Membership and attendance at Committees of the Board is provided on pages XX

## Quoracy of Meetings

Quorate
Non-Quorate

|   |                       |                         |                          |                          |                         |                         |                         |
|---|-----------------------|-------------------------|--------------------------|--------------------------|-------------------------|-------------------------|-------------------------|
| <b>Board</b>  | <b>10 April 2024</b>  | <b>22 May 2024</b>      | <b>17 July 2024</b>      | <b>25 September 2024</b> | <b>26 November 2024</b> | <b>29 January 2025</b>  | <b>26 March 2025</b>    |
| <b>Patient Quality, Safety and Outcomes Committee</b>         | <b>30 April 2024</b>  | <b>4 June 2024</b>      | <b>30 July 2024</b>      | <b>2 September 2024</b>  | <b>12 November 2024</b> | <b>20 January 2025</b>  |                         |
| <b>Audit, Risk and Assurance Committee</b>                    | <b>22 April 2024*</b> | <b>20 May 2024</b>      | <b>24 June 2024</b>      | <b>4 September 2024</b>  | <b>21 October 2024</b>  | <b>16 December 2024</b> | <b>12 February 2025</b> |
| <b>Charitable Funds Committee</b>                             | <b>3 July 2024</b>    | <b>7 November 2024</b>  | <b>13 January 2025</b>   | <b>7 March 2025</b>      |                         |                         |                         |
| <b>Partnerships, Population Health and Planning Committee</b> | <b>16 April 2024</b>  | <b>1 July 2024</b>      | <b>30 September 2024</b> | <b>28 January 2025</b>   |                         |                         |                         |
| <b>Mental Health Act Monitoring Committee</b>                 | <b>4 June 2024</b>    |                         |                          |                          |                         |                         |                         |
| <b>Finance and Performance Committee</b>                      | <b>17 June 2024</b>   | <b>9 September 2024</b> | <b>16 December 2024</b>  | <b>17 February 2024</b>  |                         |                         |                         |
| <b>People and Culture Committee</b>                           | <b>18 June 2024</b>   | <b>15 October 2024</b>  | <b>11 February 2025</b>  |                          |                         |                         |                         |
| <b>Remuneration and Terms of Service Committee</b>            | <b>21 August 2024</b> |                         |                          |                          |                         |                         |                         |

\* any decisions approved in principle and ratified at the following meeting

## Welsh Health Circulars

| WHC No       | Date Issued | Name of WHC   | Rating      |
|--------------|-------------|---|-------------|
| WHC/2024/001 | 10/01/2024  | Changes to the way individuals who are at highest risk from Covid-19 access lateral flow tests  | Complete    |
| WHC/2024/002 | 05/03/2024  | Standards for Competency Assurance of Non-Medical Prescribers in Wales  | In Progress |
| WHC/2024/004 | 12/02/2024  | Assurance of aseptic preparation of medicines in NHS Wales (Sterile preparation of medicine)  | Complete    |
| WHC/2024/005 | 01/02/2024  | Private Obesity Surgery and the Welsh NHS   | Complete    |
| WHC/2024/006 | 22/03/2024  | National Clinical Guidance for Stroke, for the UK and Ireland   | In Progress |
| WHC/2024/007 | 09/04/2024  | Guidelines for managing patients on the suspected cancer pathway  | In Progress |
| WHC/2024/008 | 02/02/2024  | Vaccination against measles - urgent action   | In Progress |
| WHC/2024/009 | 08/02/2024  | Covid 19 spring booster vaccination programme 2024  | Complete    |
| WHC/2024/010 | 27/02/2024  | Welsh Sustainability Conference and Awards - New dates  | Complete    |
| WHC/2024/011 | 06/03/2024  | Changes to dietary advice on feeding young children   | Complete    |
| WHC/2024/012 | 19/03/2024  | Nursing Preceptorship & Restorative Clinical Supervision - A National Position Statement  | In Progress |
| WHC/2024/013 | 11/04/2024  | Governance on interim appointments to Executive and Senior Positions  | Complete    |
| WHC/2024/014 | 07/05/2024  | Introduction of the Office of National Statistics' (ONS) Register of Geographic Codes (RGCs) as a foundational standard for use across NHS Wales Bodies | In Progress |
| WHC/2024/015 | 01/04/2025  | People's Experience Framework and People's Experience Survey  | In Progress |
| WHC/2024/016 | 12/04/2024  | Healthy Child Wales Programme: for school aged children   | In Progress |
| WHC/2024/017 | 28/03/2024  | Implementation of the Non-pay elements of the 2022-24 Collective Agreement  | Complete    |

| <b>WHC No</b> | <b>Date Issued</b> | <b>Name of WHC</b>   | <b>Rating</b>      |
|---------------|--------------------|--|--------------------|
| WHC/2024/019  | 17/04/2024         | <b>Interim amendments to the Model Standing Orders for Local Health Boards and NHS Trusts in Wales</b>   | <b>Complete</b>    |
| WHC/2024/020  | 13/05/2024         | <b>New Treatment fund: directions on the exemptions for health boards and trusts</b>   | <b>Complete</b>    |
| WHC/2024/021  | 25/11/2024         | <b>Welcome to Wales: Policy Guidance Framework</b>   | <b>Complete</b>    |
| WHC/2024/022  | 24/04/2024         | <b>Dispute Arbitration Process - Guidance for Disputed Debts (Invoices and service agreements) within NHS Wales: 2024/25-2026/27</b>                                       | <b>Complete</b>    |
| WHC/2024/024  | 21/05/2024         | <b>Implementation on the agreed approach to preventing Violence and Aggression towards NHS staff in Wales</b>  | <b>Complete</b>    |
| WHC/2024/025  | 04/06/2024         | <b>NHS Wales National Clinical Audit and Outcome Review Plan Annual Rolling Programme for 2024/25</b>  | <b>Complete</b>    |
| WHC/2024/026  | 22/05/2024         | <b>2024/25 LHB, SHA &amp; Trust Monthly Financial Monitoring Return Guidance</b>   | <b>Complete</b>    |
| WHC/2024/027  | 19/06/2024         | <b>All Wales Critical Care Escalation Guidance for the Management of Large Unplanned Increases in Demand</b>   | <b>Complete</b>    |
| WHC/2024/028  | 12/06/2024         | <b>The National Influenza Immunisation Programme 2024-25</b>   | <b>In Progress</b> |
| WHC/2024/029  | 11/06/2024         | <b>Certification of Vision Impairment in Primary and Community Care</b>  | <b>Complete</b>    |
| WHC/2024/030  | 03/07/2024         | <b>Published weight management medication pathway</b>  | <b>In Progress</b> |
| WHC/2024/031  | 17/06/2024         | <b>Agency workforce reduction programme and control framework 2024 to 2025</b>   | <b>Complete</b>    |
| WHC/2024/032  | 25/06/2024         | <b>Introduction of RSV Vaccination programme</b>   | <b>Complete</b>    |
| WHC/2024/033  | 02/08/2024         | <b>The Winter Respiratory Programme 2024/25</b>  | <b>In Progress</b> |
| WHC/2024/034  | 28/08/2024         | <b>Directions to apply the national Framework for the Commissioning of Care and Support in Wales: Code of Practice to local health boards and NHS Trusts - August 2024</b> | <b>In Progress</b> |

| <b>WHC No</b> | <b>Date Issued</b> | <b>Name of WHC</b>   | <b>Rating</b>      |
|---------------|--------------------|--|--------------------|
| WHC/2024/035  | 17/09/2024         | <b>Standardising the management of acute deterioration</b>   | <b>In Progress</b> |
| WHC/2024/036  | 30/08/2024         | <b>Oxygen Cylinders: regulation 28 report and patient safety notice 041 reminder</b>   | <b>Complete</b>    |
| WHC/2024/037  | 24/09/2024         | <b>Winter Respiratory Framework 2024 to 2025</b>   | <b>In Progress</b> |
| WHC/2024/038  | 20/09/2024         | <b>Healthcare associated infections and antimicrobial resistance goals 2024 to 2025</b>  | <b>Complete</b>    |
| WHC/2024/039  | 03/10/2024         | <b>Pre-Transfusion Sample taking Compliance with the confirmatory sample rule</b>  | <b>Complete</b>    |
| WHC/2024/040  | 03/10/2024         | <b>Adopting a patient and family initiated escalation approach</b>   | <b>In Progress</b> |
| WHC/2024/041  | 30/10/2024         | <b>Ambulance patient handover guidance</b>   | <b>In Progress</b> |
| WHC/2024/042  | 30/10/2024         | <b>Introduction of the 'Dictionary of Medicines and Devices' (DM+D) as a foundational standard in all NHS bodies in Wales.</b> | <b>In Progress</b> |
| WHC/2024/043  | 14/11/2024         | <b>Pertussis Vaccine Offer for Healthcare Workers</b>  | <b>In Progress</b> |
| WHC/2024/044  |                    | <b>Mandatory E-Learning Module - Anti-Racism</b>   | <b>Complete</b>    |
| WHC/2024/045  | 18/11/2024         | <b>Spotting Sepsis in Children Awareness Leaflet</b>   | <b>In Progress</b> |
| WHC/2024/046  | 04/12/2024         | <b>Influenza (Flu) Vaccination mop up 2024 2025</b>  | <b>In Progress</b> |
| WHC/2024/047  | 18/12/2024         | <b>COVID-19 Spring Vaccination Programme 2025</b>  | <b>In Progress</b> |
| WHC/2024/050  | 20/12/2024         | <b>Infected Blood Inquiry: Implementation of Recommendation 8a and 8b</b>  | <b>In Progress</b> |
| WHC/2024/051  | 27/01/2025         | <b>Health Board allocations 2025 to 2026</b>   | <b>Complete</b>    |
| WHC/2025/001  | 05/03/2025         | <b>NHS Wales Sustainability Conference and Awards 2025</b>   | <b>Complete</b>    |

| WHC No       | Date Issued | Name of WHC  | Rating             |
|--------------|-------------|--|--------------------|
| WHC/2025/002 | 27/02/2025  | <b>Timelines and Responsibilities for the Implementation of Early Warning Scores (EWS) to identify Acute Deterioration</b>                   | <b>In progress</b> |
| WHC/2025/004 | 14/04/2025  | <b>National Clinical Audit Plan</b>  | <b>Complete</b>    |
| WHC/2025/005 | 07/03/2025  | <b>Climate Emergency Spread &amp; Scale Leadership Day &amp; Adaptation</b>  | <b>In progress</b> |
| WHC/2025/007 | 06/03/2025  | Amendments following interim review to the Model Standing Orders for Local Health Boards, NHS Trusts and Special Health Authorities in Wales | <b>Complete</b>    |

### Ministerial Directives

| Date Issued | Ministerial Direction   | Progress           |
|-------------|---|--------------------|
| 29/04/2024  | The Directions to Local Health Boards and NHS Trusts in Wales 2003 and the Managed Introduction of New medicines into the National Health Service in Wales Directions 2009 (Amendment)(Wales) Directions 2024 | <b>Implemented</b> |
| 19/04/2024  | Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment)(No 2) Directions 2024   | <b>Implemented</b> |
| 24/06/2024  | The Primary Medical Services (Directed Supplementary Services) (Wales) Directions 2024  | <b>Implemented</b> |
| 24/06/2024  | The Primary Medical Services (Pertussis Immunisation for Pregnant and Post-Natal Women) (Directed Supplementary Services) (Wales) Directions 2024   | <b>Implemented</b> |
| 24/06/2024  | The Primary Medical Services (Influenza and Pneumococcal Immunisation Scheme) (Directed Supplementary Service) (Wales) Directions 2024  | <b>Implemented</b> |
| 24/06/2024  | The Primary Medical Services (Oral Anti-coagulation with Warfarin) (Directed Supplementary Services) (Wales) Directions 2024  | <b>Implemented</b> |
| 24/06/2024  | The Primary Medical Services (Hormone Treatment Scheme for Adult Transgender Patients) (Directed Supplementary Service) (Wales) Directions 2024   | <b>Implemented</b> |
| 24/06/2024  | The Primary Medical Services (Antivirals for Prophylaxis of Seasonal Influenza in Care Home Outbreaks) (Directed Supplementary Service) (Wales) Directions 2024   | <b>Implemented</b> |
| 24/06/2024  | The Primary Medical Services (Type 2 Diabetes Mellitus Care Scheme for Adults) (Directed Supplementary Service) (Wales) Directions 2024   | <b>Implemented</b> |
| 05/07/2024  | The Alternative Provider Medical Services (Wales) Directions 2024   | <b>Implemented</b> |

| <b>Date Issued</b> | <b>Ministerial Direction</b>  | <b>Progress</b>    |
|--------------------|---|--------------------|
| 23/08/2024         | The Primary Care (Contracted Services: Immunisations) (RSV) Directions 2024   | <b>Implemented</b> |
| 28/08/2024         | The Directions to Local Health Boards and NHS Trusts in Wales on the National Framework for Commissioning Care and Support 2024                 | <b>Implemented</b> |
| 30/09/2024         | Pharmaceutical Services (Clinical Services) (Wales) (Amendment) Directions 2024   | <b>Implemented</b> |
| 10/10/2024         | The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 3) Directions 2024                         | <b>Implemented</b> |
| 28/11/2024         | Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 4) Directions 2024                             | <b>Implemented</b> |
| 03/12/2024         | The Local Health Board Medical Services (Wales) Directions 2024   | <b>Implemented</b> |
| 19/12/2024         | The directed supplementary services directions and specification for complex multi-morbidity and frailty 2024                                   | <b>Implemented</b> |
| 10/02/2025         | The Directions to Local Health Boards as to the General Dental Services Statement of Financial Entitlements (Amendment) Directions 2025         | <b>Implemented</b> |
| 10/02/2025         | The Directions to Local Health Boards as to the Personal Dental Services Statement of Financial Entitlements (Amendment) Directions 2025        | <b>Implemented</b> |
| 10/02/2025         | The Directions to Local Health Boards as to the General Dental Services Statement of Financial Entitlements (Amendment) (No.2) Directions 2025  | <b>Implemented</b> |
| 10/02/2025         | The Directions to Local Health Boards as to the Personal Dental Services Statement of Financial Entitlements (Amendment) (No.2) Directions 2025 | <b>Implemented</b> |
| 11/02/2025         | Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) Directions 2025                                     | <b>Implemented</b> |
| 11/02/2025         | Statement of general ophthalmic services remuneration and fee directions: 2025  | <b>Implemented</b> |
| 18/02/2025         | The Directions to Local Health Boards as to the Personal Dental Services Statement of Financial Entitlements (Amendment) (No.3) Directions 2025 | <b>Implemented</b> |
| 18/02/2025         | The Directions to Local Health Boards as to the General Dental Services Statement of Financial Entitlements (Amendment) (No.3) Directions 2025  | <b>Implemented</b> |
| 21/02/2025         | Statement of general ophthalmic services remuneration and fee directions: 2025  | <b>Implemented</b> |
| 21/02/2025         | The Directions to Local Health Boards as to the General Dental Services Statement of Financial Entitlements (Amendment) Directions 2025         | <b>Implemented</b> |
| 28/03/2025         | The Wales Infected Blood Support Scheme (amendment) Directions 2025   | <b>Implemented</b> |

## Attachment Three

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

### Aneurin Bevan University Health Board Assessment 2024/25

| Para       | Corporate Governance Code Principles   | Evidence of Internal assurance/Supporting Narrative  | Comply or Explain | Supporting documentation / Evidence  |
|------------|--|--|-------------------|--|
| 2.1<br>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 2024</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> <li>• Effectiveness – bringing a wide range of relevant experience to bear, including through offering rigorous challenge and scrutinising performance</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 statutory requirements into day to day operating practice, and, together with the adoption of a Schedule</p> | Comply            | <p>Standing Orders and Standing Financial Instructions</p> <p>Audit Wales Structured Assessment 2024</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>• 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>   | <p>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.</p>  |                   |   |
| 2.4<br>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 2024</p> <p>Board and Committee Agenda and Meeting Papers</p> |
| 2.7         | <p>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.</p>   | <p>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.</p>   | Comply            | Accountability Report   |

| Para                        | Corporate Governance Code Principles   | Evidence of Internal assurance/Supporting Narrative  | Comply or Explain | Supporting documentation / Evidence   |
|-----------------------------|--|--|-------------------|---|
| 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. | <p>Any concerns raised at Board and Committee meetings are formally recorded in the minutes.</p> <p>The role of the Director of Corporate Governance is responsible for ensuring these matters are effectively managed, recorded and resolved where possible.</p>  | Comply            | <p>Board and Committee Agenda and Papers</p> <p>Role of the Director of Corporate Governance</p>        |
| 3.1<br>3.11<br>3.12<br>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.   | <p>Constitution is set out in the Health Board's Establishment Orders and the Health Board abides by this composition.</p> <p>The Health Board's Standing Orders also outlines the composition of the Board.</p> <p>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.</p> <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. The appointment panels for all Executive appointments, although organisation 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> | Comply            | <p>Health Board Establishment Orders</p> <p>Standing Orders</p> <p>Board Member Induction checklist</p> |

| Para | Corporate Governance Code Principles   | Evidence of Internal assurance/Supporting Narrative   | Comply or Explain | Supporting documentation / Evidence   |
|------|--|---|-------------------|---|
|      |  | <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<br><br>Standing Orders                              |
| 3.3  | The Finance Director should be professionally qualified.   | The Director of Finance and Procurement is professionally 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 2024 highlights:</p> <p><i>Board members hold open and frank discussions in Board and committee meetings on the Health Board's performance, finance, and quality challenges. Executive Directors are open about the Health Board's challenges and the priority areas for action and feel well supported by the entire Board in responding to them.</i></p>                               | Comply            | Audit Wales Structured Assessment 2024<br><br>Independent Member Induction Pack       |

| Para | Corporate Governance Code Principles  | Evidence of Internal assurance/Supporting Narrative   | Comply or Explain | Supporting documentation / Evidence  |
|------|---|---|-------------------|--|
|      |   | <p>There is a national programme of induction, in which all members are asked to participate. This is organised by Health Education and Improvement Wales. Tailored programmes of induction are in place new for Independent Members. A revised local induction programme has been developed and work continues to build 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>  |                   |  |
| 3.15 | <p>The Board should agree and document in its board operating framework a <i>de minimis</i> threshold and mechanisms for board advice on the operation and delivery of policy proposals.</p>  | <p>A forward work programme of Board Business is in place and approved on an annual basis.</p> <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>Board Forward Work Programme</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> </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>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>4. timely provision of information in a form and of a quality that enables the board to discharge its duties effectively</p> <p>5. a mechanism for learning from past successes and failures within the departmental family and relevant external organisations</p> <p>6. a formal and rigorous annual evaluation of the board's performance and that of its committees, and of individual board members</p> <p>7. a dedicated secretariat with appropriate skills and experience</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>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 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. Committees undertook self assessments for 2024/25 during January which will inform the Board's end of year assessment.</p> |                   |                                     |

| Para | Corporate Governance Code Principles  | Evidence of Internal assurance/Supporting Narrative  | Comply or Explain | Supporting documentation / Evidence                                   |
|------|---|--|-------------------|---|
| 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> <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> | <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> <p>The Chair reviews the membership of Committees on an annual basis to ensure the appropriate balance of skills and expertise and support succession planning.</p>   | Comply            | <p>Terms of Reference for Board Committees</p> <p>Standing Orders</p> |
| 4.6  | <p>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.</p>   | <p>The Annual Governance Statement provides details on the membership of the Board and Committee and the attendance record of individuals at these meetings.</p>   | Comply            | <p>Annual Governance Statement</p>                                    |
| 4.10 | <p>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>   | <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.</p> <p>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</p> | Comply            | <p>Board Secretary role profile</p>                                   |

| Para | Corporate Governance Code Principles  | Evidence of Internal assurance/Supporting Narrative  | Comply or Explain | Supporting documentation / Evidence                     |
|------|---|--|-------------------|---|
|      |   | 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. |                   |   |
| 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: <ul style="list-style-type: none"> <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: <ul style="list-style-type: none"> <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> </ul> </li> </ul> </li> </ul> | The Director of Corporate Governance undertakes these roles as Board Secretary for the Health Board  | Comply            | Board Secretary role description<br><br>Standing Orders |

| Para | Corporate Governance Code Principles   | Evidence of Internal assurance/Supporting Narrative  | Comply or Explain | Supporting documentation / Evidence  |
|------|--|--|-------------------|--|
|      | <ul style="list-style-type: none"> <li>acting as the focal point for interaction between non-executive board members and the department, including arranging detailed briefing 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</li> <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 (revised September 2024) and details responsibilities for declarations of interests.</p> | Comply            | <p>Declarations of Interest Register</p> <p>Standards of Business Conduct for Employees Policy</p> |

| Para        | Corporate Governance Code Principles  | Evidence of Internal assurance/Supporting Narrative  | Comply or Explain | Supporting documentation / Evidence  |
|-------------|---|--|-------------------|--|
| 5.1<br>5.8  | <p>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 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>The Health Board has established an Audit, Risk and Assurance Committee, chaired by the Independent Member Finance lead.</p> <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>   | Comply            | <p>Terms of Reference and Operating Arrangements for the Audit, Risk and Assurance Committee</p> <p>Accountability Report</p> <p>Audit Wales Structured Assessment</p> |
| 5.2<br>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<br>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 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>Board and Committee Agendas and papers</p> <p>Risk Management Strategy</p>  |

| Para   | Corporate Governance Code Principles  | Evidence of Internal assurance/Supporting Narrative  | Comply or Explain | Supporting documentation / Evidence   |
|--|---|--|-------------------|---|
|  |   | <p>A Strategic Risk Register is maintained and considered at each Board Meeting, and by the Audit, Risk and Assurance Committee. Each Committee monitors risks associated with its portfolio and provides assurance reports on these to the Board.</p>   |                   | <p>Board Assurance Framework</p> <p>Strategic Risk Register</p>   |
| <p>5.4<br/>5.9<br/>5.11<br/>5.12<br/>5.14<br/>5.15</p> | <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>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> | <p>Comply</p>     | <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  |
|--------------------|--|---|-------------------|--|
|                    | 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 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<br>5.7<br>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 Health Board has an agreed Risk Management Strategy which 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>Strategic Risk Register</p>                               |

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

# Remuneration and Staff Report 2024/25

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 2024/25, 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;
- Iwan Jones, Chair of Audit, Risk and Assurance Committee
- 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 2024/25 financial year, together with comparators are given in Tables below.

### **Directors' Remuneration**

Details of Directors' remuneration for the 2024/25 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 2024/25, 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.

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 (Audited position)

### Salary and Pension entitlements of Senior Managers Remuneration

| Name                           | Title  | 2024-25  |                               |  |                       |                              | 2023-24  |                               |  |                       |                              |
|--------------------------------|--|--|-------------------------------|--|-----------------------|------------------------------|--|-------------------------------|--|-----------------------|------------------------------|
|                                |  | 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 |
| <b>Executive Directors</b>     |  |  |                               |  |                       |                              |  |                               |  |                       |                              |
| Nicola Prygodzicz              | Chief Executive  | 240 - 245  | 210 - 215                     | 16                                     | 175                   | 390 - 395                    | 225 - 230  | 205 - 210                     | 12                                     | 62                    | 270 - 275                    |
| Dr James Calvert               | Medical Director / Deputy Chief Executive  | 225 - 230  | 225 - 230                     | 0                                      | 92                    | 315 - 320                    | 215 - 220  | 215 - 220                     | 0                                      | 57                    | 275 - 280                    |
| Robert Holcombe                | Director of Finance and Procurement  | 165 - 170  | 165 - 170                     | 0                                      | 68                    | 235 - 240                    | 160 - 165  | 160 - 165                     | 0                                      | 0                     | 160 - 165                    |
| Chris Dawson-Morris            | Interim Director of Planning and Performance (Until 02.04.23)                      |  |                               |  |                       |                              | 125 - 130  | 0 - 5                         | 0                                      | 0                     | 0 - 5                        |
| Hannah Evans                   | Director of Strategy, Planning and Partnerships                                    | 155 - 160  | 155 - 160                     | 0                                      | 38                    | 190 - 195                    | 145 - 150  | 145 - 150                     | 0                                      | 82                    | 230 - 235                    |
| Jennifer Winslade              | Director of Nursing  | 155 - 160  | 155 - 160                     | 12                                     | 20                    | 175 - 180                    | 145 - 150  | 145 - 150                     | 7                                      | 0                     | 150 - 155                    |
| Sarah Simmonds                 | Director of Workforce and Organisational Development                               | 155 - 160  | 155 - 160                     | 15                                     | 55                    | 210 - 215                    | 145 - 150  | 150 - 155                     | 15                                     | 51                    | 200 - 205                    |
| Peter Carr                     | Director of Therapies and Health Sciences  | 130 - 135  | 130 - 135                     | 0                                      | 99                    | 230 - 235                    | 125 - 130  | 120 - 125                     | 0                                      | 0                     | 120 - 125                    |
| Dr Chris O'Connor              | Interim Director of Primary, Community and Mental Health Services (Until 30.04.23) |  |                               |  |                       |                              | 135 - 140  | 10 - 15                       | 0                                      | 0                     | 10 - 15                      |
| Tracy Daszkiewicz              | Director of Public Health and Strategic Partnerships                               | 150 - 155  | 150 - 155                     | 0                                      | 44                    | 195 - 200                    | 140 - 145  | 140 - 145                     | 0                                      | 35                    | 175 - 180                    |
| <b>Chief Operating Officer</b> |  |  |                               |  |                       |                              |  |                               |  |                       |                              |
| Leanne Watkins                 | Chief Operating Officer (From 01.05.23)  | 155 - 160  | 155 - 160                     | 17                                     | 59                    | 215 - 220                    | 145 - 150  | 150 - 155                     | 17                                     | 121                   | 270 - 275                    |
|                                | Director of Operations (Until 30.04.23)  |  |                               |  |                       |                              |  |                               |  |                       |                              |
| <b>Other Directors</b>         |  |  |                               |  |                       |                              |  |                               |  |                       |                              |
| Rani Dash                      | Director of Corporate Governance   | 130 - 135  | 130 - 135                     | 10                                     | 28                    | 155 - 160                    | 120 - 125  | 125 - 130                     | 45                                     | 64                    | 195 - 200                    |
| Paul Solloway                  | Director of Digital (From 28.06.23)  | 130 - 135  | 130 - 135                     | 9                                      | 150                   | 280 - 285                    | 125 - 130  | 90 - 95                       | 6                                      | 214                   | 305 - 310                    |

**Special Advisor to the Board**

|               |                              |         |         |   |   |         |
|---------------|------------------------------|---------|---------|---|---|---------|
| Philip Robson | Special Advisor to the Board | 15 - 20 | 15 - 20 | 0 | 0 | 15 - 20 |
|---------------|------------------------------|---------|---------|---|---|---------|

|         |         |   |   |         |
|---------|---------|---|---|---------|
| 15 - 20 | 15 - 20 | 0 | 0 | 15 - 20 |
|---------|---------|---|---|---------|

**Independent Members**

|                       |  |         |         |   |   |         |
|-----------------------|--|---------|---------|---|---|---------|
| Ann Lloyd CBE         | Chair  | 65 - 70 | 65 - 70 | 0 | 0 | 65 - 70 |
| Pippa Britton         | Vice Chair (Until 30.11.24)                                      | 55 - 60 | 35 - 40 | 0 | 0 | 35 - 40 |
| Martin Blakebrough    | Independent Member (Third Sector) (From 03.05.23 Until 08.06.24) | 15 - 20 | 0 - 5   | 0 | 0 | 0 - 5   |
| Prof. Helen Sweetland | Independent Member (University)                                  | 15 - 20 | 5 - 10  | 0 | 0 | 5 - 10  |
| Richard Clark         | Independent Member (Local Authority)                             | 15 - 20 | 15 - 20 | 0 | 0 | 15 - 20 |
| Paul Deneen           | Independent Member (Community)                                   | 15 - 20 | 15 - 20 | 0 | 0 | 15 - 20 |
| Neil Patrick          | Independent Member (Community) (From 01.04.24)                   | 15 - 20 | 15 - 20 | 0 | 0 | 15 - 20 |
| Shelley Bosson        | Independent Member (Community) (Until 31.03.24)                  |         |         |   |   |         |
| Penny Jones           | Independent Member (Community) (From 15.01.24)                   | 15 - 20 | 15 - 20 | 0 | 0 | 15 - 20 |
| Dafydd Vaughan        | Independent Member (Digital)                                     | 15 - 20 | 15 - 20 | 0 | 0 | 15 - 20 |
| Iwan Jones            | Independent Member (Finance)                                     | 15 - 20 | 15 - 20 | 0 | 0 | 15 - 20 |
| Louise Wright         | Independent Member (Trade Union)                                 | 0       | 0       | 0 | 0 | 0       |

|         |         |   |   |         |
|---------|---------|---|---|---------|
| 65 - 70 | 65 - 70 | 0 | 0 | 65 - 70 |
| 55 - 60 | 55 - 60 | 0 | 0 | 55 - 60 |
| 15 - 20 | 10 - 15 | 0 | 0 | 10 - 15 |
| 0       | 0       | 0 | 0 | 0       |
| 15 - 20 | 15 - 20 | 0 | 0 | 15 - 20 |
| 15 - 20 | 15 - 20 | 0 | 0 | 15 - 20 |
|         |         |   |   |         |
| 15 - 20 | 15 - 20 | 0 | 0 | 15 - 20 |
| 15 - 20 | 15 - 20 | 0 | 0 | 15 - 20 |
| 15 - 20 | 15 - 20 | 0 | 0 | 15 - 20 |
| 15 - 20 | 15 - 20 | 0 | 0 | 15 - 20 |
| 0       | 0       | 0 | 0 | 0       |

Band of Highest paid Director's Total Remuneration £000

25th percentile pay £

Median pay £

75th percentile pay £

| 2024-25   |       |
|-----------|-------|
| Pay       | Ratio |
| 240 - 245 |       |
| 29,484    | 8.2:1 |
| 37,030    | 6.5:1 |
| 48,530    | 5.0:1 |

| 2023-24   |       |
|-----------|-------|
| Pay       | Ratio |
| 225 - 230 |       |
| 28,581    | 8.0:1 |
| 35,922    | 6.3:1 |
| 46,686    | 4.9:1 |

Salary has been reported as gross pay, which is before the deduction of any salary sacrifice schemes. During 2024-25 the following salary was sacrificed.

|                   | Lease Car Scheme | Home Electronics Scheme | Pensions Advice |
|-------------------|------------------|-------------------------|-----------------|
|                   | £'000            | £'000                   | £'000           |
| Nicola Prygodzicz | 9                |                         | <1              |
| Jennifer Winslade | 12               |                         |                 |
| Sarah Simmonds    | 8                |                         | <1              |
| Leanne Watkins    | 11               | 1                       |                 |
| Rani Dash         | 9                |                         |                 |
| Paul Solloway     | 9                |                         |                 |

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:

(real increase in pension\* x20) + (real increase in any lump sum) – (contributions made by member)

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

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 persons 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.

Prof. Helen Sweetland has been remunerated since 1st September 2024.

Former Chief Executive Andrew Goodall has been seconded to Welsh Government since 8th June 2014. Welsh Government Accounts has disclosed remuneration received, the Health Board was reimbursed for the employment costs incurred. The salary for Andrew Goodall for 2024-25 was between £240,000 to £245,000 (£230,000 to £235,000 2023-24).

Remuneration Report continued

Salary and Pension entitlements of Senior Managers Pension Benefits

| Name              | Title  | Real   | Real  | Total accrued   | Lump sum at  | Cash                                       | Cash                                       | Real                                       | Employer's contribution to stakeholder pension |
|-------------------|--|--|---|---|--|--|--|--|--|
|                   |  | increase in pension at pension age (bands of £2,500) | increase in pension lump sum at pension age (bands of £2,500) | pension at pension age at 31 March 2025 (bands of £5,000) | pension age related accrued pension at 31 March 2025 (bands of £5,000) | Equivalent Transfer Value at 31 March 2025 | Equivalent Transfer Value at 31 March 2024 | increase in Cash Equivalent Transfer Value |  |
|                   |  | £000   | £000  | £000  | £000   | £000                                       | £000                                       | £000                                       | £00  |
| Nicola Prygodzicz | Chief Executive                                      | 7.5 - 10.0   | 15.0 - 17.5   | 85 - 90   | 225 - 230  | 1974                                       | 1650                                       | 188  | 0  |
| Dr James Calvert  | Medical Director / Deputy Chief Executive            | 5.0 - 7.5  | 2.5 - 5.0   | 95 - 100  | 255 - 260  | 2404                                       | 2114                                       | 117  | 0  |
| Robert Holcombe   | Director of Finance and Procurement                  | 2.5 - 5.0  | 2.5 - 5.0   | 60 - 65   | 160 - 165  | 1474                                       | 1290                                       | 76   | 0  |
| Hannah Evans      | Director of Strategy, Planning and Partnerships      | 2.5 - 5.0  | 2.5 - 5.0   | 45 - 50   | 115 - 120  | 964  | 846  | 42   | 0  |
| Jennifer Winslade | Director of Nursing                                  | 0.0 - 2.5  | 0.0   | 60 - 65   | 155 - 160  | 1449                                       | 1316                                       | 27   | 0  |
| Sarah Simmonds    | Director of Workforce and Organisational Development | 2.5 - 5.0  | 0.0 - 2.5   | 40 - 45   | 100 - 105  | 852  | 736  | 48   | 0  |
| Peter Carr        | Director of Therapies and Health Sciences            | 5.0 - 7.5  | 7.5 - 10.0  | 50 - 55   | 125 - 130  | 1118                                       | 937  | 101  | 0  |
| Tracy Daszkiewicz | Director of Public Health and Strategic Partnerships | 2.5 - 5.0  | 0.0   | 15 - 20   | 0  | 288  | 224  | 30   | 0  |
| Leanne Watkins    | Chief Operating Officer                              | 2.5 - 5.0  | 2.5 - 5.0   | 55 - 60   | 145 - 150  | 1212                                       | 1061                                       | 61   | 0  |
| Rani Dash         | Director of Corporate Governance                     | 0.0 - 2.5  | 0.0   | 30 - 35   | 75 - 80  | 585  | 517  | 18   | 0  |
| Paul Solloway     | Director of Digital                                  | 5.0 - 7.5  | 15.0 - 17.5   | 45 - 50   | 120 - 125  | 1029                                       | 809  | 151  | 0  |

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

## **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 £685,920 (as notified by Welsh Government) within these accounts.

## Remuneration Relationship (Audited position)

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.

|   | 2024-25             | 2024-25         | 2024-25      | 2023-24             | 2023-24         | 2023-24      |
|---|---------------------|-----------------|--------------|---------------------|-----------------|--------------|
|   | £000                | £000            | £000         | £000                | £000            | £000         |
|   | <b>Chief</b>        |                 |              | <b>Chief</b>        |                 |              |
| <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                         | 240 - 245           | 29              | 8.2          | 225 - 230           | 29              | 8.0          |
| Median pay  | 240 - 245           | 37              | 6.5          | 225 - 230           | 36              | 6.3          |
| 75th percentile pay ratio                         | 240 - 245           | 49              | 5.0          | 225 - 230           | 47              | 4.9          |
| <b>Salary component of total pay and benefits</b> |                     |                 |              |                     |                 |              |
| 25th percentile pay ratio                         | 240 - 245           | 29              |              | 225 - 230           | 29              |              |
| Median pay  | 240 - 245           | 37              |              | 225 - 230           | 36              |              |
| 75th percentile pay ratio                         | 240 - 245           | 49              |              | 225 - 230           | 47              |              |
|   | <b>Highest Paid</b> |                 |              | <b>Highest Paid</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                         | 240 - 245           | 29              | 8.2          | 225 - 230           | 29              | 8.0          |
| Median pay  | 240 - 245           | 37              | 6.5          | 225 - 230           | 36              | 6.3          |
| 75th percentile pay ratio                         | 240 - 245           | 49              | 5.0          | 225 - 230           | 47              | 4.9          |
| <b>Salary component of total pay and benefits</b> |                     |                 |              |                     |                 |              |
| 25th percentile pay ratio                         | 240 - 245           | 29              |              | 225 - 230           | 29              |              |
| Median pay  | 240 - 245           | 37              |              | 225 - 230           | 36              |              |
| 75th percentile pay ratio                         | 240 - 245           | 49              |              | 225 - 230           | 47              |              |

In 2024-25, 15 (2023-24, 10) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £17k to £459k (2023-24, £15k to £383k).

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 is attributable to the increase in the chief executive / highest paid director salary being more 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   |                             |  |  |  | 2023-24 | 2022-23 |
|--|-----------------------------|--|--|--|---------|---------|
|  |                             |  |  |  | to      | to      |
|  |                             |  |  |  | 2024-25 | 2023-24 |
| % Change from previous financial year in respect of Chief Executive                    |                             |  |  |  | %       | %       |
|  | Salary and allowances       |  |  |  | 7       | 5       |
|  | Performance pay and bonuses |  |  |  | 0       | 0       |
| % Change from previous financial year in respect of highest paid director              |                             |  |  |  |         |         |
|  | Salary and allowances       |  |  |  | 7       | 5       |
|  | Performance pay and bonuses |  |  |  | 0       | 0       |
| Average % Change from previous financial year in respect of employees takes as a whole |                             |  |  |  |         |         |
|  | Salary and allowances       |  |  |  | 5       | 7       |
|  | Performance pay and bonuses |  |  |  | 0       | 0       |

## STAFF REPORT

### Staff Numbers (Audited position)

| Average number of employees (WTE)             | Permanent | Staff on Secondment | Agency | Specialist | Other | 2024/25 Total | 2023-24 |
|---|-----------|---------------------|--------|------------|-------|---------------|---------|
| Administrative, clerical and board members    | 2,713     | 7                   | 2      | 0          | 0     | 2,722         | 2,761   |
| Medical and dental                            | 845       | 5                   | 49     | 430        | 10    | 1,339         | 1,338   |
| Nursing, midwifery registered                 | 3,975     | 0                   | 146    | 0          | 0     | 4,121         | 4,012   |
| Professional, Scientific, and technical staff | 428       | 0                   | 5      | 0          | 0     | 433           | 452     |
| Additional Clinical Services                  | 2,886     | 0                   | 17     | 0          | 0     | 2,903         | 2,841   |
| Allied Health Professions                     | 953       | 6                   | 23     | 0          | 0     | 982           | 876     |
| Healthcare Scientists                         | 253       | 0                   | 4      | 0          | 0     | 257           | 247     |
| Estates and Ancillary                         | 1,037     | 0                   | 17     | 0          | 0     | 1,054         | 1,093   |
| Students                                      | 6         | 0                   | 0      | 0          | 0     | 6             | 9       |
| <b>Total</b>                                  | 13,096    | 18                  | 263    | 430        | 10    | 13,817        | 13,629  |

The data above represents an average over 52 weeks of the year and includes agency workers and specialist trainees. There has been a small increase in staff in post overall. The strategic work to reduce agency over the past 12 months has been successful along with increases in most clinical roles.

Turnover has reduced from the previous year to the pre-pandemic rates of 8.64%.

In the last 12 months staff in post has increased by 2.62%. The increases have been within Estates and Ancillary (6.17%) because of a targeted recruitment campaign that has taken place over the last 12 months to fill vacancies and reduce agency usage. Registered Nursing numbers have increased by 4.81% through an International Recruitment Campaign which has significantly reduced vacancies.

In terms of administration staff, over the past two years numbers had increased, however, this year there has been a decrease in administration resources of 80.08WTE (2%).

### Staff Composition

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

The gender breakdown for all staff groups as of 31 March 2025 is provided below:

|               | 2024-2025    |                  |        | 2023-2024 |                  |        | 2022-2023 |                  |        |
|---------------|--------------|------------------|--------|-----------|------------------|--------|-----------|------------------|--------|
|               | Directors    | WTE              |        | Directors | WTE              |        | Directors | WTE              | %      |
| <b>Female</b> | 7.85         | 10,682           | 79.66% | 8         | 10,413           | 79.60% | 5         | 10,127           | 80.06% |
| <b>Male</b>   | 3            | 2742             | 20.33% | 4         | 2669             | 20.40% | 6         | 2521.5           | 19.94% |
| <b>Total</b>  | <b>10.85</b> | <b>13,424.42</b> |        | <b>12</b> | <b>13,082.00</b> |        | <b>11</b> | <b>12,648.50</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 2025, whereas the staff per discipline numbers represent the average over a 52-week period of staff in post.

### Sickness Absence Data

The Health Board's sickness absence rate for 2024/2025 is 6.44%, an increase in sickness related absence from 6.10% in 2023/2024 which was a reduction in the previous year of 6.74% (2022/2023). Sickness absence remained above 6% from July 2024 to February 2025 reducing to 5.94%, in March 2025. December 2024 recorded the highest sickness absence at 7.30%.

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

| Sickness Absence                                 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Days Lost (Short Term <28 days)                  | 61261   | 53097   | 60406   | 54759   | 68229   | 60411   | 79761   | 98573   | 85948   | 86029   |
| Days Lost (Long Term >28 days)                   | 144562  | 147711  | 153345  | 162684  | 194289  | 188778  | 203781  | 205131  | 207218  | 223369  |
| Total Days Lost                                  | 205823  | 200808  | 213751  | 217443  | 262518  | 249189  | 283542  | 303704  | 293166  | 309398  |
| Total Staff Years                                | 564     | 550     | 586     | 596     | 719     | 683     | 777     | 832     | 803     | 848     |
| Average Working Days Lost                        | 14.7    | 14.2    | 15.2    | 15.2    | 15.2    | 16      | 17.2    | 18      | 17.5    | 18.08   |
| Total staff employed in period (headcount)       | 14020   | 14155   | 10412   | 14334   | 14835   | 15528   | 15863   | 16245   | 16735   | 17111   |
| Total staff employed with no absence (headcount) | 4919    | 5803    | 4848    | 5016    | 5402    | 6055    | 5710    | 5035    | 5188    | 4431    |
| Percentage staff with no sick                    | 40%     | 41%     | 37%     | 35%     | 36%     | 39%     | 36%     | 31%     | 31%     | 30%     |

## Staff Policies

Aneurin Bevan University Health Board has a robust framework of Policies and Procedures to enable appropriate action in order to discharge its statutory requirements and appropriate accountability for:

- 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;
- For the training, career development and promotion of staff with protected characteristics persons employed by the Health Board.

Staff policies renewed or newly applied during the reporting period 01 April 2024 to 31 March 2025 include:

- All Wales Flexible Pensions Policy
- All Wales Job Evaluation Policy and Procedure
- All Wales Pregnancy Loss Support Policy
- All Wales Procedure for the Recovery of Overpayments Salary and Expenses
- All Wales Respect and Resolution Policy and Frequently Asked Questions
- Annual Leave Policy for Consultants and Senior Medical Staff
- Bilingual Skills Strategy (Welsh Language)
- Disbarring Service (DBS) Policy
- Equality, Diversity and Inclusion Policy
- Medical Appraisal Policy
- Medical Staff Private Practice Policy
- Study Leave Policy
- Shared Parental Leave Policy
- Certificate of Eligibility for Specialist Registration (CESR) Policy

- Welsh Language Primary Care Policy
- Welsh Language Protocols

All policies are developed in partnership with Trades Union colleagues and are assessed via an Equality Impact Assessment to ensure that every policy is fair and does not present barriers to participation or disadvantage any protected groups from participation.

## Employee Relations Matters

Details of the number of disciplinary cases between 1 April 2024 to 31 March 2025 is provided below:

| Disciplinary Cases | Dismissals | Appeals | Employment Tribunals | Upholding Professional Standards in Wales | Respect and Resolution | Capability |
|--------------------|------------|---------|----------------------|---|------------------------|------------|
| 66                 | 6          | 5       | 6                    | 3   | 29                     | 11         |

The Health Board has continued to apply the principles of its avoidable employee harm programme of work to disciplinary investigations. This programme considers the impact on the people involved and improved application of process which has seen a 70% reduction in disciplinary cases in 2024/25.

Improved initial assessments of situations have supported proportionate and appropriate management of misconduct that emphasises opportunities for learning and continuous improvement. Where applicable, alternative policies have been applied, resulting with an increase in the application of alternative policies and procedures such as respect and resolution and capability.

## Payment to Past Directors (Audited position)

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

| Supplier                       | Services provided   | Amount  |
|--------------------------------|---|---------|
|                                |   | £p      |
| Ideas Alliance QC              | Professional fees: Consultancy services provided to support the implementation of Dementia Alliance Commissioning | 12,000  |
| Supportive Care UK             | Consultant Support to the Specialist Palliative Care Service  | 41,975  |
| Ernst & Young LLP              | VAT Consultancy & Advisory Services   | 39,579  |
| Dorset Software Services Ltd   | Focus Tier Consultancy Services   | 285,308 |
| CGI ITUK Ltd                   | GCloud Work Stream Business Case Consultancy  | 49,021  |
| Public Digital Ltd             | Board Development Consultancy Contract  | 44,400  |
| Pam Wenger                     | Governance Review, fieldwork, interviews, report for Gwent Regional Partnership Board                             | 4,000   |
| Oxford Brookes Enterprises Ltd | Strategic Capital Development Plan 5 days work.   | 5,100   |
| Total Consultancy 2024/25      |   | 481,382 |

## Expenditure on Temporary Staff

| Expenditure By Staff Group                    | 2024/25<br>£000 |
|---|-----------------|
| Administrative, Clerical and board members    | 93              |
| Medical and dental                            | 11,618          |
| Nursing, midwifery registered                 | 12,789          |
| Professional, Scientific, and technical staff | 532             |
| Additional Clinical Services                  | 882             |
| Allied Health Professions                     | 2,017           |
| Healthcare Scientists                         | 392             |
| Estates and Ancillary                         | 649             |
| <b>Total</b>                                  | <b>28,973</b>   |

## Tax Assurance for Off-payroll Engagements

| <b>Table 1 : For all off-Payroll engagements as of 31 March 2025</b>                        |          |
|---|----------|
| <b>No. of existing Engagements as of 31 March 2025</b>                                      | <b>2</b> |
| 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  | 0        |
| for between two and three years at time of reporting  | 0        |
| for between three and four years at time of reporting                                       | 0        |
| for four or more years at time of reporting   | 1        |
| <b>Table 2 : For all new off-Payroll engagements between 1 April 2024 and 31 March 2025</b> |          |
| Number of new engagements between 1 April 2024 and 31 March 2025                            | <b>3</b> |
| Of which...   |          |
| No. assessed as caught by IR35  | 0        |
| No. assessed as not caught by IR35  | 3        |
| 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        |

## **Exit Packages and Severance Payments (Audited position)**

| <b>9.5 Reporting of other compensation schemes - exit packages</b> |                                   |                            |                               |  |                               |
|--|-----------------------------------|----------------------------|-------------------------------|--|-------------------------------|
| <b>9.5.1 Exit Packages Costs and Numbers</b>                       |                                   |                            |                               |  |                               |
|  | 2024-25                           | 2024-25                    | 2024-25                       | 2024-25  | 2023-24                       |
| 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                                 | 1                          | 1                             | 0  | 0                             |
| £10,000 to £25,000   | 0                                 | 0                          | 0                             | 0  | 1                             |
| £25,000 to £50,000   | 0                                 | 0                          | 0                             | 0  | 0                             |
| £50,000 to £100,000  | 0                                 | 0                          | 0                             | 0  | 0                             |
| £100,000 to £150,000   | 0                                 | 0                          | 0                             | 0  | 0                             |
| £150,000 to £200,000   | 0                                 | 0                          | 0                             | 0  | 0                             |
| more than £200,000   | 0                                 | 0                          | 0                             | 0  | 0                             |
| <b>Total</b>   | <b>0</b>                          | <b>1</b>                   | <b>1</b>                      | <b>0</b>   | <b>1</b>                      |
|  | 2024-25                           | 2024-25                    | 2024-25                       | 2024-25  | 2023-24                       |
| 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                                 | 7,500                      | 7,500                         | 0  | 0                             |
| £10,000 to £25,000   | 0                                 | 0                          | 0                             | 0  | 24,254                        |
| £25,000 to £50,000   | 0                                 | 0                          | 0                             | 0  | 0                             |
| £50,000 to £100,000  | 0                                 | 0                          | 0                             | 0  | 0                             |
| £100,000 to £150,000   | 0                                 | 0                          | 0                             | 0  | 0                             |
| £150,000 to £200,000   | 0                                 | 0                          | 0                             | 0  | 0                             |
| more than £200,000   | 0                                 | 0                          | 0                             | 0  | 0                             |
| <b>Total</b>   | <b>0</b>                          | <b>7,500</b>               | <b>7,500</b>                  | <b>0</b>   | <b>24,254</b>                 |
| <b>Total Exit Costs Paid in Year</b>                               |                                   |                            | <b>Total paid in year</b>     |  | <b>Total paid in year</b>     |
|  |                                   |                            | <b>2024-25</b>                |  | <b>2023-24</b>                |
|  |                                   |                            | £                             |  | £                             |
| Exit costs paid in year  |                                   |                            | 7,500                         |  | 24,254                        |
| <b>Total</b>   |                                   |                            | <b>7,500</b>                  |  | <b>24,254</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 not approved any VERS in 2024-25.

Additional requirement as per FreM

£0.00 exit costs were paid in 2024-25, relating to 2023-24 (the year of departure).

# **Senedd Cymru / Welsh Parliamentary Accountability and Audit Report 2024/25**

## **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 (page XX) of the Annual Accounts 2024/25. 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 £0.446m 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.

The remote contingent liabilities cost consists of 3 medical negligence cases and 1 personal injury case in 2024-25 (3 medical negligence cases and 1 GP indemnity case in 2023-24). 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.

**Nicola Prygodzicz**  
**Chief Executive**

**Date: XX June 2025**

## **THE CERTIFICATE AND INDEPENDENT AUDITOR'S REPORT OF THE AUDITOR GENERAL FOR WALES TO THE SENEDD**

### **Opinion on financial statements**

I certify that I have audited the financial statements of Aneurin Bevan University Local Health Board for the year ended 31 March 2025 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 material 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 Local Health Board as at 31 March 2025 and of its net operating costs for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

### **Opinion on regularity**

In my opinion, except for the matter(s) 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 Local Health Board's financial statements because the Health Board has breached its resource limit by spending £93.793 million over the amount that it was authorised to spend in the three-year period 2022-23 to 2045-25. This spending constitutes irregular expenditure. Further detail is set out in my Report on **page xx.**

### **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 and regularity of public sector bodies 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 12 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 Local 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 Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with Welsh Ministers' guidance.

### **Matters on which I report by exception**

In the light of the knowledge and understanding of the Health Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and the other unaudited parts of the Accountability Report or 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 Local Health Board's policies and procedures concerned with:

- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals.

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

- 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 Local 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.

Please see my Report on pages x to y.

Adrian Crompton  
Auditor General for Wales  
27 June 2025

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 Local Health Board (the Health Board's) financial statements. I am reporting on these financial statements for the year ended 31 March 2025 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 and the failure of the second financial duty. 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 2024-25, the Health Board failed to meet both the first and the second financial duty.

### Failure of the first financial duty

The **first financial duty** gives additional flexibility to Health Boards 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 2022-23 to 2024-25.

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 £5,320.432 million by £93.793 million.

Where a Health Board does not balance its books over a rolling three-year period, any expenditure over the resource allocation (ie 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.

### Failure of the second financial duty

The **second financial duty** requires Health Boards to prepare and have approved by the Welsh Ministers a rolling three-year integrated medium-term plan. This duty is an essential foundation to the delivery of sustainable quality health services. A Health Board will be deemed to have met this duty for 2024-25 if it submitted a 2024-2027 plan approved by its Board to the Welsh Ministers, who were required to review and consider approval of the plan.

As shown in Note 2.3 to the Financial Statements, the Health Board did not meet its second financial duty to have an approved three-year integrated medium-term plan in place for the period 2024-2027.

**Adrian Crompton**  
**Auditor General for Wales**  
**27 June 2025**

## ANEURIN BEVAN UNIVERSITY LOCAL HEALTH BOARD

### FOREWORD

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

#### **Statutory background**

#### **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 2024-25. 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 Local Health Board 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 1st 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 2025

|   | Note | 2024-25<br>£000  | 2023-24<br>£000  |
|---|------|------------------|------------------|
| Expenditure on Primary Healthcare Services                                | 3.1  | 351,914          | 325,276          |
| Expenditure on healthcare from other providers                            | 3.2  | 527,203          | 508,398          |
| Expenditure on Hospital and Community Health Services                     | 3.3  | 1,177,190        | 1,105,268        |
|   |      | <b>2,056,307</b> | 1,938,942        |
| Less: Miscellaneous Income  | 4    | (136,606)        | (121,956)        |
| <b>LHB net operating costs before interest and other gains and losses</b> |      | <b>1,919,701</b> | 1,816,986        |
| Investment Revenue  | 5    | (16)             | (17)             |
| Other (Gains) / Losses  | 6    | (41)             | 331              |
| Finance costs   | 7    | 777              | 1,168            |
| <b>Net operating costs for the financial year</b>                         |      | <b>1,920,421</b> | <b>1,818,468</b> |

Details of the Health Board's performance against its revenue and capital allocations over the last three financial periods are provided in Note 2 on page 27.

The notes on pages 8 to 76 form part of these accounts.

**Other Comprehensive Net Expenditure**

|  | <b>2024-25</b>   | 2023-24          |
|--|------------------|------------------|
|  | <b>£000</b>      | £000             |
| Net (gain) / loss on revaluation of property, plant and equipment              | <b>(15,174)</b>  | <b>(19,417)</b>  |
| Net (gain)/loss on revaluation of right of use assets                          | <b>0</b>         | 0                |
| Net (gain) / loss on revaluation of intangibles                                | <b>(42)</b>      | <b>(114)</b>     |
| (Gain) / loss on other reserves  | <b>0</b>         | 0                |
| Net (gain)/ loss on revaluation of PPE & Intangible assets held for sale       | <b>0</b>         | 0                |
| Net (gain)/loss on revaluation of financial assets held for sale               | <b>0</b>         | 0                |
| Impairment and reversals   | <b>0</b>         | 0                |
| Transfers between reserves   | <b>0</b>         | 0                |
| Transfers to / (from) other bodies within the Resource Accounting Boundary     | <b>0</b>         | 0                |
| Reclassification adjustment on disposal of available for sale financial assets | <b>0</b>         | 0                |
| Other comprehensive net expenditure for the year                               | <b>(15,216)</b>  | <b>(19,531)</b>  |
| <b>Total comprehensive net expenditure for the year</b>                        | <b>1,905,205</b> | <b>1,798,937</b> |

The notes on pages 8 to 76 form part of these accounts.

**Statement of Financial Position as at 31 March 2025**

|  | <b>31 March</b>     | 31 March  |
|--|---------------------|-----------|
|  | <b>2025</b>         | 2024      |
| <b>Notes</b>                                     | <b>£000</b>         | £000      |
| <b>Non-current assets</b>                        |                     |           |
| Property, plant and equipment                    | 11 <b>927,547</b>   | 892,817   |
| Right of Use Assets                              | 11.3 <b>18,121</b>  | 17,370    |
| Intangible assets                                | 12 <b>4,999</b>     | 4,685     |
| Trade and other receivables                      | 15 <b>105,883</b>   | 144,066   |
| Other financial assets                           | 16 <b>607</b>       | 667       |
| <b>Total non-current assets</b>                  | <b>1,057,157</b>    | 1,059,605 |
| <b>Current assets</b>                            |                     |           |
| Inventories                                      | 14 <b>10,433</b>    | 9,844     |
| Trade and other receivables                      | 15 <b>167,160</b>   | 136,573   |
| Other financial assets                           | 16 <b>60</b>        | 59        |
| Cash and cash equivalents                        | 17 <b>4,823</b>     | 4,145     |
|  | <b>182,476</b>      | 150,621   |
| Non-current assets classified as "Held for Sale" | 11 <b>0</b>         | 0         |
| <b>Total current assets</b>                      | <b>182,476</b>      | 150,621   |
| <b>Total assets</b>                              | <b>1,239,633</b>    | 1,210,226 |
| <b>Current liabilities</b>                       |                     |           |
| Trade and other payables                         | 18 <b>(204,826)</b> | (202,162) |
| Other financial liabilities                      | 19 <b>0</b>         | 0         |
| Provisions                                       | 20 <b>(98,570)</b>  | (71,827)  |
| <b>Total current liabilities</b>                 | <b>(303,396)</b>    | (273,989) |
| <b>Net current assets/ (liabilities)</b>         | <b>(120,920)</b>    | (123,368) |
| <b>Non-current liabilities</b>                   |                     |           |
| Trade and other payables                         | 18 <b>(16,314)</b>  | (15,888)  |
| Other financial liabilities                      | 19 <b>0</b>         | 0         |
| Provisions                                       | 20 <b>(109,154)</b> | (149,647) |
| <b>Total non-current liabilities</b>             | <b>(125,468)</b>    | (165,535) |
| <b>Total assets employed</b>                     | <b>810,769</b>      | 770,702   |
| <b>Financed by :</b>                             |                     |           |
| <b>Taxpayers' equity</b>                         |                     |           |
| General Fund                                     | <b>610,494</b>      | 581,378   |
| Revaluation reserve                              | <b>200,275</b>      | 189,324   |
| <b>Total taxpayers' equity</b>                   | <b>810,769</b>      | 770,702   |

The financial statements on pages 2 to 7 were approved by the Board on 25 June 2025 and signed on its behalf by:

Chief Executive and Accountable Officer ..... Date: 25 June 2025

The notes on pages 8 to 76 form part of these accounts.

**Statement of Changes in Taxpayers' Equity  
For the year ended 31 March 2025**

|   | General<br>Fund<br>£000 | Revaluation<br>Reserve<br>£000 | Total<br>Reserves<br>£000 |
|---|-------------------------|--------------------------------|---------------------------|
| <b>Changes in taxpayers' equity for 2024-25</b>                 |                         |                                |                           |
| Balance as at 31 March 2024                                     | 581,378                 | 189,324                        | 770,702                   |
| NHS Wales Transfer  | 0                       | 0                              | 0                         |
| RoU Asset Transitioning Adjustment                              | 422                     | 0                              | 422                       |
| Impact of IFRS 16 on PPP/PFI Liability                          | 0                       | 0                              | 0                         |
| <b>Balance at 1 April 2024</b>                                  | <b>581,800</b>          | <b>189,324</b>                 | <b>771,124</b>            |
| Net operating cost for the year                                 | (1,920,421)             |                                | (1,920,421)               |
| Net gain/(loss) on revaluation of property, plant and equipment | 0                       | 15,174                         | 15,174                    |
| Net gain/(loss) on revaluation of right of use assets           | 0                       | 0                              | 0                         |
| Net gain/(loss) on revaluation of intangible assets             | 0                       | 42                             | 42                        |
| Net gain/(loss) on revaluation of financial assets              | 0                       | 0                              | 0                         |
| Net gain/(loss) on revaluation of assets held for sale          | 0                       | 0                              | 0                         |
| Impairments and reversals                                       | 0                       | 0                              | 0                         |
| Other Reserve Movement  | 0                       | 0                              | 0                         |
| Transfers between reserves                                      | 4,265                   | (4,265)                        | 0                         |
| Release of reserves to SoCNE                                    | 0                       | 0                              | 0                         |
| Transfers to/from LHBs  | 0                       | 0                              | 0                         |
| <b>Total recognised income and expense for 2024-25</b>          | <b>(1,916,156)</b>      | <b>10,951</b>                  | <b>(1,905,205)</b>        |
| Net Welsh Government funding                                    | 1,893,053               |                                | 1,893,053                 |
| Notional Welsh Government Funding                               | 51,797                  |                                | 51,797                    |
| <b>Balance at 31 March 2025</b>                                 | <b>610,494</b>          | <b>200,275</b>                 | <b>810,769</b>            |

Notional Welsh Government funding line includes 9.4% staff employer pension and Pensions Annual Allowance Charge Compensation Scheme (PAACCS) costs paid centrally by Welsh Government. The Department of Health and Social Care (DHSC) 2023-24 consultation on the NHS Pension Scheme confirmed that the transitional approach that has operated since 2019-20 for employer contributions will continue in 2024-25. From 1 April 2024 an employer rate of 23.7% (23.78% inclusive of the administration charge) will apply. However, the NHS Business Services Authority will continue to only collect 14.38% from NHS Wales employers under their normal monthly payment process to the NHS Pension Scheme. This has resulted in an increase in the central payments made by Welsh Government from 6.3% to 9.4%.

**Notional Welsh Government funding split:**

Notional 9.4% staff employer pension £51,784K  
Pensions Annual Allowance Charge Compensation Scheme (PAACCS) £13K

The notes on pages 8 to 76 form part of these accounts.

**Statement of Changes in Taxpayers' Equity  
For the year ended 31 March 2024**

|   | General<br>Fund<br>£000 | Revaluation<br>Reserve<br>£000 | Total<br>Reserves<br>£000 |
|---|-------------------------|--------------------------------|---------------------------|
| <b>Changes in taxpayers' equity for 2023-24</b>                 |                         |                                |                           |
| <b>Balance at 31 March 2023</b>                                 | 552,847                 | 179,062                        | 731,909                   |
| NHS Wales Transfer  | 0                       | 0                              | 0                         |
| RoU Asset Transitioning Adjustment                              | 0                       | 0                              | 0                         |
| <b>Balance at 1 April 2023</b>                                  | <u>551,304</u>          | <u>179,062</u>                 | <u>730,366</u>            |
| Net operating cost for the year                                 | (1,818,468)             |                                | (1,818,468)               |
| Net gain/(loss) on revaluation of property, plant and equipment | 0                       | 19,417                         | 19,417                    |
| Net gain/(loss) on revaluation of right of use assets           | 0                       | 0                              | 0                         |
| Net gain/(loss) on revaluation of intangible assets             | 0                       | 114                            | 114                       |
| Net gain/(loss) on revaluation of financial assets              | 0                       | 0                              | 0                         |
| Net gain/(loss) on revaluation of assets held for sale          | 0                       | 0                              | 0                         |
| Impairments and reversals                                       | 0                       | 0                              | 0                         |
| Other reserve movement  | 0                       | 0                              | 0                         |
| Transfers between reserves                                      | 9,269                   | (9,269)                        | 0                         |
| Release of reserves to SoCNE                                    | 0                       | 0                              | 0                         |
| Transfers to/from LHBs  | 0                       | 0                              | 0                         |
| <b>Total recognised income and expense for 2023-24</b>          | <u>(1,809,199)</u>      | <u>10,262</u>                  | <u>(1,798,937)</u>        |
| Net Welsh Government funding                                    | 1,807,206               |                                | 1,807,206                 |
| Notional Welsh Government Funding                               | 32,067                  |                                | 32,067                    |
| <b>Balance at 31 March 2024</b>                                 | <u>581,378</u>          | <u>189,324</u>                 | <u>770,702</u>            |

Notional Welsh Government funding line includes the 6.3% staff employer pension and Pensions Annual Allowance Charge Compensation Scheme (PAACCS) costs paid centrally by Welsh Government.

**Notional Welsh Government funding split:**

Notional 6.3% staff employer pension £32,065,000

Pensions Annual Allowance Charge Compensation Scheme (PAACCS) £2,000

The notes on pages 8 to 76 form part of these accounts.

**Statement of Cash Flows for year ended 31 March 2025**

|  | 2024-25            | 2023-24            |
|--|--------------------|--------------------|
|  | £000               | £000               |
| <b>Cash Flows from operating activities</b>                                      |                    |                    |
| Net operating cost for the financial year  | (1,920,421)        | (1,818,468)        |
| Movements in Working Capital   | 27 8,153           | (69,062)           |
| Other cash flow adjustments  | 28 110,857         | 175,424            |
| Provisions utilised  | 20 (22,996)        | (30,160)           |
| <b>Net cash outflow from operating activities</b>                                | <b>(1,824,407)</b> | <b>(1,742,266)</b> |
| <b>Cash Flows from investing activities</b>                                      |                    |                    |
| Purchase of property, plant and equipment  | (61,328)           | (58,252)           |
| Proceeds from disposal of property, plant and equipment                          | 116                | 215                |
| Purchase of intangible assets  | (2,271)            | (1,778)            |
| 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>(63,483)</b>    | <b>(59,815)</b>    |
| <b>Net cash inflow/(outflow) before financing</b>                                | <b>(1,887,890)</b> | <b>(1,802,081)</b> |
| <b>Cash Flows from financing activities</b>                                      |                    |                    |
| Welsh Government funding (including capital)                                     | 1,893,053          | 1,807,206          |
| Capital receipts surrendered   | 0                  | 0                  |
| Capital grants received  | 0                  | 0                  |
| Capital element of payments in respect of finance leases and on-SoFP PFI Schemes | 0                  | 0                  |
| Capital element of payments in respect of on-SoFP PFI                            | (639)              | (1,585)            |
| Capital element of payments in respect of Right of Use Assets                    | (3,846)            | (4,099)            |
| Cash transferred (to)/ from other NHS bodies                                     | 0                  | 0                  |
| <b>Net financing</b>   | <b>1,888,568</b>   | <b>1,801,522</b>   |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                      | <b>678</b>         | <b>(559)</b>       |
| <b>Cash and cash equivalents (and bank overdrafts) at 1 April 2024</b>           | <b>4,145</b>       | <b>4,704</b>       |
| <b>Cash and cash equivalents (and bank overdrafts) at 31 March 2025</b>          | <b>4,823</b>       | <b>4,145</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 (LHBs) 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 2024-25 Manual for Accounts. The accounting policies contained in that manual follow the 2024-25 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.

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 Department of Health and Social Care (DHSC) 2023-24 consultation on the NHS Pension Scheme confirmed that the transitional approach that has operated since 2019-20 for employer contributions will continue in 2024-25. From 1 April 2024 an employer rate of 23.7% (23.78% inclusive of the administration charge) will apply. However, the NHS Business Services Authority will continue to only collect 14.38% from NHS Wales employers under their normal monthly payment process to the NHS Pension Scheme. This has resulted in an increase in the central payments made by Welsh Government directly to the Pension Scheme administrator, the NHS Business Services Authority (BSA the NHS Pensions Agency) from 6.3% to 9.4%.

However, NHS Wales' organisations are required to account for their staff employer contributions of 23.78% 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 the Other Note within these accounts.

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

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

### 1.4.3. NEST Pension Scheme

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

### 1.5. Other expenses

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

### 1.6. Property, plant and equipment

#### 1.6.1. Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the NHS Wales organisation;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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

#### 1.6.2. Valuation

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

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

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

- Specialised buildings – depreciated replacement cost

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

### **1.7.2 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. Right of use (ROU) asset impairments are reflected in ROU liability.

### **1.9. Research and Development**

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

### **1.10 Non-current assets held for sale**

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

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

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

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

### 1.11 Leases

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

IFRS 16 leases is effective across public sector from 1st 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 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 LHB will not apply IFRS 16 to any new leases of intangible assets, applying the treatment described in section 1.7 instead.

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

The 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 Aneurin Bevan UHB 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 [ ] 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 Aneurin Bevan UHB as lessor**

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 LHB's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the LHB's net investment outstanding in respect of the leases.

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

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

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

### 1.12. Inventories

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

### 1.13. Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three 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 LHB 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 LHB 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 2023-24 and 2024-25. The WRPS is hosted by Velindre University NHS Trust.

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

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

In March 2019, the Minister issued a Direction to Velindre University NHS Trust to enable Legal and Risk Services to operate the Scheme. The GMPI is underpinned by new secondary legislation, The NHS (Clinical Negligence Scheme) (Wales) Regulations 2019 which came into force on 1st 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 LHB 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 NHS Wales organisation are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

**1.19. Foreign currencies**

Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the SoCNE. At the SoFP date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date.

**1.20. Third party assets**

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

**1.21. Losses and Special Payments**

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

Losses and special payments are charged to the relevant functional headings in the SoCNE on an accruals basis, including losses which would have been made good through insurance cover had the LHB 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 budgets

The NHS Wales organisation has/has not entered into pooled budgets with Local Authorities. Under the arrangements funds are pooled in accordance with section 33 of the NHS (Wales) Act 2006 for specific activities defined in the Pooled budget Note.

The pool budget is hosted by one NHS Wales's organisation. Payments for services provided are accounted for as miscellaneous income. The NHS Wales organisation accounts for its share of the assets, liabilities, income and expenditure from the activities of the pooled budget, in accordance with the pooled budget arrangement.

#### **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 1st 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 NHS Wales organisation, the full cost is recognised in year and matched to income (less a £25K excess) via a WRPS debtor, until reimbursement has been received from the WRPS Committee.

**1.24.2. Probable & Certain Cases – Accounting Treatment**

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

|                 |                           |                              |
|-----------------|---------------------------|------------------------------|
| <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*     |
| <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 0.5%.

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 £199m (£213m 2023/24) 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 £0.379m (£0.393m 2023/24) 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 (2024) Post Employment Benefits Liabilities Real Rate in Excess of CPI of 2.4%.

### **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 LHB 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 LHB's approach for each relevant class of asset in accordance with the principles of IAS 16.

#### **1.26.3. PFI liability**

A PFI liability is recognised at the same time as the PFI assets are recognised.

#### **Prior year treatment**

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.

**1.26.4 Impact of IFRS 16 on on-balance sheet PFI/PPP Schemes as from 1st April 2023.**

On-balance sheet PPP arrangements should be based on IFRS 16 accounting principles from 2023-24.

When measuring the liability for on-balance sheet PPP contracts containing capital payments linked to a price index IFRS 16 requires that a lessee shall remeasure the lease liability where there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments. The lessee shall remeasure the lease liability to reflect those revised lease payments only when there is a change in the cash flows.

Initial remeasurement - the future PPP liability will need to be remeasured at 1st April 2023 to include the actual indexation-linked changes to payments for the capital/infrastructure element which have taken effect in the cash flows since the PPP agreement commenced. This should use a cumulative catch-up approach, where the cumulative effect is recognised as an adjustment to the opening balance of retained earnings.

Subsequent measurement - The PPP liability will continue to require remeasurements whenever cash payments change in response to indexation movements as set out in the individual PPP contract. The double entry for the subsequent liability remeasurement should be Debit Finance Cost, Credit PPP liability.

The liability does not include estimated future indexation linked increases.

**1.26.5. Lifecycle replacement**

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the LHB'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.

**1.26.6. 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 LHB's SoFP.

**1.26.7. Other assets contributed by the LHB to the 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 NHS Wales organisation through the asset being made available to third party users.

### Other PFI arrangements off Statement of Financial Position

The LHB has one PFI Scheme that was previously classified as off-statement of financial position. The scheme related to the provision of replacement heating and lighting systems within Nevill Hall hospital. The scheme commenced in 2000 for a period of 25 years. Since the introduction of IFRS 16 in 2022/23, the off-statement of Financial Position PFI has been recognised as a Right of use Asset.

### 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 2023, Standard is UK endorsed and adopted by the FReM. The date of initial application is the beginning of the annual reporting period in which IFRS 17 is first applied. In central government the date of initial application is 1 April 2025.

**IFRS 18 Presentation and Disclosure in Financial Statements** - Application required for accounting periods beginning on or after 1 January 2027. Standard is not yet UK endorsed and not yet adopted by the FReM. Early adoption is not permitted.

**IFRS 19 Subsidiaries without Public Accountability: Disclosures** - Application required for accounting periods beginning on or after 1 January 2027. Standard is not yet UK endorsed and not yet adopted by the FReM. Early adoption is not permitted.

### **1.30. Accounting standards issued that have been adopted early**

During 2024-25 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 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.

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.

Whilst there is a requirement to consolidate the results of the Aneurin Bevan University LHB NHS Charitable Fund within the statutory accounts of the LHB. 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.

## 2. Financial Duties Performance

The National Health Service Finance (Wales) Act 2014 came into effect from 1st April 2014. The Act amended the financial duties of Local Health Boards under section 175 of the National Health Service (Wales) Act 2006. From 1st 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 |                 |                 |                  |
|---|------------------------------|-----------------|-----------------|------------------|
|   | 2022-23<br>£000              | 2023-24<br>£000 | 2024-25<br>£000 | Total<br>£000    |
| <b>Net operating costs for the year</b>   | 1,676,282                    | 1,818,468       | 1,920,421       | <b>5,415,171</b> |
| Less general ophthalmic services expenditure and other non-cash limited expenditure | 148                          | 599             | (1,693)         | <b>(946)</b>     |
| Less unfunded revenue consequences of bringing PFI schemes onto SoFP                | 0                            | 29              | (29)            | <b>0</b>         |
| Less any non funded revenue consequences of IFRS 16                                 | 0                            | 0               | 0               | <b>0</b>         |
| Total operating expenses  | 1,676,430                    | 1,819,096       | 1,918,699       | <b>5,414,225</b> |
| Revenue Resource Allocation   | 1,639,588                    | 1,769,330       | 1,911,514       | <b>5,320,432</b> |
| <b>Under /(over) spend against Allocation</b>                                       | <b>(36,842)</b>              | <b>(49,766)</b> | <b>(7,185)</b>  | <b>(93,793)</b>  |

Aneurin Bevan University LHB has not met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2022-23 to 2024-25.

The Health Board received £7.36m cash-only support from Welsh Government during 2024-25 with the accumulated cash-only support for 2022-23 to 2024-25 as at 31 March 2025 being £80.3m. This support has been provided by Welsh Government to assist the Health Board with making payments staff and suppliers; there is no requirement for this funding to be repaid.

### 2.2 Capital Resource Performance

|  | 2022-23   | 2023-24   | 2024-25   | Total          |
|--|-----------|-----------|-----------|----------------|
|  | £000      | £000      | £000      | £000           |
| <b>Gross capital expenditure</b>   | 41,028    | 62,681    | 72,066    | <b>175,775</b> |
| Add: Losses on disposal of donated assets  | 2         | 1         | 0         | <b>3</b>       |
| Less NBV on disposal of property, plant and equipment, right of use and intangible asset | (61)      | (5,845)   | (1,534)   | <b>(7,440)</b> |
| Adjustment for transfers (to)/from NHS Trusts  | 0         | 0         | (45)      | <b>(45)</b>    |
| Less capital grants received   | (62)      | 0         | 0         | <b>(62)</b>    |
| Less donations received  | (227)     | (136)     | (78)      | <b>(441)</b>   |
| Less IFRS16 Peppercorn income  | 0         | 0         | 0         | <b>0</b>       |
| Less <b>initial recognition</b> of RoU Asset Dilapidations                               | 0         | 0         | 0         | <b>0</b>       |
| Charge against Capital Resource Allocation   | 40,680    | 56,701    | 70,409    | <b>167,790</b> |
| Capital Resource Allocation  | 40,723    | 56,742    | 70,475    | <b>167,940</b> |
| <b>(Over) / Underspend against Capital Resource Allocation</b>                           | <b>43</b> | <b>41</b> | <b>66</b> | <b>150</b>     |

Aneurin Bevan University LHB has met its financial duty to break-even against its Capital Resource Limit over the 3 years 2022-23 to 2024-25.

### 2.3 Duty to prepare a 3 year integrated plan

The NHS Wales Planning Framework for the period 2024-2027 issued to LHBs placed a requirement upon them to prepare and submit Integrated Medium Term Plans to the Welsh Government.

The LHB was unable to submit a balanced Integrated Medium Term Plan for the period 2024-2027 in accordance with NHS Wales Planning Framework. The Health Board submitted an Annual Plan for 2024-25 with a clear intention to reach a balanced in year position in 2026-27.

The Minister for Health and Social Services extant approval

**Status**  
**Date**

Aneurin Bevan University LHB has not therefore met its statutory duty to have an approved financial plan.

### 2.4 Creditor payment

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

|  | <b>2024-25</b> | 2023-24 |
|--|----------------|---------|
| Total number of non-NHS bills paid               | <b>301,118</b> | 327,881 |
| Total number of non-NHS bills paid within target | <b>294,215</b> | 319,291 |
| Percentage of non-NHS bills paid within target   | 97.7%          | 97.4%   |

**The LHB has met the target.**

### 3. Analysis of gross operating costs

#### 3.1 Expenditure on Primary Healthcare Services

|                                       | Cash limited<br>£000 | Non-cash limited<br>£000 | 2024-25<br>Total<br>£000 | 2023-24<br>Total<br>£000 |
|---------------------------------------|----------------------|--------------------------|--------------------------|--------------------------|
| General Medical Services              | 132,671              |                          | 132,671                  | 122,671                  |
| Pharmaceutical Services               | 37,351               | (8,127)                  | 29,224                   | 25,756                   |
| General Dental Services               | 44,444               |                          | 44,444                   | 39,870                   |
| General Ophthalmic Services           | 5,255                | 9,820                    | 15,075                   | 10,659                   |
| Other Primary Health Care expenditure | 4,729                |                          | 4,729                    | 4,373                    |
| Prescribed drugs and appliances       | 125,771              |                          | 125,771                  | 121,947                  |
| <b>Total</b>                          | <b>350,221</b>       | <b>1,693</b>             | <b>351,914</b>           | <b>325,276</b>           |

Return of excess funds from primary care contractors are included in the figures above

#### Included within other notes to the accounts

|                                     |          |                |                |
|-------------------------------------|----------|----------------|----------------|
| Additional Primary Care Expenditure | Positive | 0              | 0              |
| Additional Primary Care Income      | Negative | -5843          | 0              |
| <b>Overall total</b>                |          | <b>346,071</b> | <b>325,276</b> |

The General Medical Services expenditure includes £11,699k (2023/24 £18,793k) in relation to staff salaries, the General Dental Services expenditure includes £2,155k (2023/24 £4,070k) in relation to staff salaries, the Prescribed Drugs & Appliances expenditure includes £352k (2023/24 £348k) in relation to staff salaries, and the General Ophthalmic Services includes £88k (2023/24 £37k) in relation to staff salaries.

#### 3.2 Expenditure on healthcare from other providers

|  | 2024-25<br>£000 | 2023-24<br>£000 |
|--|-----------------|-----------------|
| Goods and services from other NHS Wales Health Boards    | 64,362          | 69,753          |
| Goods and services from other NHS Wales Trusts           | 54,658          | 47,460          |
| Goods and services from Welsh Special Health Authorities | 0               | 0               |
| Goods and services from other non Welsh NHS bodies       | 14,400          | 12,041          |
| Goods and services from NWJCC /WHSSC and EASC            | 218,320         | 208,640         |
| Local Authorities  | 41,544          | 41,143          |
| Voluntary organisations                                  | 10,849          | 9,408           |
| NHS Funded Nursing Care                                  | 11,817          | 11,260          |
| Continuing Care  | 99,904          | 99,136          |
| Private providers  | 10,942          | 9,110           |
| Specific projects funded by the Welsh Government         | 0               | 0               |
| Other  | 407             | 447             |
| <b>Total</b>   | <b>527,203</b>  | <b>508,398</b>  |

|   | 2024-25<br>£'000 | 2023-24<br>£'000 |
|---|------------------|------------------|
| <b>Local Authorities expenditure relates to the following bodies:</b> |                  |                  |
| Blaenau Gwent County Borough Council                                  | 3644             | 3,462            |
| Caerphilly County Borough Council                                     | 17632            | 17,706           |
| Monmouthshire County Council  | 4947             | 4,759            |
| Newport City Council  | 8548             | 8,289            |
| Torfaen County Borough Council  | 6876             | 6,874            |
| Gloucestershire County Council  | -103             | 52               |
| Swansea Council   | 0                | 1                |
|   | <b>41544</b>     | <b>41,143</b>    |

**3.3 Expenditure on Hospital and Community Health Services**

|   | 2024-25          | 2023-24          |
|---|------------------|------------------|
|   | £000             | £000             |
| Directors' costs  | 2,741            | 2,218            |
| Operational Staff costs   | 843,137          | 786,497          |
| Single lead employer Staff Trainee Cost                                 | 43,004           | 32,482           |
| Collaborative Bank Staff Cost   | 0                | 0                |
| Supplies and services - clinical  | 143,559          | 130,717          |
| Supplies and services - general   | 20,917           | 20,384           |
| Consultancy Services  | 481              | 410              |
| Establishment   | 6,438            | 7,251            |
| Transport   | 1,542            | 1,441            |
| Premises  | 46,305           | 43,954           |
| External Contractors  | 0                | 0                |
| Depreciation  | 42,231           | 43,001           |
| Depreciation Right of Use assets (RoU)                                  | 3,896            | 4,474            |
| Amortisation  | 1,964            | 2,349            |
| Fixed asset impairments and reversals (Property, plant & equipment)     | 1,817            | 9,732            |
| Fixed asset impairments and reversals (RoU Assets)                      | 0                | 0                |
| Fixed asset impairments and reversals (Intangible assets)               | 0                | 438              |
| Impairments & reversals of financial assets                             | 0                | 0                |
| Impairments & reversals of non-current assets held for sale             | 0                | 0                |
| Audit fees  | 443              | 455              |
| Other auditors' remuneration  | 0                | 0                |
| Losses, special payments and irrecoverable debts                        | 3,065            | 3,217            |
| Research and Development  | 0                | 0                |
| Expense related to short-term leases                                    | 367              | 713              |
| Expense related to low-value asset leases (excluding short-term leases) | 973              | 936              |
| Other operating expenses  | 14,310           | 14,599           |
| <b>Total</b>  | <b>1,177,190</b> | <b>1,105,268</b> |

The Health Board Spent £2.8m (£2.9m 2023-24) on Research and Development. The majority of this spend relates to staff £2.2m (£2.3m 2023-24) which along with the non-staff spend is reflected under the various headings within note 3.3. During 2024-25 Research and Development income received was £2.6m (£2.7m 2023-24).

**3.4 Losses, special payments and irrecoverable debts: charges to operating expenses**

|  | 2024-25        | 2023-24         |
|--|----------------|-----------------|
|  | £000           | £000            |
| <b>Increase/(decrease) in provision for future payments:</b> |                |                 |
| Clinical negligence;   |                |                 |
| Secondary care   | 2,814          | 72,303          |
| Primary care   | 49             | 817             |
| Redress Secondary Care                                       | 180            | 221             |
| Redress Primary Care   | 0              | 0               |
| Personal injury  | 547            | 734             |
| All other losses and special payments                        | 1,062          | 821             |
| Defence legal fees and other administrative costs            | 1,414          | 1,308           |
| Gross increase/(decrease) in provision for future payments   | 6,066          | 76,204          |
| Contribution to Welsh Risk Pool                              | 0              | 0               |
| Premium for other insurance arrangements                     | 0              | 0               |
| Irrecoverable debts  | 73             | 198             |
| <b>Less: income received/due from Welsh Risk Pool</b>        | <b>(3,074)</b> | <b>(72,845)</b> |
| <b>Total</b>   | <b>3,065</b>   | <b>3,557</b>    |

|   | 2024-25   | 2023-24   |
|---|-----------|-----------|
|   | £         | £         |
| Permanent injury included within personal injury £: | (472,029) | (613,210) |

#### 4. Miscellaneous Income

|  | 2024-25<br>£000 | 2023-24<br>£000 |
|--|-----------------|-----------------|
| Local Health Boards  | 24,380          | 22,054          |
| NWJCC/ WHSSC and EASC  | 14,774          | 13,948          |
| NHS Wales trusts   | 17,702          | 11,418          |
| Welsh Special Health Authorities                                     | 1,404           | 15,800          |
| Foundation Trusts  | 97              | 38              |
| Other NHS England bodies   | 2,975           | 1,472           |
| Other NHS Bodies   | 21              | 56              |
| Local authorities  | 21,289          | 20,351          |
| Welsh Government   | 3,729           | 4,788           |
| Welsh Government Hosted bodies                                       | 0               | 0               |
| Non NHS:   |                 |                 |
| Prescription charge income   | 3               | 0               |
| Dental fee income  | 6,130           | 5,160           |
| Private patient income   | 0               | 0               |
| Overseas patients (non-reciprocal)                                   | 365             | 157             |
| Injury Costs Recovery (ICR) Scheme                                   | 1,323           | 1,140           |
| Other income from activities   | 2,528           | 1,083           |
| Patient transport services   | 0               | 0               |
| Education, training and research                                     | 19,086          | 2,034           |
| Charitable and other contributions to expenditure                    | 1,394           | 1,259           |
| Receipt of NWSSP Covid centrally purchased assets                    | 0               | 0               |
| Receipt of Covid centrally purchased assets from other organisations | 0               | 0               |
| Receipt of donated assets  | 78              | 136             |
| Receipt of Government granted assets                                 | 0               | 0               |
| Right of Use Grant (Peppercorn Lease)                                | 0               | 0               |
| Non-patient care income generation schemes                           | 155             | 131             |
| NHS Wales Shared Services Partnership (NWSSP)                        | 0               | 0               |
| Deferred income released to revenue                                  | 0               | 0               |
| Right of Use Asset Sub-leasing rental income                         | 0               | 0               |
| Contingent rental income from finance leases                         | 0               | 0               |
| Rental income from operating leases                                  | 467             | 343             |
| Other income:  |                 |                 |
| Provision of laundry, pathology, payroll services                    | 82              | 131             |
| Accommodation and catering charges                                   | 3,349           | 3,519           |
| Mortuary fees  | 422             | 364             |
| Staff payments for use of cars                                       | 673             | 625             |
| Business Unit  | 0               | 0               |
| Scheme Pays Reimbursement Notional                                   | 81              | 463             |
| Other  | 14,099          | 15,486          |
| <b>Total</b>   | <b>136,606</b>  | <b>121,956</b>  |
| <b>Other income Includes;</b>  |                 |                 |
| Salary Sacrifice Schemes & Fleet Vehicles                            | 7,772           | 5,954           |
| VAT recoveries re Business Activities and Contracted Out Services    | 986             | 2,249           |
| Integrated Care Fund   | 0               | 3,678           |
| Other  | 5,341           | 3,605           |
| <b>Total</b>   | <b>14,099</b>   | <b>15,486</b>   |

#### Injury Cost Recovery (ICR) Scheme income

|   | 2024-25<br>% | 2023-24<br>% |
|---|--------------|--------------|
| To reflect expected rates of collection ICR income is subject to a provision for impairment of: | 24.45        | 23.07        |

In accordance with the Manual for Accounts, an adjustment has been made to the 2024/25 Accounts to reflect HEIW income against Training & Education instead of against Special Health Authorities. The 2023/24 comparative figures have not been amended.

## 5. Investment Revenue

|                             | 2024-25<br>£000 | 2023-24<br>£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      | 16              | 17              |
| <b>Total</b>                | <b>16</b>       | <b>17</b>       |

## 6. Other gains and losses

|  | 2024-25<br>£000 | 2023-24<br>£000 |
|--|-----------------|-----------------|
| Gain/(loss) on disposal of property, plant and equipment                           | 41              | (345)           |
| Gain/(loss) on disposal other than by sale of right of use assets                  | 0               | 14              |
| Gain/(loss) on disposal of intangible assets                                       | 0               | 0               |
| Gain/(loss) on disposal of assets held for sale                                    | 0               | 0               |
| Gain/(loss) on disposal of financial assets  | 0               | 0               |
| Change on foreign exchange   | 0               | 0               |
| Change in fair value of financial assets at fair value through SoCNE               | 0               | 0               |
| Change in fair value of financial liabilities at fair value through SoCNE          | 0               | 0               |
| Recycling of gain/(loss) from equity on disposal of financial assets held for sale | 0               | 0               |
| <b>Total</b>   | <b>41</b>       | <b>(331)</b>    |

## 7. Finance costs

|   | 2024-25<br>£000 | 2023-24<br>£000 |
|---|-----------------|-----------------|
| Interest on loans and overdrafts                  | 0               | 0               |
| Interest on obligations under finance leases      | 0               | 0               |
| Interest on obligations under Right of Use Leases | 353             | 274             |
| Interest on obligations under PFI contracts;      |                 |                 |
| main finance cost                                 | 132             | 231             |
| contingent finance cost                           | 0               | 0               |
| Impact of IFRS 16 on PPP/PFI contracts            | 147             | 521             |
| Interest on late payment of commercial debt       | 0               | 0               |
| Other interest expense                            | 0               | 0               |
| <b>Total interest expense</b>                     | <b>632</b>      | <b>1,026</b>    |
| Provisions unwinding of discount                  | 145             | 142             |
| Other finance costs                               | 0               | 0               |
| <b>Total</b>                                      | <b>777</b>      | <b>1,168</b>    |

**8. Future charges to Statement of Comprehensive Net Expenditure (SoCNE)**

**LHB as lessee**

As at 31st March 2025 the Health Board had 0 leases agreements in place for the leases of premises; 348 arrangements in respect of equipment and 237 in respect of vehicles, with 3 property, 164 equipment and 71 vehicle leases having expired in year.

The periods in which the remaining agreements will expire are shown below:

|  | 2024-25                | 2024-25     | 2024-25      | 2023-24      |
|--|------------------------|-------------|--------------|--------------|
|  | Low Value & Short Term | Other       | Total        | Total        |
|  | £000                   | £000        | £000         | £000         |
| <b>Payments recognised as an expense</b>   |                        |             |              |              |
| Minimum lease payments                     | 1,363                  | 0           | 1,363        | 1,670        |
| Contingent rents                           | 0                      | 0           | 0            | 0            |
| Sub-lease payments                         | 0                      | 0           | 0            | 0            |
| <b>Total</b>                               | <b>1,363</b>           | <b>0</b>    | <b>1,363</b> | <b>1,670</b> |
| <b>Total future minimum lease payments</b> |                        |             |              |              |
| <b>Payable</b>                             | <b>£000</b>            | <b>£000</b> | <b>£000</b>  | <b>£000</b>  |
| Not later than one year                    | 820                    | 0           | 820          | 1,079        |
| Between one and five years                 | 803                    | 0           | 803          | 862          |
| After 5 years                              | 0                      | 0           | 0            | 0            |
| <b>Total</b>                               | <b>1,623</b>           | <b>0</b>    | <b>1,623</b> | <b>1,941</b> |

**LHB as lessor**

|  | 2024-25      | 2023-24      |
|--|--------------|--------------|
|  | £000         | £000         |
| <b>Rental revenue</b>                      |              |              |
| Rent                                       | 467          | 343          |
| Contingent rents                           | 0            | 0            |
| <b>Total revenue rental</b>                | <b>467</b>   | <b>343</b>   |
| <b>Total future minimum lease payments</b> |              |              |
| <b>Receivable</b>                          | <b>£000</b>  | <b>£000</b>  |
| Not later than one year                    | 290          | 289          |
| Between one and five years                 | 1,085        | 1,033        |
| After 5 years                              | 789          | 1,031        |
| <b>Total</b>                               | <b>2,164</b> | <b>2,353</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          | 2023-24        |
|--|-----------------|----------------------------|---------------|--------------------------|--------------------------|--------------|----------------|----------------|
|  | £000            | £000                       | £000          | £000                     | £000                     | £000         | £000           | £000           |
| Salaries and wages                           | 638,388         | 1,020                      | 26,782        | 33,750                   | 0                        | 2,190        | 702,130        | 673,024        |
| Social security costs                        | 66,643          | 0                          | 0             | 4,066                    | 0                        | 0            | 70,709         | 66,891         |
| Employer contributions to NHS Pension Scheme | 125,738         | 0                          | 0             | 5,187                    | 0                        | 0            | 130,925        | 105,209        |
| Other pension costs                          | 229             | 0                          | 0             | 0                        | 0                        | 0            | 229            | 298            |
| 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>830,998</b>  | <b>1,020</b>               | <b>26,782</b> | <b>43,003</b>            | <b>0</b>                 | <b>2,190</b> | <b>903,993</b> | <b>845,422</b> |

|                    |  |  |  |  |  |  |                |                |
|--------------------|--|--|--|--|--|--|----------------|----------------|
| Charged to capital |  |  |  |  |  |  | 802            | 977            |
| Charged to revenue |  |  |  |  |  |  | 903,191        | 844,445        |
|                    |  |  |  |  |  |  | <b>903,993</b> | <b>845,422</b> |

Net movement in accrued employee benefits (untaken staff leave) (38) (167)

The staff under the 'Other' heading relate to Agency Medical Staff who are paid via a direct engagement scheme which commenced in January 2020.

**9.2 Average number of employees**

|   | Permanent Staff | Staff on Inward Secondment | Agency Staff | Specialist Trainee (SLE) | Collaborative Bank Staff | Other     | Total         | 2023-24       |
|---|-----------------|----------------------------|--------------|--------------------------|--------------------------|-----------|---------------|---------------|
|   | Number          | Number                     | Number       | Number                   | Number                   | Number    | Number        | Number        |
| Administrative, clerical and board members    | 2,713           | 7                          | 2            | 0                        | 0                        | 0         | 2,722         | 2,761         |
| Medical and dental                            | 845             | 5                          | 49           | 430                      | 0                        | 10        | 1,339         | 1,338         |
| Nursing, midwifery registered                 | 3,975           | 0                          | 146          | 0                        | 0                        | 0         | 4,121         | 4,012         |
| Professional, Scientific, and technical staff | 428             | 0                          | 5            | 0                        | 0                        | 0         | 433           | 452           |
| Additional Clinical Services                  | 2,886           | 0                          | 17           | 0                        | 0                        | 0         | 2,903         | 2,841         |
| Allied Health Professions                     | 953             | 6                          | 23           | 0                        | 0                        | 0         | 982           | 876           |
| Healthcare Scientists                         | 253             | 0                          | 4            | 0                        | 0                        | 0         | 257           | 247           |
| Estates and Ancillary                         | 1,037           | 0                          | 17           | 0                        | 0                        | 0         | 1,054         | 1,093         |
| Students                                      | 6               | 0                          | 0            | 0                        | 0                        | 0         | 6             | 9             |
| <b>Total</b>                                  | <b>13,096</b>   | <b>18</b>                  | <b>263</b>   | <b>430</b>               | <b>0</b>                 | <b>10</b> | <b>13,817</b> | <b>13,629</b> |

**9.3. Retirements due to ill-health**

|                                      | 2024-25   | 2023-24   |
|--------------------------------------|-----------|-----------|
| Number                               | 16        | 15        |
| Estimated additional pension costs £ | 1,456,012 | 1,462,604 |

This note discloses the number and additional pension costs for individuals who retired early on ill-health grounds during the year. These additional pension costs have been calculated on an average basis and will be 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

9.5.1 Exit Packages Costs and Numbers

|   | 2024-25                           | 2024-25                    | 2024-25                       | 2024-25  | 2023-24                       |
|---|-----------------------------------|----------------------------|-------------------------------|--|-------------------------------|
| 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                                 | 1                          | 1                             | 0  | 0                             |
| £10,000 to £25,000  | 0                                 | 0                          | 0                             | 0  | 1                             |
| £25,000 to £50,000  | 0                                 | 0                          | 0                             | 0  | 0                             |
| £50,000 to £100,000   | 0                                 | 0                          | 0                             | 0  | 0                             |
| £100,000 to £150,000  | 0                                 | 0                          | 0                             | 0  | 0                             |
| £150,000 to £200,000  | 0                                 | 0                          | 0                             | 0  | 0                             |
| more than £200,000  | 0                                 | 0                          | 0                             | 0  | 0                             |
| <b>Total</b>  | <b>0</b>                          | <b>1</b>                   | <b>1</b>                      | <b>0</b>   | <b>1</b>                      |

|   | 2024-25                         | 2024-25                  | 2024-25                     | 2024-25   | 2023-24                     |
|---|---------------------------------|--------------------------|-----------------------------|---|-----------------------------|
| 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                               | 7,500                    | 7,500                       | 0   | 0                           |
| £10,000 to £25,000  | 0                               | 0                        | 0                           | 0   | 24,254                      |
| £25,000 to £50,000  | 0                               | 0                        | 0                           | 0   | 0                           |
| £50,000 to £100,000   | 0                               | 0                        | 0                           | 0   | 0                           |
| £100,000 to £150,000  | 0                               | 0                        | 0                           | 0   | 0                           |
| £150,000 to £200,000  | 0                               | 0                        | 0                           | 0   | 0                           |
| more than £200,000  | 0                               | 0                        | 0                           | 0   | 0                           |
| <b>Total</b>  | <b>0</b>                        | <b>7,500</b>             | <b>7,500</b>                | <b>0</b>  | <b>24,254</b>               |

| <b>Total Exit Costs Paid in Year</b> | <b>Total paid in year</b> | <b>Total paid in year</b> |
|--------------------------------------|---------------------------|---------------------------|
|                                      | <b>2024-25</b>            | <b>2023-24</b>            |
|                                      | £                         | £                         |
| Exit costs paid in year              | 7,500                     | 24,254                    |
| <b>Total</b>                         | <b>7,500</b>              | <b>24,254</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 not approved any VERS in 2024-25.

Additional requirement as per FReM  
 £0.00 exit costs were paid in 2024-25, relating to 2023-24 (the year of departure).

9.5 Reporting of other compensation schemes - exit packages continued

9.5.2 Analysis of other departures

|   | 2024-25<br>Agreements<br>Number | 2024-25<br>Total value of<br>agreements<br>£ |
|---|---------------------------------|--|
| <b>Type of other departures</b>                                     |                                 |  |
| Voluntary redundancies including early retirement contractual costs | 0                               | 0  |
| Contractual payments in lieu of notice*                             | 1                               | 1440   |
| Exit payments following Employment Tribunals or court orders        | 1                               | 5839   |
| Non-contractual payments requiring Welsh Government Approval**      | 0                               | 0  |
| Other please specify  | 1                               | 221  |
| Other please specify  | 0                               | 0  |
| <b>Total</b>  | <b>3</b>                        | <b>7500</b>                                  |

This disclosure provides detail for the number and value of exit packages agreed in the year.

Other Payments:

£221 - in relation to undertaken annual leave.

**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.

|   | 2024-25<br>£000     | 2024-25<br>£000 | 2024-25<br>£000 | 2023-24<br>£000     | 2023-24<br>£000 | 2023-24<br>£000 |
|---|---------------------|-----------------|-----------------|---------------------|-----------------|-----------------|
|   | <b>Chief</b>        |                 |                 | <b>Chief</b>        |                 |                 |
| <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                         | 240 - 245           | 29              | 8.2             | 225 - 230           | 29              | 8.0             |
| Median pay  | 240 - 245           | 37              | 6.5             | 225 - 230           | 36              | 6.3             |
| 75th percentile pay ratio                         | 240 - 245           | 49              | 5.0             | 225 - 230           | 47              | 4.9             |
| <b>Salary component of total pay and benefits</b> |                     |                 |                 |                     |                 |                 |
| 25th percentile pay ratio                         | 240 - 245           | 29              |                 | 225 - 230           | 29              |                 |
| Median pay  | 240 - 245           | 37              |                 | 225 - 230           | 36              |                 |
| 75th percentile pay ratio                         | 240 - 245           | 49              |                 | 225 - 230           | 47              |                 |
|   | <b>Highest Paid</b> |                 |                 | <b>Highest Paid</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                         | 240 - 245           | 29              | 8.2             | 225 - 230           | 29              | 8.0             |
| Median pay  | 240 - 245           | 37              | 6.5             | 225 - 230           | 36              | 6.3             |
| 75th percentile pay ratio                         | 240 - 245           | 49              | 5.0             | 225 - 230           | 47              | 4.9             |
| <b>Salary component of total pay and benefits</b> |                     |                 |                 |                     |                 |                 |
| 25th percentile pay ratio                         | 240 - 245           | 29              |                 | 225 - 230           | 29              |                 |
| Median pay  | 240 - 245           | 37              |                 | 225 - 230           | 36              |                 |
| 75th percentile pay ratio                         | 240 - 245           | 49              |                 | 225 - 230           | 47              |                 |

In 2024-25, 15 (2023-24, 10) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £17k to £459k (2023-24, £15k to £383k).

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 is attributable to the increase in the chief executive / highest paid director salary being more 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.

| <b>9.6.2 Percentage Changes</b>  | <b>2023-24</b> | <b>2022-23</b> |
|--|----------------|----------------|
|  | <b>to</b>      | <b>to</b>      |
|  | <b>2024-25</b> | <b>2023-24</b> |
|  | <b>%</b>       | <b>%</b>       |
| % Change from previous financial year in respect of Chief Executive                    |                |                |
| Salary and allowances  | 7              | 5              |
| Performance pay and bonuses  | 0              | 0              |
| % Change from previous financial year in respect of highest paid director              |                |                |
| Salary and allowances  | 7              | 5              |
| Performance pay and bonuses  | 0              | 0              |
| Average % Change from previous financial year in respect of employees takes as a whole |                |                |
| Salary and allowances  | 5              | 7              |
| Performance pay and bonuses  | 0              | 0              |

## 9.7 Pension costs

Past and present employees are covered by the provisions of the 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 the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. 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 2025, is based on valuation data as at 31 March 2023, updated to 31 March 2025 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 Statement by the Actuary, which forms part of the annual NHS Pension Scheme Annual Report and 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 (considering recent demographic experience), and to recommend the contribution rate payable by employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from 1 April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

The 2024 actuarial valuation is currently being prepared and will be published before new contribution rates are implemented from April 2027.

**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 2024-25 tax year (2023-24 £6,240 and £50,270).

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.

|  | 2024-25 | 2024-25   | 2023-24 | 2023-24   |
|--|---------|-----------|---------|-----------|
|  | Number  | £000      | Number  | £000      |
| <b>NHS</b>                             |         |           |         |           |
| Total bills paid                       | 5,193   | 433,942   | 4,932   | 402,257   |
| Total bills paid within target         | 4,770   | 425,567   | 4,364   | 381,217   |
| Percentage of bills paid within target | 91.9%   | 98.1%     | 88.5%   | 94.8%     |
| <b>Non-NHS</b>                         |         |           |         |           |
| Total bills paid                       | 301,118 | 700,384   | 327,881 | 709,739   |
| Total bills paid within target         | 294,215 | 676,799   | 319,291 | 688,084   |
| Percentage of bills paid within target | 97.7%   | 96.6%     | 97.4%   | 96.9%     |
| <b>Total</b>                           |         |           |         |           |
| Total bills paid                       | 306,311 | 1,134,326 | 332,813 | 1,111,996 |
| Total bills paid within target         | 298,985 | 1,102,366 | 323,655 | 1,069,301 |
| Percentage of bills paid within target | 97.6%   | 97.2%     | 97.2%   | 96.2%     |

### 10.2 The Late Payment of Commercial Debts (Interest) Act 1998

|  | 2024-25        | 2023-24    |
|--|----------------|------------|
|  | £              | £          |
| 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                  | 114,172        | 542        |
| <b>Total</b>   | <b>114,172</b> | <b>542</b> |

11.1 Property, plant and equipment

2024-25

|  | Land<br>£000  | Buildings,<br>excluding<br>dwellings<br>£000 | Dwellings<br>£000 | Assets under<br>construction &<br>payments on<br>account<br>£000 | Plant and<br>machinery<br>£000 | Transport<br>equipment<br>£000 | Information<br>technology<br>£000 | Furniture<br>& fittings<br>£000 | Total<br>£000    |
|--|---------------|--|-------------------|--|--------------------------------|--------------------------------|-----------------------------------|---------------------------------|------------------|
| <b>Cost or valuation at 1 April 2024</b>               | 75,111        | 750,899                                      | 2,390             | 40,777   | 117,063                        | 281                            | 39,458                            | 3,953                           | 1,029,932        |
| Indexation   | 666           | 5,342  | 15                | 0  | 0                              | 0                              | 0                                 | 0                               | 6,023            |
| <b>Additions</b>                                       |               |  |                   |  |                                |                                |                                   |                                 |                  |
| - purchased  | 0             | 3,509  | 149               | 46,201   | 7,691                          | 0                              | 5,427                             | 624                             | 63,601           |
| - donated  | 0             | 17   | 0                 | 0  | 42                             | 0                              | 19                                | 0                               | 78               |
| - government granted                                   | 0             | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0                |
| Transfer from/into other NHS bodies                    | 0             | 0  | 0                 | 0  | 0                              | 0                              | (45)                              | 0                               | (45)             |
| Reclassifications                                      | 0             | 37,289                                       | 0                 | (37,289)   | (60)                           | 0                              | 16                                | 44                              | 0                |
| Revaluations   | 3,288         | 6,243  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 9,531            |
| Reversal of impairments                                | 133           | 14,644                                       | 28                | 0  | 0                              | 0                              | 0                                 | 0                               | 14,805           |
| Impairments  | 0             | (17,994)                                     | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | (17,994)         |
| Reclassified as held for sale                          | 0             | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0                |
| Disposals  | 0             | (2,482)                                      | 0                 | 0  | (6,346)                        | 99                             | (6,220)                           | (33)                            | (14,982)         |
| <b>At 31 March 2025</b>                                | <b>79,198</b> | <b>797,467</b>                               | <b>2,582</b>      | <b>49,689</b>  | <b>118,390</b>                 | <b>380</b>                     | <b>38,655</b>                     | <b>4,588</b>                    | <b>1,090,949</b> |
| <b>Depreciation at 1 April 2024</b>                    | 0             | 43,143                                       | 395               | 0  | 67,276                         | 269                            | 24,508                            | 1,524                           | 137,115          |
| Indexation   | 0             | 374  | 6                 | 0  | 0                              | 0                              | 0                                 | 0                               | 380              |
| Transfer from/into other NHS bodies                    | 0             | 0  | 0                 | 0  | 0                              | 0                              | (11)                              | 0                               | (11)             |
| Reclassifications                                      | 0             | 0  | 0                 | 0  | (16)                           | 0                              | 16                                | 0                               | 0                |
| Revaluations   | 0             | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0                |
| Reversal of impairments                                | 0             | 403  | 1                 | 0  | 0                              | 0                              | 0                                 | 0                               | 404              |
| Impairments  | 0             | (1,776)                                      | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | (1,776)          |
| Reclassified as held for sale                          | 0             | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0                |
| Disposals  | 0             | (2,482)                                      | 0                 | 0  | (6,306)                        | 99                             | (6,219)                           | (33)                            | (14,941)         |
| Provided during the year                               | 0             | 23,479                                       | 86                | 0  | 12,454                         | 6                              | 5,793                             | 413                             | 42,231           |
| <b>At 31 March 2025</b>                                | <b>0</b>      | <b>63,141</b>                                | <b>488</b>        | <b>0</b>   | <b>73,408</b>                  | <b>374</b>                     | <b>24,087</b>                     | <b>1,904</b>                    | <b>163,402</b>   |
| <b>Net book value at 1 April 2024</b>                  | <b>75,111</b> | <b>707,756</b>                               | <b>1,995</b>      | <b>40,777</b>  | <b>49,787</b>                  | <b>12</b>                      | <b>14,950</b>                     | <b>2,429</b>                    | <b>892,817</b>   |
| <b>Net book value at 31 March 2025</b>                 | <b>79,198</b> | <b>734,326</b>                               | <b>2,094</b>      | <b>49,689</b>  | <b>44,982</b>                  | <b>6</b>                       | <b>14,568</b>                     | <b>2,684</b>                    | <b>927,547</b>   |
| <b>Net book value at 31 March 2025<br/>comprises :</b> |               |  |                   |  |                                |                                |                                   |                                 |                  |
| Purchased  | 76,108        | 732,430                                      | 2,094             | 49,689   | 44,378                         | 6                              | 14,503                            | 2,652                           | 921,860          |
| Donated  | 3,090         | 1,697  | 0                 | 0  | 463                            | 0                              | 65                                | 32                              | 5,347            |
| Government Granted                                     | 0             | 199  | 0                 | 0  | 141                            | 0                              | 0                                 | 0                               | 340              |
| <b>At 31 March 2025</b>                                | <b>79,198</b> | <b>734,326</b>                               | <b>2,094</b>      | <b>49,689</b>  | <b>44,982</b>                  | <b>6</b>                       | <b>14,568</b>                     | <b>2,684</b>                    | <b>927,547</b>   |
| <b>Asset financing :</b>                               |               |  |                   |  |                                |                                |                                   |                                 |                  |
| Owned  | 79,198        | 730,440                                      | 2,094             | 49,689   | 44,982                         | 6                              | 14,568                            | 2,684                           | 923,661          |
| On-SoFP MIMS Funded PPP contracts                      | 0             | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0                |
| On-SoFP PFI contracts                                  | 0             | 3,886  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 3,886            |
| PFI residual interests                                 | 0             | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0                |
| <b>At 31 March 2025</b>                                | <b>79,198</b> | <b>734,326</b>                               | <b>2,094</b>      | <b>49,689</b>  | <b>44,982</b>                  | <b>6</b>                       | <b>14,568</b>                     | <b>2,684</b>                    | <b>927,547</b>   |

The net book value of land, buildings and dwellings at 31 March 2025 comprises :

|                 | £000           |
|-----------------|----------------|
| Freehold        | 811,217        |
| Long Leasehold  | 4,390          |
| Short Leasehold | 11             |
|                 | <b>815,618</b> |

Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account. 0

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards. LHB s are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

11.1 Property, plant and equipment

2023-24

|  | Land<br>£000  | Buildings,<br>excluding<br>dwellings<br>£000 | Dwellings<br>£000 | Assets under<br>construction &<br>payments on<br>account<br>£000 | Plant and<br>machinery<br>£000 | Transport<br>equipment<br>£000 | Information<br>technology<br>£000 | Furniture<br>& fittings<br>£000 | Total<br>£000    |
|--|---------------|--|-------------------|--|--------------------------------|--------------------------------|-----------------------------------|---------------------------------|------------------|
| Cost at 31 March bf                          | 77,508        | 696,196                                      | 2,237             | 36,936   | 118,190                        | 546                            | 43,310                            | 4,162                           | 979,085          |
| NHS Wales Transfers                          | 0             | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0                |
| Prepayments                                  | 0             | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0                |
| Transfer of Finance Leases to ROU Asset Note | 0             | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0                |
| <b>Cost or valuation at 1 April 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>   |
| Indexation                                   | (2,000)       | 21,643                                       | 33                | 0  | 0                              | 0                              | 0                                 | 0                               | 19,676           |
| <b>Additions</b>                             |               |  |                   |  |                                |                                |                                   |                                 |                  |
| - purchased                                  | 0             | 2,574  | 19                | 46,443   | 5,806                          | 0                              | 2,471                             | 243                             | 57,556           |
| - donated                                    | 0             | 0  | 0                 | 0  | 136                            | 0                              | 0                                 | 0                               | 136              |
| - government granted                         | 0             | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0                |
| Transfer from/into other NHS bodies          | 0             | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0                |
| Reclassifications                            | 0             | 42,054                                       | 0                 | (42,602)   | 124                            | 0                              | 250                               | (410)                           | (584)            |
| Revaluations                                 | 0             | (22)   | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | (22)             |
| Reversal of impairments                      | 0             | 19,893                                       | 101               | 0  | 0                              | 0                              | 0                                 | 0                               | 19,994           |
| Impairments                                  | (397)         | (31,439)                                     | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | (31,836)         |
| Reclassified as held for sale                | 0             | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0                |
| Disposals                                    | 0             | 0  | 0                 | 0  | (7,193)                        | (265)                          | (6,573)                           | (42)                            | (14,073)         |
| <b>At 31 March 2024</b>                      | <b>75,111</b> | <b>750,899</b>                               | <b>2,390</b>      | <b>40,777</b>  | <b>117,063</b>                 | <b>281</b>                     | <b>39,458</b>                     | <b>3,953</b>                    | <b>1,029,932</b> |
| Depreciation at 31 March bf                  | 0             | 22,122                                       | 294               | 0  | 60,999                         | 502                            | 24,324                            | 1,303                           | 109,544          |
| NHS Wales Transfers                          | 0             | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0                |
| Transfer of Finance Leases to ROU Asset Note | 0             | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0                |
| <b>Depreciation at 1 April 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>   |
| Indexation                                   | 0             | 879  | 15                | 0  | 0                              | 0                              | 0                                 | 0                               | 894              |
| Transfer from/into other NHS bodies          | 0             | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0                |
| Reclassifications                            | 0             | 0  | 0                 | 0  | (2)                            | 0                              | 79                                | (112)                           | (35)             |
| Revaluations                                 | 0             | (657)  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | (657)            |
| Reversal of impairments                      | 0             | 439  | 3                 | 0  | 0                              | 0                              | 0                                 | 0                               | 442              |
| Impairments                                  | 0             | (2,552)                                      | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | (2,552)          |
| Reclassified as held for sale                | 0             | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0                |
| Disposals                                    | 0             | 0  | 0                 | 0  | (6,642)                        | (265)                          | (6,573)                           | (42)                            | (13,522)         |
| Provided during the year                     | 0             | 22,912                                       | 83                | 0  | 12,921                         | 32                             | 6,678                             | 375                             | 43,001           |
| <b>At 31 March 2024</b>                      | <b>0</b>      | <b>43,143</b>                                | <b>395</b>        | <b>0</b>   | <b>67,276</b>                  | <b>269</b>                     | <b>24,508</b>                     | <b>1,524</b>                    | <b>137,115</b>   |
| <b>Net book value at 1 April 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 2024</b>       | <b>75,111</b> | <b>707,756</b>                               | <b>1,995</b>      | <b>40,777</b>  | <b>49,787</b>                  | <b>12</b>                      | <b>14,950</b>                     | <b>2,429</b>                    | <b>892,817</b>   |
| <b>Net book value at 31 March 2024</b>       | <b>75,111</b> | <b>707,756</b>                               | <b>1,995</b>      | <b>40,777</b>  | <b>49,787</b>                  | <b>12</b>                      | <b>14,950</b>                     | <b>2,429</b>                    | <b>892,817</b>   |
| <b>Net book value at 31 March 2024</b>       | <b>75,111</b> | <b>707,756</b>                               | <b>1,995</b>      | <b>40,777</b>  | <b>49,787</b>                  | <b>12</b>                      | <b>14,950</b>                     | <b>2,429</b>                    | <b>892,817</b>   |
| <b>comprises :</b>                           |               |  |                   |  |                                |                                |                                   |                                 |                  |
| Purchased                                    | 72,053        | 705,809                                      | 1,995             | 40,777   | 49,031                         | 12                             | 14,879                            | 2,393                           | 886,949          |
| Donated                                      | 3,058         | 1,745  | 0                 | 0  | 560                            | 0                              | 71                                | 36                              | 5,470            |
| Government Granted                           | 0             | 202  | 0                 | 0  | 196                            | 0                              | 0                                 | 0                               | 398              |
| <b>At 31 March 2024</b>                      | <b>75,111</b> | <b>707,756</b>                               | <b>1,995</b>      | <b>40,777</b>  | <b>49,787</b>                  | <b>12</b>                      | <b>14,950</b>                     | <b>2,429</b>                    | <b>892,817</b>   |
| <b>Asset financing :</b>                     |               |  |                   |  |                                |                                |                                   |                                 |                  |
| Owned  | 75,111        | 703,130                                      | 1,995             | 40,777   | 49,759                         | 12                             | 14,950                            | 2,429                           | 888,163          |
| On-SoFP PFI contracts                        | 0             | 4,626  | 0                 | 0  | 28                             | 0                              | 0                                 | 0                               | 4,654            |
| PFI residual interests                       | 0             | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0                |
| <b>At 31 March 2024</b>                      | <b>75,111</b> | <b>707,756</b>                               | <b>1,995</b>      | <b>40,777</b>  | <b>49,787</b>                  | <b>12</b>                      | <b>14,950</b>                     | <b>2,429</b>                    | <b>892,817</b>   |

The net book value of land, buildings and dwellings at 31 March 2024 comprises :

|                 | £000           |
|-----------------|----------------|
| Freehold        | 780,060        |
| Long Leasehold  | 4,783          |
| Short Leasehold | 19             |
|                 | <u>784,862</u> |

Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account.

0

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards. LHB s are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

**11. Property, plant and equipment (continued)****Disclosures:****Disclosures:****i) Donated Assets**

Assets totalling £78k were purchased via Charitable Funds donations during the year.

**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 2024-25, indexation has been applied to land and buildings based on indices received from the Valuation Office Agency and as agreed in the Technical Update Note 03 issued by Welsh Government on 20th September 2024. No indexation has been applied to equipment.

In addition, in 2024-25 there have been separate revaluations for eight assets under construction coming into use. These include 19 Hills Health and Well-being Centre, the Sanctuary Hub and roof upgrade at St Cadoc's Hospital, the discharge lounge at Grange University Hospital, Ty Gwent offices, and various infrastructure works and ward upgrades at the 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**

There have not been any write downs.

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

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

There are no assets held for sale or sold in the period.

**viii) IFRS 13 Fair value measurement**

There are no assets requiring Fair Value measurement under IFRS 13.

**11. Property, plant and equipment**

| 11.2 Non-current assets held for sale   | Land     | Buildings,<br>including<br>dwelling | Other<br>property,<br>plant and<br>equipment | Intangible<br>assets | Other assets | Total    |
|---|----------|-------------------------------------|--|----------------------|--------------|----------|
|   | £000     | £000                                | £000   | £000                 | £000         | £000     |
| <b>Balance brought forward 1 April 2024</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,<br>for reasons other than disposal by sale | 0        | 0                                   | 0  | 0                    | 0            | 0        |
| <b>Balance carried forward 31 March 2025</b>  | <u>0</u> | <u>0</u>                            | <u>0</u>                                     | <u>0</u>             | <u>0</u>     | <u>0</u> |
| <b>Balance brought forward 1 April 2023</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,<br>for reasons other than disposal by sale | 0        | 0                                   | 0  | 0                    | 0            | 0        |
| <b>Balance carried forward 31 March 2024</b>  | <u>0</u> | <u>0</u>                            | <u>0</u>                                     | <u>0</u>             | <u>0</u>     | <u>0</u> |

## 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 2025 £1,213k
- Brynmawr Primary Care Resource Centre (LHB lease) held under Land & Buildings NBV at 31 March 2025 £2,117k
- Rhydymay Integrated H&SC Resource Centre (LHB lease) held under Land & Buildings NBV at 31 March 2025 £2,078k
- Ty Gwent held under Land & Buildings NBV at 31 March 2025 £1,092k
- Biochemistry Managed Service Contract held under Plant & Machinery NBV at 31 March 2025 £2,172k
- NHH Energy scheme (previously classified as an off balance sheet PFI scheme) held under Plant & Machinery NBV at 31 March 2025 £1,411k

|  | Land<br>£000 | Land<br>&<br>buildings<br>£000 | Buildings<br>£000 | Dwellings<br>£000 | Plant and<br>machinery<br>£000 | Transport<br>equipment<br>£000 | Information<br>technology<br>£000 | Furniture<br>& fittings<br>£000 | Total<br>£000 |
|--|--------------|--------------------------------|-------------------|-------------------|--------------------------------|--------------------------------|-----------------------------------|---------------------------------|---------------|
| <b>2024-25</b>                               |              |                                |                   |                   |                                |                                |                                   |                                 |               |
| <b>Cost or valuation at 1 April 2024</b>     | 813          | 12,180                         | 0                 | 0                 | 9,058                          | 860                            | 2,045                             | 0                               | 24,956        |
| Additions                                    | 0            | 4,151                          | 0                 | 0                 | 1,818                          | 184                            | 0                                 | 0                               | 6,153         |
| Transfer from/into other NHS bodies          | 0            | (57)                           | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | (57)          |
| Disposals other than by sale                 | (155)        | (808)                          | 0                 | 0                 | (1,847)                        | (100)                          | (223)                             | 0                               | (3,133)       |
| Reclassifications                            | 0            | 0                              | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | 0             |
| Revaluations                                 | 0            | 0                              | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | 0             |
| Reversal of impairments                      | 0            | 0                              | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | 0             |
| Impairments                                  | 0            | 0                              | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | 0             |
| De-recognition                               | 0            | 0                              | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | 0             |
| <b>At 31 March 2025</b>                      | <b>658</b>   | <b>15,466</b>                  | <b>0</b>          | <b>0</b>          | <b>9,029</b>                   | <b>944</b>                     | <b>1,822</b>                      | <b>0</b>                        | <b>27,919</b> |
| <b>Depreciation at 1 April 2024</b>          | 196          | 2,968                          | 0                 | 0                 | 3,138                          | 339                            | 945                               | 0                               | 7,586         |
| Recognition                                  | 0            | 0                              | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | 0             |
| Transfers from/into other NHS bodies         | 0            | (12)                           | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | (12)          |
| Disposals other than by sale                 | (155)        | (513)                          | 0                 | 0                 | (681)                          | (100)                          | (223)                             | 0                               | (1,672)       |
| Reclassifications                            | 0            | 0                              | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | 0             |
| Revaluations                                 | 0            | 0                              | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | 0             |
| Reversal of impairments                      | 0            | 0                              | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | 0             |
| Impairments                                  | 0            | 0                              | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | 0             |
| De-recognition                               | 0            | 0                              | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | 0             |
| Provided during the year                     | 91           | 1,442                          | 0                 | 0                 | 1,724                          | 293                            | 346                               | 0                               | 3,896         |
| <b>At 31 March 2025</b>                      | <b>132</b>   | <b>3,885</b>                   | <b>0</b>          | <b>0</b>          | <b>4,181</b>                   | <b>532</b>                     | <b>1,068</b>                      | <b>0</b>                        | <b>9,798</b>  |
| <b>Net book value at 1 April 2024</b>        | 617          | 9,212                          | 0                 | 0                 | 5,920                          | 521                            | 1,100                             | 0                               | 17,370        |
| <b>Net book value at 31 March 2025</b>       | <b>526</b>   | <b>11,581</b>                  | <b>0</b>          | <b>0</b>          | <b>4,848</b>                   | <b>412</b>                     | <b>754</b>                        | <b>0</b>                        | <b>18,121</b> |
| <b>RoU Asset Total Value Split by Lessor</b> |              |                                |                   |                   |                                |                                |                                   |                                 |               |
|  | Land<br>£000 | Land<br>&<br>buildings<br>£000 | Buildings<br>£000 | Dwellings<br>£000 | Plant and<br>machinery<br>£000 | Transport<br>equipment<br>£000 | Information<br>technology<br>£000 | Furniture<br>& fittings<br>£000 | Total<br>£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        | 516          | 277                            | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | 793           |
| Other Public Sector Market Value Leases      | 10           | 1,046                          | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | 1,056         |
| Private Sector Peppercorn Leases             | 0            | 0                              | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | 0             |
| Private Sector Market Value Leases           | 0            | 10,258                         | 0                 | 0                 | 4,848                          | 412                            | 754                               | 0                               | 16,272        |
| <b>Total</b>                                 | <b>526</b>   | <b>11,581</b>                  | <b>0</b>          | <b>0</b>          | <b>4,848</b>                   | <b>412</b>                     | <b>754</b>                        | <b>0</b>                        | <b>18,121</b> |

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, five are significant in their own right:  
 - Blaenavon Primary Care Resource Centre (LHB lease) held under Land & Buildings NBV at 31 March 2024 £1,341k  
 - Rhyimey Integrated H&SC Resource Centre (LHB lease) held under Land & Buildings NBV at 31 March 2024 £2,317k  
 - Ty Gwent held under Land & Buildings NBV at 31 March 2024 £1,213k  
 - Biochemistry Managed Service Contract held under Plant & Machinery NBV at 31 March 2024 £2,441k  
 - NHH Energy scheme (previously classified as an off balance sheet PFI scheme) held under Plant & Machinery NBV at 31 March 2024 £2,180k

|  | Land<br>£000         | Land<br>&<br>buildings<br>£000               | Buildings<br>£000         | Dwellings<br>£000         | Plant and<br>machinery<br>£000          | Transport<br>equipment<br>£000          | Information<br>technology<br>£000          | Furniture<br>& fittings<br>£000              | Total<br>£000         |
|--|----------------------|--|---------------------------|---------------------------|---|---|--|--|-----------------------|
| <b>2023-24</b>                               |                      |  |                           |                           |   |   |  |  |                       |
| <b>Cost or valuation at 31 March 2023</b>    | 813                  | 16,854                                       | 0                         | 0                         | 8,473                                   | 559                                     | 1,660                                      | 0  | 28,359                |
| Lease prepayments in relation to RoU Assets  | 0                    | 0  | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| Transfer of Finance Leases from PPE Note     | 0                    | 0  | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| Operating Leases Transitioning               | 0                    | 0  | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| <b>Cost or valuation at 1 April 2023</b>     | <b>813</b>           | <b>16,854</b>                                | <b>0</b>                  | <b>0</b>                  | <b>8,473</b>                            | <b>559</b>                              | <b>1,660</b>                               | <b>0</b>                                     | <b>28,359</b>         |
| Additions                                    | 0                    | 1,768  | 0                         | 0                         | 585                                     | 533                                     | 385  | 0  | 3,271                 |
| Transfer from/into other NHS bodies          | 0                    | 0  | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| Disposals other than by sale                 | 0                    | -6,442                                       | 0                         | 0                         | 0                                       | -232                                    | 0  | 0  | -6,674                |
| Reclassifications                            | 0                    | 0  | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| Revaluations                                 | 0                    | 0  | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| Reversal of impairments                      | 0                    | 0  | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| Impairments                                  | 0                    | 0  | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| De-recognition                               | 0                    | 0  | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| <b>At 31 March 2024</b>                      | <b>813</b>           | <b>12,180</b>                                | <b>0</b>                  | <b>0</b>                  | <b>9,058</b>                            | <b>860</b>                              | <b>2,045</b>                               | <b>0</b>                                     | <b>24,956</b>         |
| <b>Depreciation at 31 March 2023</b>         | 98                   | 2,118  | 0                         | 0                         | 1,519                                   | 269                                     | 488  | 0  | 4,492                 |
| Transfer of Finance Leases from PPE Note     | 0                    | 0  | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| Operating Leases Transitioning               | 0                    | 0  | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| <b>Depreciation at 1 April 2023</b>          | <b>98</b>            | <b>2,118</b>                                 | <b>0</b>                  | <b>0</b>                  | <b>1,519</b>                            | <b>269</b>                              | <b>488</b>                                 | <b>0</b>                                     | <b>4,492</b>          |
| 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                     |
| Disposals other than by sale                 | 0                    | -1,169                                       | 0                         | 0                         | 0                                       | -211                                    | 0  | 0  | -1,380                |
| Reclassifications                            | 0                    | 0  | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| Revaluations                                 | 0                    | 0  | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| Reversal of impairments                      | 0                    | 0  | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| Impairments                                  | 0                    | 0  | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| De-recognition                               | 0                    | 0  | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| Provided during the year                     | 98                   | 2,019  | 0                         | 0                         | 1,619                                   | 281                                     | 457  | 0  | 4,474                 |
| <b>At 31 March 2024</b>                      | <b>196</b>           | <b>2,968</b>                                 | <b>0</b>                  | <b>0</b>                  | <b>3,138</b>                            | <b>339</b>                              | <b>945</b>                                 | <b>0</b>                                     | <b>7,586</b>          |
| <b>Net book value at 1 April 2023</b>        | <b>715</b>           | <b>14,736</b>                                | <b>0</b>                  | <b>0</b>                  | <b>6,954</b>                            | <b>290</b>                              | <b>1,172</b>                               | <b>0</b>                                     | <b>23,867</b>         |
| <b>Net book value at 31 March 2024</b>       | <b>617</b>           | <b>9,212</b>                                 | <b>0</b>                  | <b>0</b>                  | <b>5,920</b>                            | <b>521</b>                              | <b>1,100</b>                               | <b>0</b>                                     | <b>17,370</b>         |
| <b>RoU Asset Total Value Split by Lessor</b> |                      |  |                           |                           |   |   |  |  |                       |
| <b>Lessor</b>                                | <b>Land<br/>£000</b> | <b>Land<br/>&amp;<br/>buildings<br/>£000</b> | <b>Buildings<br/>£000</b> | <b>Dwellings<br/>£000</b> | <b>Plant and<br/>machinery<br/>£000</b> | <b>Transport<br/>equipment<br/>£000</b> | <b>Information<br/>technology<br/>£000</b> | <b>Furniture<br/>&amp; fittings<br/>£000</b> | <b>Total<br/>£000</b> |
| 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        | 606                  | 296  | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 902                   |
| Other Public Sector Market Value Leases      | 11                   | 1,153  | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 1,164                 |
| Private Sector Peppercorn Leases             | 0                    | 0  | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| Private Sector Market Value Leases           | 0                    | 7,763  | 0                         | 0                         | 5,920                                   | 521                                     | 1,100                                      | 0  | 15,304                |
| <b>Total</b>                                 | <b>617</b>           | <b>9,212</b>                                 | <b>0</b>                  | <b>0</b>                  | <b>5,920</b>                            | <b>521</b>                              | <b>1,100</b>                               | <b>0</b>                                     | <b>17,370</b>         |

11.3 Right of Use Assets continued

Quantitative disclosures

|   | 2024-25     |               | 2024-25      |                | 2023-24     |                |
|---|-------------|---------------|--------------|----------------|-------------|----------------|
|   | Land        | Buildings     | Other        | Total          | Total       | Total          |
| <b>Maturity analysis</b>  |             |               |              |                |             |                |
| <b>Contractual undiscounted cash flows relating to lease liabilities</b>        | <b>£000</b> | <b>£000</b>   | <b>£000</b>  | <b>£000</b>    | <b>£000</b> | <b>£000</b>    |
| Less than 1 year  | 0           | 1,853         | 2,238        | 4,091          |             | 3,710          |
| 2-5 years   | 1           | 5,078         | 2,554        | 7,633          |             | 7,550          |
| > 5 years   | 11          | 6,147         | 1,133        | 7,291          |             | 6,157          |
| Less finance charges allocated to future periods                                | -2          | -1,645        | -231         | -1,878         |             | -1,080         |
| <b>Total</b>  | <b>10</b>   | <b>11,433</b> | <b>5,694</b> | <b>17,137</b>  |             | <b>16,337</b>  |
| <b>Lease Liabilities (net of irrecoverable VAT)</b>                             |             |               |              | <b>2024-25</b> |             | <b>2023-24</b> |
| Current   |             |               |              | 3,708          |             | 3,445          |
| Non-Current   |             |               |              | 13,429         |             | 12,892         |
| <b>Total</b>  |             |               |              | <b>17,137</b>  |             | <b>16,337</b>  |
| <b>Amounts Recognised in Statement of Comprehensive Net Expenditure</b>         |             |               |              | <b>2024-25</b> |             | <b>2023-24</b> |
| Depreciation  |             |               |              | 3,896          |             | 4,474          |
| Impairment  |             |               |              | 0              |             | 0              |
| Variable lease payments not included in lease liabilities - Interest expense    |             |               |              | 353            |             | 274            |
| Sub-leasing income  |             |               |              | (2)            |             | (2)            |
| Expense related to short-term leases  |             |               |              | 367            |             | 713            |
| Expense related to low-value asset leases (excluding short-term leases)         |             |               |              | 973            |             | 936            |
| <b>Amounts Recognised in Statement of Cashflows (net of irrecoverable VAT )</b> |             |               |              |                |             |                |
| Interest expense  |             |               |              | (353)          |             | (274)          |
| Repayments of principal on leases   |             |               |              | (3,846)        |             | (4,099)        |
| <b>Total</b>  |             |               |              | <b>(4,199)</b> |             | <b>(4,373)</b> |

**12. Intangible non-current assets**  
**2024-25**

|  | Software<br>(purchased) | Software<br>(internally<br>generated) | Licences<br>and<br>trademarks | Patents  | Development<br>expenditure-<br>internally<br>generated | Assets under<br>Construction | Total        |
|--|-------------------------|---------------------------------------|-------------------------------|----------|--|------------------------------|--------------|
|  | £000                    | £000                                  | £000                          | £000     | £000   | £000                         | £000         |
| Cost or valuation at 1 April 2024      | 3,531                   | 0                                     | 2,924                         | 0        | 0  | 1,063                        | 7,518        |
| Revaluation                            | 0                       | 0                                     | 27                            | 0        | 0  | 0                            | 27           |
| Reclassifications                      | 21                      | 0                                     | 158                           | 0        | 0  | (179)                        | 0            |
| Reversal of impairments                | 0                       | 0                                     | 0                             | 0        | 0  | 0                            | 0            |
| Impairments                            | 0                       | 0                                     | 0                             | 0        | 0  | 0                            | 0            |
| Additions- purchased                   | 15                      | 0                                     | 2,064                         | 0        | 0  | 157                          | 2,236        |
| 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            |
| Transfer from/into other NHS bodies    | 0                       | 0                                     | 0                             | 0        | 0  | 0                            | 0            |
| Disposals                              | (449)                   | 0                                     | (87)                          | 0        | 0  | 0                            | (536)        |
| <b>Gross cost at 31 March 2025</b>     | <b>3,118</b>            | <b>0</b>                              | <b>5,086</b>                  | <b>0</b> | <b>0</b>   | <b>1,041</b>                 | <b>9,245</b> |
| Amortisation at 1 April 2024           | 1,800                   | 0                                     | 1,033                         | 0        | 0  | 0                            | 2,833        |
| Revaluation                            | 0                       | 0                                     | (15)                          | 0        | 0  | 0                            | (15)         |
| 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               | 701                     | 0                                     | 1,263                         | 0        | 0  | 0                            | 1,964        |
| Reclassified as held for sale          | 0                       | 0                                     | 0                             | 0        | 0  | 0                            | 0            |
| Transfer from/into other NHS bodies    | 0                       | 0                                     | 0                             | 0        | 0  | 0                            | 0            |
| Disposals                              | (449)                   | 0                                     | (87)                          | 0        | 0  | 0                            | (536)        |
| <b>Amortisation at 31 March 2025</b>   | <b>2,052</b>            | <b>0</b>                              | <b>2,194</b>                  | <b>0</b> | <b>0</b>   | <b>0</b>                     | <b>4,246</b> |
| <b>Net book value at 1 April 2024</b>  | <b>1,731</b>            | <b>0</b>                              | <b>1,891</b>                  | <b>0</b> | <b>0</b>   | <b>1,063</b>                 | <b>4,685</b> |
| <b>Net book value at 31 March 2025</b> | <b>1,066</b>            | <b>0</b>                              | <b>2,892</b>                  | <b>0</b> | <b>0</b>   | <b>1,041</b>                 | <b>4,999</b> |
| <b>NBV at 31 March 2025</b>            |                         |                                       |                               |          |  |                              |              |
| Purchased                              | 1,066                   | 0                                     | 2,892                         | 0        | 0  | 1,041                        | 4,999        |
| 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 2025</b>          | <b>1,066</b>            | <b>0</b>                              | <b>2,892</b>                  | <b>0</b> | <b>0</b>   | <b>1,041</b>                 | <b>4,999</b> |

**12. Intangible non-current assets  
2023-24**

|  | Software<br>(purchased) | Software<br>(internally<br>generated) | Licences<br>and<br>trademarks | Patents  | Development<br>expenditure-<br>internally<br>generated | Assets under<br>Construction | Total         |
|--|-------------------------|---------------------------------------|-------------------------------|----------|--|------------------------------|---------------|
|  | £000                    | £000                                  | £000                          | £000     | £000   | £000                         | £000          |
| <b>Cost or valuation at 1 April 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> |
| Revaluation                                  | 0                       | 0                                     | 0                             | 0        | 0  | 0                            | 0             |
| Reclassifications                            | 35                      | 0                                     | 0                             | 0        | 0  | 548                          | 583           |
| Reversal of impairments                      | 0                       | 0                                     | 0                             | 0        | 0  | 0                            | 0             |
| Impairments                                  | 0                       | 0                                     | 0                             | 0        | 0  | (438)                        | (438)         |
| Additions- purchased                         | 50                      | 0                                     | 716                           | 0        | 0  | 953                          | 1,719         |
| 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             |
| Transfer from/into other NHS bodies          | 0                       | 0                                     | 0                             | 0        | 0  | 0                            | 0             |
| Disposals                                    | (101)                   | 0                                     | (5,564)                       | 0        | 0  | 0                            | (5,665)       |
| <b>Gross cost at 31 March 2024</b>           | <b>3,531</b>            | <b>0</b>                              | <b>2,924</b>                  | <b>0</b> | <b>0</b>   | <b>1,063</b>                 | <b>7,518</b>  |
| Amortisation at 31 March bf                  | 1,129                   | 0                                     | 5,099                         | 0        | 0  | 0                            | 6,228         |
| 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>Amortisation at 1 April 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>  |
| Revaluation                                  | 0                       | 0                                     | (114)                         | 0        | 0  | 0                            | (114)         |
| Reclassifications                            | 35                      | 0                                     | 0                             | 0        | 0  | 0                            | 35            |
| Reversal of impairments                      | 0                       | 0                                     | 0                             | 0        | 0  | 0                            | 0             |
| Impairment                                   | 0                       | 0                                     | 0                             | 0        | 0  | 0                            | 0             |
| Provided during the year                     | 737                     | 0                                     | 1,612                         | 0        | 0  | 0                            | 2,349         |
| Reclassified as held for sale                | 0                       | 0                                     | 0                             | 0        | 0  | 0                            | 0             |
| Transfer from/into other NHS bodies          | 0                       | 0                                     | 0                             | 0        | 0  | 0                            | 0             |
| Disposals                                    | (101)                   | 0                                     | (5,564)                       | 0        | 0  | 0                            | (5,665)       |
| <b>Amortisation at 31 March 2024</b>         | <b>1,800</b>            | <b>0</b>                              | <b>1,033</b>                  | <b>0</b> | <b>0</b>   | <b>0</b>                     | <b>2,833</b>  |
| <b>Net book value at 1 April 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>Net book value at 31 March 2024</b>       | <b>1,731</b>            | <b>0</b>                              | <b>1,891</b>                  | <b>0</b> | <b>0</b>   | <b>1,063</b>                 | <b>4,685</b>  |
| <b>NBV at 31 March 2024</b>                  |                         |                                       |                               |          |  |                              |               |
| Purchased                                    | 1,731                   | 0                                     | 1,891                         | 0        | 0  | 1,063                        | 4,685         |
| 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 2024</b>                | <b>1,731</b>            | <b>0</b>                              | <b>1,891</b>                  | <b>0</b> | <b>0</b>   | <b>1,063</b>                 | <b>4,685</b>  |

### **Additional Disclosures re Intangible Assets**

**Disclosures:**

**i) Donated Assets**

Aneurin Bevan University LHB 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.

**iv) Additions during the period**

Intangible assets acquired during the period amounted to £2.236m; this was primarily on software licence renewals and new purchases.

**v) Disposals during the period**

Fully amortised software and licences with a GBV of £0.536m were disposed of as no longer in use, during the year.

**vi) Transfers into other NHS Bodies**

Aneurin Bevan LHB has not received any intangible assets transferred from another NHS body.

13 . Impairments

|   | 2024-25<br>Property, plant<br>& equipment<br>£000 | 2024-25<br>Right of<br>Use Assets<br>£000 | 2024-25<br>Intangible<br>assets<br>£000 | 2024-25<br>Held for sale<br>assets<br>£000 | 2024-25<br>Financial<br>Assets<br>£000 | 2024-25<br>Total Asset<br>Impairment<br>£000 |
|---|---|---|---|--|--|--|
| Impairments arising from :                  |   |   |   |  |  |  |
| Loss or damage from normal operations       | 236   | 0   | 0                                       | 0  | 0                                      | 236  |
| Abandonment in the course of construction   | 0   | 0   | 0                                       | 0  | 0                                      | 0  |
| Over specification of assets (Gold Plating) | 0   | 0   | 0                                       | 0  | 0                                      | 0  |
| Loss as a result of a catastrophe           | 0   | 0   | 0                                       | 0  | 0                                      | 0  |
| Unforeseen obsolescence                     | 0   | 0   | 0                                       | 0  | 0                                      | 0  |
| Changes in market price                     | 0   | 0   | 0                                       | 0  | 0                                      | 0  |
| Others (specify)                            | 15,982  | 0   | 0                                       | 0  | 0                                      | 15,982                                       |
| Reversal of Impairments                     | (14,401)  | 0   | 0                                       | 0  | 0                                      | (14,401)                                     |
| <b>Total of all impairments</b>             | <b>1,817</b>                                      | <b>0</b>                                  | <b>0</b>                                | <b>0</b>                                   | <b>0</b>                               | <b>1,817</b>                                 |

Analysis of impairments charged to reserves in year :

|   |              |          |          |          |          |              |
|---|--------------|----------|----------|----------|----------|--------------|
| Impairments charged to the Statement of Comprehensive Net Expenditure                                   | 1,817        | 0        | 0        | 0        | 0        | 1,817        |
| Impairments as a result of revaluation/indexation charged to Revaluation Reserve                        | 0            | 0        | 0        | 0        | 0        | 0            |
| Impairments as a result of a loss of economic value or service potential Charged to Revaluation Reserve | 0            | 0        | 0        | 0        | 0        | 0            |
| Right of Use (RoU) asset impairments reflected in RoU Liability   | 0            | 0        | 0        | 0        | 0        | 0            |
| <b>Total</b>  | <b>1,817</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>1,817</b> |

|   | 2023-24<br>Property, plant<br>& equipment<br>£000 | 2023-24<br>Right of<br>Use Assets<br>£000 | 2023-24<br>Intangible<br>assets<br>£000 | 2023-24<br>Held for sale<br>assets<br>£000 | 2023-24<br>Financial<br>Assets<br>£000 | 2023-24<br>Total Asset<br>Impairment<br>£000 |
|---|---|---|---|--|--|--|
| Impairments arising from :                  |   |   |   |  |  |  |
| Loss or damage from normal operations       | 0   | 0   | 0                                       | 0  | 0                                      | 0  |
| Abandonment in the course of construction   | 0   | 0   | 438                                     | 0  | 0                                      | 438  |
| Over specification of assets (Gold Plating) | 0   | 0   | 0                                       | 0  | 0                                      | 0  |
| Loss as a result of a catastrophe           | 0   | 0   | 0                                       | 0  | 0                                      | 0  |
| Unforeseen obsolescence                     | 0   | 0   | 0                                       | 0  | 0                                      | 0  |
| Changes in market price                     | 0   | 0   | 0                                       | 0  | 0                                      | 0  |
| Others (specify)                            | 31,284  | 0   | 0                                       | 0  | 0                                      | 31,284                                       |
| Reversal of Impairments                     | (19,552)  | 0   | 0                                       | 0  | 0                                      | (19,552)                                     |
| <b>Total of all impairments</b>             | <b>11,732</b>                                     | <b>0</b>                                  | <b>438</b>                              | <b>0</b>                                   | <b>0</b>                               | <b>12,170</b>                                |

Analysis of impairments charged to reserves in year :

|   |               |          |            |          |          |               |
|---|---------------|----------|------------|----------|----------|---------------|
| Impairments charged to the Statement of Comprehensive Net Expenditure                                   | 9,732         | 0        | 438        | 0        | 0        | 10,170        |
| Impairments as a result of revaluation/indexation charged to Revaluation Reserve                        | 2,000         | 0        | 0          | 0        | 0        | 2,000         |
| Impairments as a result of a loss of economic value or service potential Charged to Revaluation Reserve | 0             | 0        | 0          | 0        | 0        | 0             |
| Right of Use (RoU) asset impairments reflected in RoU Liability   | 0             | 0        | 0          | 0        | 0        | 0             |
| <b>Total</b>  | <b>11,732</b> | <b>0</b> | <b>438</b> | <b>0</b> | <b>0</b> | <b>12,170</b> |

| 2024-25                              | Impairment amount<br>£000 | Reason for impairment<br>£000                         | Nature of Asset<br>£000 | Valuation basis<br>£000 | Charge to SoCNE<br>£000 | Charge to reserve<br>£000 |
|--------------------------------------|---------------------------|---|-------------------------|-------------------------|-------------------------|---------------------------|
| 19 Hills HWBC (Newport East)         | 12,142                    | Assets Valued on Coming Into Use                      | Operational             | Fair Value              | 12,142                  | 0                         |
| Glan Usk Roof, St Cadocs Hospital    | 878                       | Assets Valued on Coming Into Use                      | Operational             | Fair Value              | 878                     | 0                         |
| CAMHS, St Cadocs Hospital            | 871                       | Assets Valued on Coming Into Use                      | Operational             | Fair Value              | 871                     | 0                         |
| GUH Discharge Lounge                 | 797                       | Assets Valued on Coming Into Use                      | Operational             | Fair Value              | 797                     | 0                         |
| B Block Infrastructure, RGH          | 466                       | Assets Valued on Coming Into Use                      | Operational             | Fair Value              | 466                     | 0                         |
| Ty Gwent                             | 443                       | Assets Valued on Coming Into Use                      | Operational             | Fair Value              | 443                     | 0                         |
| Cordell Centre, RGH                  | 243                       | Assets Valued on Coming Into Use                      | Operational             | Fair Value              | 243                     | 0                         |
| D7W Ward Refurb, RGH                 | 142                       | Assets Valued on Coming Into Use                      | Operational             | Fair Value              | 142                     | 0                         |
| 19 Hills HWBC (Newport East)         | 236                       | Loss or damage from normal operations                 | Operational             | Fair Value              | 236                     | 0                         |
| <b>Total Impairment</b>              | <b>16,218</b>             |   |                         |                         | <b>16,218</b>           | <b>0</b>                  |
| <b>Reversal of Impairments</b>       |                           |   |                         |                         |                         |                           |
|                                      | (6,456)                   | VAT Recovery adjustment - no reduction to asset value | Operational             | Fair Value              |                         | 0                         |
| <b>Grange University Hospital</b>    |                           | Indexation - reversal of impairment in previous years | Operational             | Indexation              | (6,456)                 | 0                         |
| <b>Indexation - Land</b>             |                           |   |                         |                         | (133)                   | 0                         |
| Grange University Hospital           | (5,053)                   |   | Operational             | Indexation              | (5,053)                 | 0                         |
| Royal Gwent                          | (1,149)                   |   | Operational             | Indexation              | (1,149)                 | 0                         |
| Ysbyty Aneurin Bevan                 | (724)                     |   | Operational             | Indexation              | (724)                   | 0                         |
| Neville Hall                         | (526)                     |   | Operational             | Indexation              | (526)                   | 0                         |
| Bevan Health Centre                  | (147)                     |   | Operational             | Indexation              | (147)                   | 0                         |
| Ysbyty Ystrad Fawr                   | (99)                      |   | Operational             | Indexation              | (99)                    | 0                         |
| Llanfrehfa Grange                    | (63)                      |   | Operational             | Indexation              | (63)                    | 0                         |
| St Cadocs                            | (47)                      |   | Operational             | Indexation              | (47)                    | 0                         |
| Various Community Sites              | (4)                       |   | Operational             | Indexation              | (4)                     | 0                         |
| <b>Total Reversal of Impairments</b> | <b>(14,401)</b>           |   |                         |                         | <b>(14,401)</b>         | <b>0</b>                  |
| <b>Net credit to SoCNE</b>           | <b>1817</b>               |   |                         |                         | <b>1817</b>             | <b>0</b>                  |

The impairment losses disclosed above as "other" comprises:

### 14.1 Inventories

|                                   | <b>31 March</b> | 31 March |
|-----------------------------------|-----------------|----------|
|                                   | <b>2025</b>     | 2024     |
|                                   | <b>£000</b>     | £000     |
| Drugs                             | <b>3,753</b>    | 3,095    |
| Consumables                       | <b>6,430</b>    | 6,482    |
| Energy                            | <b>250</b>      | 267      |
| Work in progress                  | <b>0</b>        | 0        |
| Other                             | <b>0</b>        | 0        |
| <b>Total</b>                      | <b>10,433</b>   | 9,844    |
| Of which held at realisable value | <b>0</b>        | 0        |

### 14.2 Inventories recognised in expenses

|  | <b>31 March</b> | 31 March |
|--|-----------------|----------|
|  | <b>2025</b>     | 2024     |
|  | <b>£000</b>     | £000     |
| Inventories recognised as an expense in the period | <b>0</b>        | 0        |
| Write-down of inventories (including losses)       | <b>0</b>        | 0        |
| Reversal of write-downs that reduced the expense   | <b>0</b>        | 0        |
| <b>Total</b>                                       | <b>0</b>        | <b>0</b> |

**15. Trade and other Receivables**

| <b>Current</b>                                       | <b>31 March<br/>2025<br/>£000</b> | 31 March<br>2024<br>£000 |
|--|-----------------------------------|--------------------------|
| Welsh Government                                     | 2,406                             | 2,246                    |
| NWJCC/ WHSSC and EASC                                | 478                               | 2,911                    |
| Welsh Health Boards                                  | 3,753                             | 3,971                    |
| Welsh NHS Trusts                                     | 7,109                             | 5,901                    |
| Welsh Special Health Authorities                     | 1,037                             | 1,044                    |
| Non - Welsh Trusts                                   | 0                                 | 24                       |
| Other NHS  | 1,426                             | 267                      |
| 2019-20 Scheme Pays - Welsh Government Reimbursement | 686                               | 604                      |
| <b>Welsh Risk Pool Claim reimbursement</b>           |                                   |                          |
| NHS Wales Secondary Health Sector                    | 125,057                           | 93,727                   |
| NHS Wales Primary Sector FLS Reimbursement           | 883                               | 920                      |
| NHS Wales Redress                                    | 422                               | 502                      |
| Other  | 412                               | 791                      |
| Local Authorities                                    | 5,617                             | 5,468                    |
| Capital receivables - Tangible                       | 0                                 | 0                        |
| Capital receivables - Intangible                     | 0                                 | 0                        |
| Other receivables                                    | 10,929                            | 12,766                   |
| Provision for irrecoverable debts                    | (2,015)                           | (1,942)                  |
| Pension Prepayments NHS Pensions                     | 0                                 | 0                        |
| Pension Prepayments NEST                             | 0                                 | 0                        |
| Other prepayments                                    | 8,960                             | 7,373                    |
| Other accrued income                                 | 0                                 | 0                        |
| <b>Sub total</b>                                     | <b>167,160</b>                    | <b>136,573</b>           |
| <b>Non-current</b>                                   |                                   |                          |
| Welsh Government                                     | 0                                 | 0                        |
| NWJCC/WHSSC and 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                    | 104,507                           | 142,085                  |
| NHS Wales Primary Sector FLS Reimbursement           | 10                                | 0                        |
| NHS Wales Redress                                    | 0                                 | 0                        |
| Other  | 0                                 | 744                      |
| Local Authorities                                    | 0                                 | 0                        |
| Capital receivables - Tangible                       | 0                                 | 0                        |
| Capital receivables - Intangible                     | 0                                 | 0                        |
| Other receivables                                    | 1,366                             | 1,237                    |
| 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>105,883</b>                    | <b>144,066</b>           |
| <b>Total</b>   | <b>273,043</b>                    | <b>280,639</b>           |

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

The value of trade receivables that are past their payment date but not impaired is £3.286m (£3.875m in 2023-24).

## 15. Trade and other Receivables (continued)

### Receivables past their due date but not impaired

|                         | 31 March<br>2025<br>£000 | 31 March<br>2024<br>£000 |
|-------------------------|--------------------------|--------------------------|
| By up to three months   | 1,420                    | 1,922                    |
| By three to six months  | 142                      | 383                      |
| By more than six months | 1,724                    | 1,570                    |
|                         | <u>3,286</u>             | <u>3,875</u>             |

### Expected Credit Losses (ECL) / Provision for impairment of receivables

|   |                |                |
|---|----------------|----------------|
| Balance at 1 April                            | (1,942)        | (1,763)        |
| Transfer to other NHS Wales body              | 0              | 0              |
| Amount written off during the year            | 0              | 20             |
| Amount recovered during the year              | 0              | 0              |
| (Increase) / decrease in receivables impaired | (58)           | (176)          |
| Bad debts recovered during year               | (15)           | (22)           |
| Balance at 31 March                           | <u>(2,015)</u> | <u>(1,942)</u> |

In determining whether a debt should be impaired, consideration is given to the age of the debt, historic collectability rates and the results of actions already taken including referral to the Health Board's credit agencies.

### Receivables VAT

|                   |              |              |
|-------------------|--------------|--------------|
| Trade receivables | 1,295        | 2,091        |
| Other             | 137          | 195          |
| Total             | <u>1,432</u> | <u>2,286</u> |

**16. Other Financial Assets**

|   | Current   |           | Non-current |            |
|---|-----------|-----------|-------------|------------|
|   | 31 March  | 31 March  | 31 March    | 31 March   |
|   | 2025      | 2024      | 2025        | 2024       |
|   | £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   | 36        | 35        | 417         | 452        |
| Derivatives                                     | 0         | 0         | 0           | 0          |
| Other (Specify)                                 |           |           |             |            |
| Right of Use Asset Finance Sublease             | 24        | 24        | 190         | 215        |
| 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>60</b> | <b>59</b> | <b>607</b>  | <b>667</b> |

| RoU Sub-leasing income Recognised in Statement of Comprehensive Net Expenditure | 2024-25 | 2023-24 |
|---|---------|---------|
| RoU Sub-leasing income  | -2      | -2      |

**17. Cash and cash equivalents**

|  | 2024-25      | 2023-24      |
|--|--------------|--------------|
|  | £000         | £000         |
| Balance at 1 April   | 4,145        | 4,704        |
| Net change in cash and cash equivalent balances                        | 678          | (559)        |
| Balance at 31 March  | <b>4,823</b> | <b>4,145</b> |
| Made up of:  |              |              |
| Cash held at GBS   | 4,801        | 4,122        |
| Commercial banks   | 0            | 0            |
| Cash in hand   | 22           | 23           |
| <b>Cash and cash equivalents as in Statement of Financial Position</b> | <b>4,823</b> | <b>4,145</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>4,823</b> | <b>4,145</b> |

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

Lease Liabilities (ROUA) £0.800m  
 Lease Liabilities (short-term and low value leases) -£0.318m  
 PFI liabilities: -£0.609m

The movement relates to cash, no comparative information is required by IAS 7 in 2024-25.

**18. Trade and other payables**

| <b>Current</b>   | <b>31 March<br/>2025<br/>£000</b> | 31 March<br>2024<br>£000 |
|--|-----------------------------------|--------------------------|
| Welsh Government                                       | 12                                | 22                       |
| NWJCC/WHSSC and EASC                                   | 3,785                             | 4,681                    |
| Welsh Health Boards                                    | 5,590                             | 5,964                    |
| Welsh NHS Trusts                                       | 3,954                             | 5,416                    |
| Welsh Special Health Authorities                       | 61                                | 39                       |
| Other NHS  | 7,336                             | 7,477                    |
| Taxation and social security payable / refunds         | 17,338                            | 16,072                   |
| 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                             | 59,008                            | 56,658                   |
| Local Authorities                                      | 16,397                            | 19,638                   |
| Capital payables- Tangible                             | 8,766                             | 6,493                    |
| Capital payables- Intangible                           | 112                               | 147                      |
| Overdraft  | 0                                 | 0                        |
| Rentals due under operating leases                     | 0                                 | 0                        |
| RoU Lease Liability                                    | 3,708                             | 3,445                    |
| Obligations under finance leases, HP contracts         | 125                               | 638                      |
| Imputed finance lease element of on SoFP PFI contracts | 122                               | 108                      |
| Impact of IFRS 16 on SoFP PFI contracts                | 11,571                            | 10,718                   |
| Pensions: staff  | 77,652                            | 74,734                   |
| Non NHS Accruals                                       |                                   |                          |
| 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                                    | (10,711)                          | (10,088)                 |
| <b>Sub Total</b>                                       | <b>204,826</b>                    | <b>202,162</b>           |
| <b>Non-current</b>                                     |                                   |                          |
| Welsh Government                                       | 0                                 | 0                        |
| NWJCC/WHSSC and 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                                    | 13,429                            | 12,892                   |
| Obligations under finance leases, HP contracts         | 1,464                             | 1,590                    |
| Imputed finance lease element of on SoFP PFI contracts | 1,421                             | 1,406                    |
| Impact of IFRS 16 on SoFP PFI contracts                | 0                                 | 0                        |
| Pensions: staff  | 0                                 | 0                        |
| Non NHS Accruals                                       | 0                                 | 0                        |
| Deferred Income :                                      |                                   |                          |
| Deferred Income brought forward                        | 0                                 | 0                        |
| Deferred Income Additions                              | 0                                 | 0                        |
| Transfer to / from current/non current deferred income | 0                                 | 0                        |
| Released to SoCNE                                      | 0                                 | 0                        |
| Other creditors  | 0                                 | 0                        |
| PFI assets –deferred credits                           | 0                                 | 0                        |
| Payments on account                                    | 0                                 | 0                        |
| <b>Sub Total</b>                                       | <b>16,314</b>                     | <b>15,888</b>            |
| <b>Total</b>   | <b>221,140</b>                    | <b>218,050</b>           |

It is intended to pay all invoices within the 30 day period directed by the Welsh Government.

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

The Capital Payables - Tangibles figure includes balances that have been agreed with Welsh NHS Trusts, as part of the Agreement of Balances process, totalling £52K.

### 18. Trade and other payables (continued).

|  |                 |          |
|--|-----------------|----------|
| <b>Amounts falling due more than one year are expected to be settled as follows:</b> | <b>31 March</b> | 31 March |
|  | <b>2025</b>     | 2024     |
|  | <b>£000</b>     | £000     |
| Between one and two years  | <b>2,601</b>    | 3,182    |
| Between two and five years   | <b>5,136</b>    | 4,810    |
| In five years or more  | <b>8,577</b>    | 7,896    |
| Sub-total  | <b>16,314</b>   | 15,888   |

### 19. Other financial liabilities

| Financial liabilities                   | Current  |          | Non-current |          |
|---|----------|----------|-------------|----------|
|   | 31 March | 31 March | 31 March    | 31 March |
|   | 2025     | 2024     | 2025        | 2024     |
|   | £000     | £000     | £000        | £000     |
| Financial Guarantees:                   |          |          |             |          |
| At amortised cost                       | 0        | 0        | 0           | 0        |
| At fair value through SoCNE             | 0        | 0        | 0           | 0        |
| Derivatives at fair value through SoCNE | 0        | 0        | 0           | 0        |
| Other:                                  |          |          |             |          |
| At amortised cost                       | 0        | 0        | 0           | 0        |
| At fair value through SoCNE             | 0        | 0        | 0           | 0        |
| <b>Total</b>                            | <b>0</b> | <b>0</b> | <b>0</b>    | <b>0</b> |

20. Provisions

|   | At 1 April 2024 | 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 2025 |
|---|-----------------|--|-------------------------------------|--|-------------------------|--------------------------|-----------------|-----------------------|------------------|
| Current                                     | £000            | £000   | £000                                | £000                                     | £000                    | £000                     | £000            | £000                  | £000             |
| Clinical negligence:-                       |                 |  |                                     |  |                         |                          |                 |                       |                  |
| Secondary care                              | 64,140          | (3,887)  | 1,586                               | 34,629                                   | 28,319                  | (18,490)                 | (15,647)        | 0                     | 90,650           |
| Primary care                                | 791             | 0  | 0                                   | 0  | 91                      | (94)                     | (42)            | 0                     | 746              |
| Redress Secondary care                      | 263             | 0  | 3                                   | 0  | 326                     | (287)                    | (146)           | 0                     | 159              |
| Redress Primary care                        | 0               | 0  | 0                                   | 0  | 0                       | 0                        | 0               | 0                     | 0                |
| Personal injury                             | 37              | 0  | 0                                   | 0  | 162                     | (136)                    | (14)            | 0                     | 49               |
| All other losses and special payments       | 0               | 0  | 0                                   | 0  | 1,062                   | (147)                    | 0               | 0                     | 915              |
| Defence legal fees and other administration | 1,954           | 0  | 0                                   | (419)                                    | 1,244                   | (939)                    | (395)           |                       | 1,445            |
| Pensions relating to former directors       | 0               |  |                                     | 0  | 0                       | 0                        | 0               | 0                     | 0                |
| Pensions relating to other staff            | 397             |  |                                     | 107                                      | 418                     | (405)                    | (189)           | 72                    | 400              |
| 2019-20 Scheme Pays - Reimbursement         | 7               |  |                                     | 0  | 26                      | 0                        | 0               | 0                     | 33               |
| Restructuring                               | 0               |  |                                     | 0  | 0                       | 0                        | 0               | 0                     | 0                |
| RoU Asset Dilapidations CAME                | 0               |  |                                     | 0  | 0                       | 0                        | 0               | 0                     | 0                |
| Other Capital Provisions                    | 1,727           |  |                                     | 0  | 524                     | (1,115)                  | (65)            | 0                     | 1,071            |
| Other                                       | 2,511           |  | 0                                   | 0  | 1,699                   | 0                        | (1,108)         |                       | 3,102            |
| <b>Total</b>                                | <b>71,827</b>   | <b>(3,887)</b>                                       | <b>1,589</b>                        | <b>34,317</b>                            | <b>33,871</b>           | <b>(21,613)</b>          | <b>(17,606)</b> | <b>72</b>             | <b>98,570</b>    |

Non Current

|   |                |          |          |                 |               |                |                 |           |                |
|---|----------------|----------|----------|-----------------|---------------|----------------|-----------------|-----------|----------------|
| Clinical negligence:-                       |                |          |          |                 |               |                |                 |           |                |
| Secondary care                              | 142,027        | 0        | 0        | (34,629)        | 20,546        | (706)          | (26,517)        | 0         | 100,721        |
| 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                             | 3,027          | 0        | 0        | 0               | 466           | (330)          | (67)            | 73        | 3,169          |
| All other losses and special payments       | 0              | 0        | 0        | 0               | 0             | 0              | 0               | 0         | 0              |
| Defence legal fees and other administration | 1,017          | 0        | 0        | 419             | 732           | (247)          | (167)           |           | 1,754          |
| Pensions relating to former directors       | 0              |          |          | 0               | 0             | 0              | 0               | 0         | 0              |
| Pensions relating to other staff            | 2,586          |          |          | (107)           | 0             | 0              | 0               | 0         | 2,479          |
| 2019-20 Scheme Pays - Reimbursement         | 597            |          |          | 0               | 55            | 0              | 0               | 0         | 652            |
| 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                                       | 393            |          | 0        | 0               | 249           | (100)          | (163)           |           | 379            |
| <b>Total</b>                                | <b>149,647</b> | <b>0</b> | <b>0</b> | <b>(34,317)</b> | <b>22,048</b> | <b>(1,383)</b> | <b>(26,914)</b> | <b>73</b> | <b>109,154</b> |

TOTAL

|   |                |                |              |          |               |                 |                 |            |                |
|---|----------------|----------------|--------------|----------|---------------|-----------------|-----------------|------------|----------------|
| Clinical negligence:-                       |                |                |              |          |               |                 |                 |            |                |
| Secondary care                              | 206,167        | (3,887)        | 1,586        | 0        | 48,865        | (19,196)        | (42,164)        | 0          | 191,371        |
| Primary care                                | 791            | 0              | 0            | 0        | 91            | (94)            | (42)            | 0          | 746            |
| Redress Secondary care                      | 263            | 0              | 3            | 0        | 326           | (287)           | (146)           | 0          | 159            |
| Redress Primary care                        | 0              | 0              | 0            | 0        | 0             | 0               | 0               | 0          | 0              |
| Personal injury                             | 3,064          | 0              | 0            | 0        | 628           | (466)           | (81)            | 73         | 3,218          |
| All other losses and special payments       | 0              | 0              | 0            | 0        | 1,062         | (147)           | 0               | 0          | 915            |
| Defence legal fees and other administration | 2,971          | 0              | 0            | 0        | 1,976         | (1,186)         | (562)           |            | 3,199          |
| Pensions relating to former directors       | 0              |                |              | 0        | 0             | 0               | 0               | 0          | 0              |
| Pensions relating to other staff            | 2,983          |                |              | 0        | 418           | (405)           | (189)           | 72         | 2,879          |
| 2019-20 Scheme Pays - Reimbursement         | 604            |                |              | 0        | 81            | 0               | 0               | 0          | 685            |
| Restructuring                               | 0              |                |              | 0        | 0             | 0               | 0               | 0          | 0              |
| RoU Asset Dilapidations CAME                | 0              |                |              | 0        | 0             | 0               | 0               | 0          | 0              |
| Other Capital Provisions                    | 1,727          |                |              | 0        | 524           | (1,115)         | (65)            | 0          | 1,071          |
| Other                                       | 2,904          |                | 0            | 0        | 1,948         | (100)           | (1,271)         |            | 3,481          |
| <b>Total</b>                                | <b>221,474</b> | <b>(3,887)</b> | <b>1,589</b> | <b>0</b> | <b>55,919</b> | <b>(22,996)</b> | <b>(44,520)</b> | <b>145</b> | <b>207,724</b> |

Expected timing of cash flows:

|   | In year<br>to 31 March 2026 | Between<br>1 April 2026<br>31 March 2030 | Thereafter | Total          |
|---|-----------------------------|--|------------|----------------|
|   |                             |  |            | £000           |
| Clinical negligence:-                       |                             |  |            |                |
| Secondary care                              | 90,650                      | 100,721                                  | 0          | 191,371        |
| Primary care                                | 746                         | 0  | 0          | 746            |
| Redress Secondary care                      | 159                         | 0  | 0          | 159            |
| Redress Primary care                        | 0                           | 0  | 0          | 0              |
| Personal injury                             | 49                          | 3,169                                    | 0          | 3,218          |
| All other losses and special payments       | 915                         | 0  | 0          | 915            |
| Defence legal fees and other administration | 1,445                       | 1,754                                    | 0          | 3,199          |
| Pensions relating to former directors       | 0                           | 0  | 0          | 0              |
| Pensions relating to other staff            | 400                         | 2,479                                    | 0          | 2,879          |
| 2019-20 Scheme Pays - Reimbursement         | 33                          | 652                                      | 0          | 685            |
| Restructuring                               | 0                           | 0  | 0          | 0              |
| RoU Asset Dilapidations CAME                | 0                           | 0  | 0          | 0              |
| Other Capital Provisions                    | 1,071                       | 0  | 0          | 1,071          |
| Other                                       | 3,102                       | 379                                      | 0          | 3,481          |
| <b>Total</b>                                | <b>98,570</b>               | <b>109,154</b>                           | <b>0</b>   | <b>207,724</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 2025/26 it will receive £91,146k and in 2026/27 and beyond £101,877k 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 £379K. The estimation method used to calculate the provision for 2024/25 is consistent with the methodology used in 2023/24. 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 £164K which relates to 22 Redress cases where offers have been made to the families but not yet accepted or breach and causation have been proven.

20. Provisions (continued)

|   | At 1 April 2023 | 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 2024 |
|---|-----------------|--|-------------------------------------|--|-------------------------|--------------------------|-----------------|-----------------------|------------------|
|   | £000            | £000   | £000                                | £000                                     | £000                    | £000                     | £000            | £000                  | £000             |
| <b>Current</b>                              |                 |  |                                     |  |                         |                          |                 |                       |                  |
| Clinical negligence:-                       |                 |  |                                     |  |                         |                          |                 |                       |                  |
| Secondary care                              | 80,878          | (10,810)   | 4,456                               | 652                                      | 33,576                  | (25,049)                 | (19,563)        | 0                     | 64,140           |
| Primary care                                | 79              | 0  | 0                                   | 0  | 820                     | (105)                    | (3)             | 0                     | 791              |
| Redress Secondary care                      | 331             | 0  | (1)                                 | 0  | 363                     | (288)                    | (142)           | 0                     | 263              |
| Redress Primary care                        | 0               | 0  | 0                                   | 0  | 0                       | 0                        | 0               | 0                     | 0                |
| Personal injury                             | 479             | 0  | 0                                   | 0  | 436                     | (631)                    | (247)           | 0                     | 37               |
| All other losses and special payments       | 0               | 0  | 0                                   | 0  | 821                     | (821)                    | 0               | 0                     | 0                |
| Defence legal fees and other administration | 2,306           | 0  | 0                                   | 181                                      | 1,402                   | (1,314)                  | (621)           |                       | 1,954            |
| Pensions relating to former directors       | 0               |  |                                     | 0  | 0                       | 0                        | 0               | 0                     | 0                |
| Pensions relating to other staff            | 385             |  |                                     | 41                                       | 401                     | (401)                    | (103)           | 74                    | 397              |
| 2019-20 Scheme Pays - Reimbursement         | 6               |  |                                     | 0  | 1                       | 0                        | 0               | 0                     | 7                |
| Restructuring                               | 0               |  |                                     | 0  | 0                       | 0                        | 0               | 0                     | 0                |
| RoU Asset Dilapidations CAME                | 0               |  |                                     | 0  | 0                       | 0                        | 0               | 0                     | 0                |
| Other Capital Provisions                    | 449             |  |                                     | 0  | 1,278                   | 0                        | 0               | 0                     | 1,727            |
| Other                                       | 2,367           |  | 0                                   | 0  | 1,429                   | (3)                      | (1,282)         |                       | 2,511            |
| <b>Total</b>                                | <b>87,280</b>   | <b>(10,810)</b>                                      | <b>4,455</b>                        | <b>874</b>                               | <b>40,527</b>           | <b>(28,612)</b>          | <b>(21,961)</b> | <b>74</b>             | <b>71,827</b>    |
| <b>Non Current</b>                          |                 |  |                                     |  |                         |                          |                 |                       |                  |
| Clinical negligence:-                       |                 |  |                                     |  |                         |                          |                 |                       |                  |
| Secondary care                              | 74,527          | 0  | 0                                   | (652)                                    | 76,834                  | (948)                    | (7,734)         | 0                     | 142,027          |
| 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                             | 2,770           | 0  | 0                                   | 0  | 545                     | (356)                    | 0               | 68                    | 3,027            |
| All other losses and special payments       | 0               | 0  | 0                                   | 0  | 0                       | 0                        | 0               | 0                     | 0                |
| Defence legal fees and other administration | 775             | 0  | 0                                   | (181)                                    | 587                     | (104)                    | (60)            |                       | 1,017            |
| Pensions relating to former directors       | 0               |  |                                     | 0  | 0                       | 0                        | 0               | 0                     | 0                |
| Pensions relating to other staff            | 2,627           |  |                                     | (41)                                     | 0                       | 0                        | 0               | 0                     | 2,586            |
| 2019-20 Scheme Pays - Reimbursement         | 136             |  |                                     | 0  | 461                     | 0                        | 0               | 0                     | 597              |
| 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                                       | 351             |  | 0                                   | 0  | 272                     | (140)                    | (90)            |                       | 393              |
| <b>Total</b>                                | <b>81,186</b>   | <b>0</b>   | <b>0</b>                            | <b>(874)</b>                             | <b>78,699</b>           | <b>(1,548)</b>           | <b>(7,884)</b>  | <b>68</b>             | <b>149,647</b>   |
| <b>TOTAL</b>                                |                 |  |                                     |  |                         |                          |                 |                       |                  |
| Clinical negligence:-                       |                 |  |                                     |  |                         |                          |                 |                       |                  |
| Secondary care                              | 155,405         | (10,810)   | 4,456                               | 0  | 110,410                 | (25,997)                 | (27,297)        | 0                     | 206,167          |
| Primary care                                | 79              | 0  | 0                                   | 0  | 820                     | (105)                    | (3)             | 0                     | 791              |
| Redress Secondary care                      | 331             | 0  | (1)                                 | 0  | 363                     | (288)                    | (142)           | 0                     | 263              |
| Redress Primary care                        | 0               | 0  | 0                                   | 0  | 0                       | 0                        | 0               | 0                     | 0                |
| Personal injury                             | 3,249           | 0  | 0                                   | 0  | 981                     | (987)                    | (247)           | 68                    | 3,064            |
| All other losses and special payments       | 0               | 0  | 0                                   | 0  | 821                     | (821)                    | 0               | 0                     | 0                |
| Defence legal fees and other administration | 3,081           | 0  | 0                                   | 0  | 1,989                   | (1,418)                  | (681)           |                       | 2,971            |
| Pensions relating to former directors       | 0               |  |                                     | 0  | 0                       | 0                        | 0               | 0                     | 0                |
| Pensions relating to other staff            | 3,012           |  |                                     | 0  | 401                     | (401)                    | (103)           | 74                    | 2,983            |
| 2019-20 Scheme Pays - Reimbursement         | 142             |  |                                     | 0  | 462                     | 0                        | 0               | 0                     | 604              |
| Restructuring                               | 0               |  |                                     | 0  | 0                       | 0                        | 0               | 0                     | 0                |
| RoU Asset Dilapidations CAME                | 0               |  |                                     | 0  | 0                       | 0                        | 0               | 0                     | 0                |
| Other Capital Provisions                    | 449             |  |                                     | 0  | 1,278                   | 0                        | 0               | 0                     | 1,727            |
| Other                                       | 2,718           |  | 0                                   | 0  | 1,701                   | (143)                    | (1,372)         |                       | 2,904            |
| <b>Total</b>                                | <b>168,466</b>  | <b>(10,810)</b>                                      | <b>4,455</b>                        | <b>0</b>                                 | <b>119,226</b>          | <b>(30,160)</b>          | <b>(29,845)</b> | <b>142</b>            | <b>221,474</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 2024/25 it will receive £65,272K and in 2025/26 and beyond £142,829K 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 £393K. The estimation method used to calculate the provision for 2023/24 is consistent with the methodology used in 2022/23. 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 £270K which relates to 33 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 £685,920 (as notified by Welsh Government) within these accounts.

## 21. Contingencies

### 21.1 Contingent liabilities

|   | 2024-25<br>£'000    | 2023-24<br>£'000    |
|---|---------------------|---------------------|
| Provisions have not been made in these accounts for the following amounts : |                     |                     |
| Legal claims for alleged medical or employer negligence:-                   |                     |                     |
| Secondary care  | 305,930             | 271,446             |
| Primary care  | 1,470               | 547                 |
| Redress Secondary care  | 63                  | 3                   |
| Redress Primary care  | 0                   | 0                   |
| Doubtful debts  | 0                   | 0                   |
| Equal Pay costs   | 0                   | 0                   |
| Defence costs   | 4,364               | 4,244               |
| Continuing Health Care costs  | 1,388               | 1,483               |
| Other   | 0                   | 0                   |
| Total value of disputed claims  | <u>313,215</u>      | <u>277,723</u>      |
| Amounts (recovered) in the event of claims being successful                 | <u>(307,921)</u>    | <u>(272,258)</u>    |
| <b>Net contingent liability</b>   | <u><b>5,294</b></u> | <u><b>5,465</b></u> |

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 increased by £36m from the value of legal claims in 2023-24, while the number of claims has increased from 236 in 2023-24 to 252 in 2024-25.

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 review claims for reimbursement of retrospective care payments (IRPs). As a consequence, there has been a movement in the level of provision and uncertainty including in these Accounts.

Note 20 sets out the £0.379m provision made for probable continuing care costs relating to 69 outstanding phase 9 and 10 claims received by 31<sup>st</sup> March 2025. This compares with the 2023/24 provision of £0.393m and 69 outstanding phase 3 to 8 claims.

Note 21.1 also sets out the £1.388m contingent liability for possible additional continuing care costs relating to those claims if they are all settled and in full, comparing favourably with the £1.483m reported for 2023/24.

There are still 4 new (Phase 10) 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 teams 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.

**21.2 Remote Contingent liabilities**

|                    | <b>2024-25</b> | 2023-24       |
|--------------------|----------------|---------------|
|                    | <b>£000</b>    | £000          |
| Guarantees         | <b>0</b>       | 0             |
| Indemnities        | <b>428</b>     | 24,064        |
| Letters of Comfort | <b>0</b>       | 0             |
| <b>Total</b>       | <b>428</b>     | <b>24,064</b> |

The remote contingent liabilities cost consists of 3 medical negligence cases and 1 personal injury case in 2024-25 (3 medical negligence cases and 1 GP indemnity case in 2023-24). 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**

|              | <b>2024-25</b> | 2023-24  |
|--------------|----------------|----------|
|              | <b>£000</b>    | £000     |
|              | <b>0</b>       | 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.

|                               | <b>2024-25</b> | 2023-24       |
|-------------------------------|----------------|---------------|
|                               | <b>£000</b>    | £000          |
| Property, plant and equipment | <b>12,365</b>  | 25,569        |
| Right of Use Assets           | <b>0</b>       | 0             |
| Intangible assets             | <b>14</b>      | 173           |
| <b>Total</b>                  | <b>12,379</b>  | <b>25,742</b> |



**24. Right of Use lease obligations**

**24.1 Obligations (as lessee)**

**Amounts payable under right of use asset leases:**

**2024-25**

|  | <b>LAND</b>     | <b>BUILDINGS</b> | <b>OTHER</b>    | <b>TOTAL</b>    |
|--|-----------------|------------------|-----------------|-----------------|
|  | <b>31 March</b> | <b>31 March</b>  | <b>31 March</b> | <b>31 March</b> |
|  | <b>2025</b>     | <b>2025</b>      | <b>2025</b>     | <b>2025</b>     |
|  | <b>£000</b>     | <b>£000</b>      | <b>£000</b>     | <b>£000</b>     |
| <b>Minimum lease payments</b>                    |                 |                  |                 |                 |
| Within one year                                  | 0               | 1,853            | 2,238           | 4,091           |
| Between one and five years                       | 1               | 5,078            | 2,554           | 7,633           |
| After five years                                 | 11              | 6,147            | 1,133           | 7,291           |
| Less finance charges allocated to future periods | (2)             | (1,645)          | (231)           | (1,878)         |
| <b>Minimum lease payments</b>                    | <b>10</b>       | <b>11,433</b>    | <b>5,694</b>    | <b>17,137</b>   |
| Included in:                                     |                 |                  |                 |                 |
| Current borrowings                               | 0               | 1,567            | 2,141           | 3,708           |
| Non-current borrowings                           | 10              | 9,866            | 3,553           | 13,429          |
|  | <b>10</b>       | <b>11,433</b>    | <b>5,694</b>    | <b>17,137</b>   |
| <b>Present value of minimum lease payments</b>   |                 |                  |                 |                 |
| Within one year                                  | 0               | 1,567            | 2,141           | 3,708           |
| Between one and five years                       | 1               | 4,241            | 2,436           | 6,678           |
| After five years                                 | 9               | 5,625            | 1,117           | 6,751           |
| <b>Present value of minimum lease payments</b>   | <b>10</b>       | <b>11,433</b>    | <b>5,694</b>    | <b>17,137</b>   |
| Included in:                                     |                 |                  |                 |                 |
| Current borrowings                               | 0               | 1,567            | 2,141           | 3,708           |
| Non-current borrowings                           | 10              | 9,866            | 3,553           | 13,429          |
|  | <b>10</b>       | <b>11,433</b>    | <b>5,694</b>    | <b>17,137</b>   |

**2023-24**

|  | <b>LAND</b>     | <b>BUILDINGS</b> | <b>OTHER</b>    | <b>TOTAL</b>    |
|--|-----------------|------------------|-----------------|-----------------|
|  | <b>31 March</b> | <b>31 March</b>  | <b>31 March</b> | <b>31 March</b> |
|  | <b>2024</b>     | <b>2024</b>      | <b>2024</b>     | <b>2024</b>     |
|  | <b>£000</b>     | <b>£000</b>      | <b>£000</b>     | <b>£000</b>     |
| <b>Minimum lease payments</b>                    |                 |                  |                 |                 |
| Within one year                                  | 0               | 1,531            | 2,179           | 3,710           |
| Between one and five years                       | 2               | 3,641            | 3,907           | 7,550           |
| After five years                                 | 11              | 4,668            | 1,478           | 6,157           |
| Less finance charges allocated to future periods | (2)             | (762)            | (316)           | (1,080)         |
| <b>Minimum lease payments</b>                    | <b>11</b>       | <b>9,078</b>     | <b>7,248</b>    | <b>16,337</b>   |
| Included in:                                     |                 |                  |                 |                 |
| Current borrowings                               | 0               | 1,402            | 2,043           | 3,445           |
| Non-current borrowings                           | 11              | 7,676            | 5,205           | 12,892          |
|  | <b>11</b>       | <b>9,078</b>     | <b>7,248</b>    | <b>16,337</b>   |
| <b>Present value of minimum lease payments</b>   |                 |                  |                 |                 |
| Within one year                                  | 0               | 1,402            | 2,043           | 3,445           |
| Between one and five years                       | 1               | 3,250            | 3,755           | 7,006           |
| After five years                                 | 10              | 4,426            | 1,450           | 5,886           |
| <b>Present value of minimum lease payments</b>   | <b>11</b>       | <b>9,078</b>     | <b>7,248</b>    | <b>16,337</b>   |
| Included in:                                     |                 |                  |                 |                 |
| Current borrowings                               | 0               | 1,402            | 2,043           | 3,445           |
| Non-current borrowings                           | 11              | 7,676            | 5,205           | 12,892          |
|  | <b>11</b>       | <b>9,078</b>     | <b>7,248</b>    | <b>16,337</b>   |

**24.2 Right of Use Assets receivables (as lessor)**

The Health Board has one Right of Use Assets lease receivable, as a lessor, at the balance sheet date.

**Amounts receivable under right of use assets :**

|  | <b>31 March</b> | 31 March    |
|--|-----------------|-------------|
|  | <b>2025</b>     | 2024        |
|  | <b>£000</b>     | £000        |
| <b>Gross Investment in leases</b>                |                 |             |
| Within one year                                  | <b>26</b>       | 26          |
| Between one and five years                       | <b>106</b>      | 106         |
| After five years                                 | <b>92</b>       | 118         |
| Less finance charges allocated to future periods | <b>(9)</b>      | <b>(11)</b> |
| Minimum lease payments                           | <b>215</b>      | <b>239</b>  |
| Included in:                                     |                 |             |
| Current financial assets                         | <b>25</b>       | 24          |
| Non-current financial assets                     | <b>190</b>      | 215         |
|  | <b>215</b>      | <b>239</b>  |
| <b>Present value of minimum lease payments</b>   |                 |             |
| Within one year                                  | <b>25</b>       | 24          |
| Between one and five years                       | <b>100</b>      | 99          |
| After five years                                 | <b>90</b>       | 116         |
| Less finance charges allocated to future periods | <b>0</b>        | 0           |
| Present value of minimum lease payments          | <b>215</b>      | <b>239</b>  |
| Included in:                                     |                 |             |
| Current financial assets                         | <b>25</b>       | 24          |
| Non-current financial assets                     | <b>190</b>      | 215         |
|  | <b>215</b>      | <b>239</b>  |

25. Private Finance Initiative contracts

25.1 PFI schemes off-Statement of Financial Position

The LHB has one PFI Scheme that was previously classified as 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. Since the introduction of IFRS 16 in 2022/23, the off-statement of Financial Position PFI has been recognised as a Right of use Asset.

| Commitments under off-SoFP PFI contracts                | Off-SoFP PFI contracts | Off-SoFP PFI contracts |
|---|------------------------|------------------------|
|   | 31 March 2025<br>£000  | 31 March 2024<br>£000  |
| Total payments due within one year                      | 0                      | 0                      |
| Total payments due between 1 and 5 years                | 0                      | 0                      |
| Total payments due thereafter                           | 0                      | 0                      |
| Total future payments in relation to PFI contracts      | <u>0</u>               | <u>0</u>               |
| Total estimated capital value of off-SoFP PFI contracts | <u>0</u>               | <u>0</u>               |

25.2 PFI schemes on-Statement of Financial Position

| Capital value of scheme included in Fixed Assets Note 11 | £000   |
|--|--------|
|  | 0      |
| Contract start date:                                     | Feb-00 |
| Contract end date:                                       | Mar-25 |

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. There is no obligation remaining for this scheme as the contract ended during 2024/25.

| Capital value of scheme included in Fixed Assets Note 11 | £000   |
|--|--------|
|  | 3,886  |
| Contract start date:                                     | Mar-04 |
| Contract end date:                                       | Mar-36 |

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 £3,132k. In 2024/25, the liability for the scheme was increased by £147k due to the IFRS16 requirement to reflect the impact of RPI increases within the scheme obligation.

| Capital value of scheme included in Fixed Assets Note 11 | £000   |
|--|--------|
|  | 0      |
| Contract start date:                                     | Sep-99 |
| Contract end date:                                       | Jun-24 |

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. There is no obligation remaining for this scheme as the contract ended during 2024/25.

Total obligations for on-Statement of Financial Position PFI contracts due:

| 2024-25  | On SoFP PFI Capital element | On SoFP PFI IFRS 16 impact Finance Charge | On SoFP PFI Imputed interest | On SoFP PFI Service charges |
|--|-----------------------------|---|------------------------------|-----------------------------|
|  | 31 March 2025<br>£000       | 31 March 2025<br>£000                     | 31 March 2025<br>£000        | 31 March 2025<br>£000       |
| Total payments due within one year                 | 125                         | 122                                       | 86                           | 735                         |
| Total payments due between 1 and 5 years           | 538                         | 521                                       | 274                          | 2,938                       |
| Total payments due thereafter                      | 926                         | 900                                       | 174                          | 4,407                       |
| Total future payments in relation to PFI contracts | <u>1,589</u>                | <u>1,543</u>                              | <u>534</u>                   | <u>8,080</u>                |

| 2023-24  | On SoFP PFI Capital element | On SoFP PFI IFRS 16 impact Finance Charge | On SoFP PFI Imputed interest | On SoFP PFI Service charges |
|--|-----------------------------|---|------------------------------|-----------------------------|
|  | 31 March 2024<br>£000       | 31 March 2024<br>£000                     | 31 March 2024<br>£000        | 31 March 2024<br>£000       |
| Total payments due within one year                 | 638                         | 108                                       | 80                           | 2,888                       |
| Total payments due between 1 and 5 years           | 523                         | 462                                       | 338                          | 2,856                       |
| Total payments due thereafter                      | 1,067                       | 944                                       | 222                          | 5,080                       |
| Total future payments in relation to PFI contracts | <u>2,228</u>                | <u>1,514</u>                              | <u>640</u>                   | <u>10,824</u>               |

|  | 31/03/2025<br>£000 |
|--|--------------------|
| Total present value of obligations for on-SoFP PFI contracts | 11,746             |

| <b>25.3 Charges to expenditure</b>   | <b>2024-25</b>      | 2023-24             |
|--|---------------------|---------------------|
|  | <b>£000</b>         | £000                |
| Service charges for On Statement of Financial Position PFI contracts (excl interest costs) | <b>2,764</b>        | 2,394               |
| Total expense for Off Statement of Financial Position PFI contracts                        | <b>0</b>            | 0                   |
| The total charged in the year to expenditure in respect of PFI contracts                   | <b><u>2,764</u></b> | <b><u>2,394</u></b> |

The LHB is committed to the following annual charges

| <b>PFI scheme expiry date:</b>                 | <b>£000</b>       | £000                |
|--|-------------------|---------------------|
| Not later than one year                        | <b>0</b>          | 1,953               |
| Later than one year, not later than five years | <b>0</b>          | 0                   |
| Later than five years                          | <b>735</b>        | 726                 |
| <b>Total</b>                                   | <b><u>735</u></b> | <b><u>2,679</u></b> |

The estimated annual payments in future years will vary from those which the Health Board is committed to make during the next year by the impact of movement in the Retail Prices Index.

#### 25.4 Number of PFI contracts

|  | <b>Number of<br/>on SoFP<br/>PFI<br/>contracts</b> | <b>Number<br/>of off<br/>SoFP PFI<br/>contracts</b> |
|--|--|---|
| Number of PFI contracts  | 1  | 0   |
| Number of PFI contracts which individually have a total commitment > £500m | 0  | 0   |

|  | <b>On / Off-<br/>statement<br/>of financial<br/>position</b> |
|--|--|
| <b>PFI Contract</b>  |  |
| Number of PFI contracts which individually have a total commitment > £500m | 0  |

#### PFI Contract

The LHB has one on-going PFI contract as at 31.03.25. As described in note 25.2, two of the LHB's PFI contracts have concluded during 2024/25.

#### 25.5 The Health Board did not have any Public Private Partnerships during the year

**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 Health Board 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 Health Board 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 Health Board in undertaking its activities.

**Currency risk**

The Health Board is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the United Kingdom and Sterling based. The Health Board does not have any overseas operations. The Health Board therefore has low exposure to currency rate fluctuations.

**Interest rate risk**

Health Boards are not permitted to borrow and the Health Board therefore has low exposure to interest rate fluctuations.

**Credit risk**

As the majority of the Health Board's funding derives from funds voted by the Welsh Government the Health Board has low exposure to credit risk.

**Liquidity risk**

The Health Board 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 Health Board is not, therefore, exposed to significant liquidity risks.

**27. Movements in working capital**

|   | 2024-25<br>£000 | 2023-24<br>£000 |
|---|-----------------|-----------------|
| (Increase)/decrease in inventories                                  | (589)           | (268)           |
| (Increase)/decrease in trade and other receivables - non-current    | 38,243          | (66,541)        |
| (Increase)/decrease in trade and other receivables - current        | (30,588)        | 15,588          |
| Increase/(decrease) in trade and other payables - non-current       | 426             | (4,804)         |
| Increase/(decrease) in trade and other payables - current           | 2,664           | (19,962)        |
| <b>Total</b>  | <b>10,156</b>   | <b>(75,987)</b> |
| Adjustment for accrual movements in fixed assets - creditors        | (1,599)         | 1,791           |
| Adjustment for accrual movements in fixed assets - debtors          | (34)            | (34)            |
| Adjustment for accrual movements in right of use assets - creditors | (800)           | 6,135           |
| Adjustment for accrual movements in right of use assets - debtors   | (25)            | (24)            |
| Other adjustments   | 455             | (943)           |
|   | <b>8,153</b>    | <b>(69,062)</b> |

**28. Other cash flow adjustments**

|  | 2024-25<br>£000 | 2023-24<br>£000 |
|--|-----------------|-----------------|
| Depreciation   | 46,127          | 47,475          |
| Amortisation   | 1,964           | 2,349           |
| (Gains)/Loss on Disposal   | (41)            | 331             |
| Impairments and reversals  | 1,817           | 10,170          |
| 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               | (78)            | (136)           |
| Government Grant assets received credited to revenue but non-cash      | 0               | 0               |
| Right of Use Grant (Peppercorn Lease) credited to revenue but non cash | 0               | 0               |
| Non-cash movements in right of use assets                              | 25              | 0               |
| Non-cash movements in provisions                                       | 9,246           | 83,168          |
| Other movements  | 51,797          | 32,067          |
| <b>Total</b>   | <b>110,857</b>  | <b>175,424</b>  |

Other movements are Notional funding received for the

- LHB notional 9.4% Staff Employer Pension Contributions and
- 2019/20 Pensions Annual Allowance Charge Compensation Scheme

funded directly to the NHSBA Pensions Division by Welsh Government.

## 29. Events after the Reporting Period

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on 30th June 2025 ; post the date the financial statements were certified by the Auditor General for Wales.

### 30. Related Party Transactions

The Welsh Government is regarded as a related party of the Health Board. During the year the Health Board had a significant number of material revenue and capital transactions with either the Welsh Government or with other entities for which the Welsh Government is regarded as the parent body, namely:

|   | 2024-25                      |                           | As at 31st March 2025         |                                |
|---|------------------------------|---------------------------|-------------------------------|--------------------------------|
|   | Expenditure to related party | Income from related party | Amounts owed to related party | Amounts due from related party |
|   | £000                         | £000                      | £000                          | £000                           |
| Welsh Government                                | 3                            | 5,777                     | 12                            | 2,406                          |
| Betsi Cadwaladr University Health Board         | 202                          | 293                       | 54                            | 71                             |
| Cardiff & Vale University Health Board          | 43,976                       | 3,497                     | 3,506                         | 1,238                          |
| Cwm Taf University Health Board                 | 19,263                       | 3,653                     | 1,572                         | 943                            |
| Hywel Dda University Health Board               | 438                          | 377                       | 17                            | 33                             |
| Powys Teaching Health Board                     | 204                          | 15,387                    | 30                            | 1,221                          |
| Swansea Bay University Health Board             | 2,467                        | 1,271                     | 411                           | 247                            |
| Public Health Wales NHS Trust                   | 761                          | 6,806                     | 61                            | 1,233                          |
| Velindre NHS Trust                              | 113,640                      | 11,913                    | 3,538                         | 5,802                          |
| Welsh Ambulance Services NHS Trust              | 701                          | 257                       | 407                           | 74                             |
| NHS Wales Joint Commissioning Committee (WHSSC) | 218,364                      | 14,774                    | 3,785                         | 478                            |
| Digital Health and Care Wales (DHCW)            | 8,099                        | 1,018                     | 17                            | 92                             |
| Health Education and Improvement Wales (HEIW)   | 44                           | 16,535                    | 44                            | 945                            |

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                      | 2024-25                      |                           | As at 31st March 2025         |                                |
|--------------------------------------|------------------------------|---------------------------|-------------------------------|--------------------------------|
|                                      | 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 | 4,362                        | 987                       | 2,153                         | 98                             |
| Caerphilly County Borough Council    | 20,116                       | 14,048                    | 4,712                         | 4,387                          |
| Monmouthshire County Council         | 7,361                        | 1,692                     | 1,734                         | 624                            |
| Newport City Council                 | 7,995                        | 2,486                     | 4,188                         | 356                            |
| Torfaen County Borough Council       | 9,500                        | 1,393                     | 3,368                         | 106                            |

The LHB has also had significant material transactions with the following:

| Aneurin Bevan Local Health Board Charitable Fund | 2024-25                      |                           | As at 31st March 2025         |                                |
|--|------------------------------|---------------------------|-------------------------------|--------------------------------|
|  | Expenditure to related party | Income from related party | Amounts owed to related party | Amounts due from related party |
|  | £000                         | £000                      | £000                          | £000                           |
|  | 17                           | 1,394                     | 3                             | 263                            |

A number of the LHB's Board members have interests in related parties as follows:

| Member         | Related Organisation           | Relationship with Related Party   | 2024-25                      |                           | As at 31st March 2025         |                                |
|----------------|--------------------------------|---|------------------------------|---------------------------|-------------------------------|--------------------------------|
|                |                                |   | Expenditure to related party | Income from related party | Amounts owed to related party | Amounts due from related party |
|                |                                |   | £000                         | £000                      | £000                          | £000                           |
| Dafydd Vaughan | Public Digital Ltd             | Chief Technology Officer  | 44                           | 0                         | 0                             | 0                              |
| Penny Jones    | Monmouthshire County Council   | Councillor  | 7,361                        | 1,692                     | 1,734                         | 624                            |
| Peter Carr     | Digital Health & Care Wales    | Chair of National LIMS 2.0 Programme Board  | 8,099                        | 1,018                     | 17                            | 92                             |
| Richard Clark  | Torfaen Voluntary Alliance     | Company Secretary and Trustee   | 234                          | 0                         | 0                             | 0                              |
|                | Torfaen County Borough Council | Elected Member, Deputy Leader and Executive Member for Children, Families and Education | 9,500                        | 1,393                     | 3,368                         | 106                            |
| Philip Robson  | Hospice of the Valleys         | Trustee   | 548                          | 0                         | 33                            | 0                              |

### 31. Third Party assets

The LHB held £33,690.04 cash at bank and in hand at 31 March 2025 (31st March 2024, £32,719.58) which relates to monies held by the LHB on behalf of patients. Cash held in patient Investment Accounts amounted to £0 at 31st March 2025 (31st March 2024, £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 2025 amounted to £3.5m (£3.5m as at 31st March 2024).

### 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 **£5,397K** 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.

|  | Cash         | Contribution | Grants   | 2024/25<br>£000 | 2023/24<br>£000 |
|--|--------------|--------------|----------|-----------------|-----------------|
| <b>Pooled Budget contributions</b>                             |              |              |          |                 |                 |
| Aneurin Bevan University Health Board                          | -            | 2,965        | -        | 2,965           | 2,863           |
| Monmouthshire County Council                                   | 439          | 943          | -        | 1,382           | 1,309           |
| <b>Total Pooled Budget contributions for the year</b>          | <b>439</b>   | <b>3,909</b> | <b>-</b> | <b>4,347</b>    | <b>4,172</b>    |
| <b>Expenditure</b>   |              |              |          |                 |                 |
| Aneurin Bevan Health Board                                     | -            | 3,271        | -        | 3,271           | 3,220           |
| Monmouthshire County Council                                   | 617          | 885          | -        | 1,501           | 1,447           |
| <b>Total Expenditure for the year</b>                          | <b>617</b>   | <b>4,156</b> | <b>0</b> | <b>4,772</b>    | <b>4,667</b>    |
| <b>Net Surplus/(Deficit) on the Pooled Budget for the Year</b> | <b>(178)</b> | <b>(247)</b> | <b>0</b> | <b>(425)</b>    | <b>(495)</b>    |

#### 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 **£1,289K** for 2024/25 (£971K in 2023/24).

|  | 2024/25<br>£000 | 2023/24<br>£000 |
|--|-----------------|-----------------|
| <b>Pooled Budget contributions</b>                             |                 |                 |
| Blaenau Gwent County Borough Council                           | 379             | 298             |
| Caerphilly County Borough Council                              | 635             | 520             |
| Monmouthshire County Borough Council                           | 518             | 406             |
| Newport City Council   | 537             | 377             |
| Torfaen County Borough Council                                 | 989             | 1,475           |
| Aneurin Bevan University Health Board                          | 1264            | 938             |
| CRT  | 161             | 124             |
| Contribution to Lead Commissioner - LAs                        | 98              | 165             |
| Contribution to Lead Commissioner - UHB                        | 25              | 33              |
| Reserve  | 180             | 120             |
| <b>Total Pooled Budget contributions for the year</b>          | <b>4,787</b>    | <b>4,457</b>    |
| <b>Expenditure</b>   |                 |                 |
| Staff Costs  | 149             | 197             |
| Non Staff Expenditure  | 4638            | 4,260           |
| <b>Total Expenditure for the year</b>                          | <b>4787</b>     | <b>4,457</b>    |
| <b>Net Surplus/(Deficit) on the Pooled Budget for the Year</b> | <b>0</b>        | <b>0</b>        |

#### 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 **£278K** for 2024/25 (£277K in 2023/24).

|  | 2024/25<br>£000 | 2023/24<br>£000 |
|--|-----------------|-----------------|
| <b>Pooled Budget contributions</b>                             |                 |                 |
| Monmouthshire County Borough Council                           | 368             | 367             |
| Aneurin Bevan University Health Board                          | 278             | 277             |
| <b>Total Pooled Budget contributions for the year</b>          | <b>646</b>      | <b>644</b>      |
| <b>Expenditure</b>   |                 |                 |
| Staff Costs  | 421             | 419             |
| Premises   | 92              | 147             |
| Transport  | 6               | -               |
| Supplies & Services  | 32              | 35              |
| Other Expenditure  | 45              | 31              |
| <b>Total Expenditure for the year</b>                          | <b>596</b>      | <b>632</b>      |
| <b>Net Surplus/(Deficit) on the Pooled Budget for the Year</b> | <b>50</b>       | <b>12</b>       |

### 32. Pooled budgets (continued)

#### 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 **£10,320K** for 2024/25 (£9,892K in 2023/24).

|   | 2024/25       | 2023/24       |
|---|---------------|---------------|
|   | £000          | £000          |
| <b>Pooled Budget contributions</b>                    |               |               |
| Blaenau Gwent County Borough Council                  | 689           | 649           |
| Caerphilly County Borough Council                     | 2,349         | 2,249         |
| Monmouthshire County Borough Council                  | 1,628         | 1,626         |
| Newport City Council                                  | 2,148         | 1,994         |
| Torfaen County Borough Council                        | 833           | 822           |
| Aneurin Bevan University Health Board                 | 10,320        | 9,892         |
| <b>Total Pooled Budget contributions for the year</b> | <b>17,967</b> | <b>17,232</b> |

#### **Expenditure**

Reimbursements to Local Authorities from Pooled Fund:

|                                      |       |       |
|--------------------------------------|-------|-------|
| Blaenau Gwent County Borough Council | 159   | 489   |
| Caerphilly County Borough Council    | 1,940 | 1,803 |
| Monmouthshire County Borough Council | 1,442 | 1,353 |
| Newport City Council                 | 2,131 | 1,938 |
| Torfaen County Borough Council       | 680   | 909   |

Reimbursements to ABUHB from Pooled Fund

|  |        |       |
|--|--------|-------|
|  | 11,006 | 9,921 |
|--|--------|-------|

Central Costs

|  |     |     |
|--|-----|-----|
|  | 777 | 753 |
|--|-----|-----|

**Total Expenditure for the year**

|  |               |               |
|--|---------------|---------------|
|  | <b>18,135</b> | <b>17,166</b> |
|--|---------------|---------------|

**Net Surplus/(Deficit) on the Pooled Budget for the Year**

|  |              |           |
|--|--------------|-----------|
|  | <b>(168)</b> | <b>66</b> |
|--|--------------|-----------|

#### 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 **£43,955K** for 2024/25 (£41,298K in 2023/24).

|   | 2024/25        | 2023/24        |
|---|----------------|----------------|
|   | £000           | £000           |
| <b>Pooled Budget contributions</b>                    |                |                |
| Blaenau Gwent County Borough Council                  | 11,303         | 9,769          |
| Caerphilly County Borough Council                     | 34,641         | 31,521         |
| Monmouthshire County Borough Council                  | 15,255         | 12,680         |
| Newport City Council                                  | 29,117         | 28,529         |
| Torfaen County Borough Council                        | 15,983         | 14,154         |
| Aneurin Bevan University Health Board                 | 43,955         | 41,298         |
| <b>Total Pooled Budget contributions for the year</b> | <b>150,254</b> | <b>137,951</b> |

#### **Expenditure**

|   |                |                |
|---|----------------|----------------|
| Gwent Local Authority Residential Homes | 20,193         | 18,828         |
| Other Elderly Frail Residential Care    | 14,817         | 14,477         |
| Other EMI Residential Care              | 29,968         | 26,580         |
| Elderly Frail Funded Nursing Care       | 32,863         | 30,222         |
| EMI Funded Nursing Care                 | 21,264         | 18,457         |
| Elderly frail Continuing Health Care    | 8,908          | 8,373          |
| EMI Continuing Health Care              | 21,942         | 20,685         |
| Step Up/ Step Down                      | 237            | 267            |
| Lead Commissioner Costs                 | 62             | 62             |
| <b>Total Expenditure for the year</b>   | <b>150,254</b> | <b>137,951</b> |

**Net Surplus/(Deficit) on the Pooled Budget for the Year**

|  |          |          |
|--|----------|----------|
|  | <b>0</b> | <b>0</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. 9.4% Staff Employer Pension Contributions - Notional Element**

The value of notional transactions is based on estimated costs for the twelve month period 1st April 2024 to 31st March 2025. This has been calculated from actual Welsh Government expenditure for the 9.4% staff employer pension contributions between April 2024 and February 2025 alongside Health Board data for March 2025.

Transactions include notional expenditure in relation to the 9.4% paid to NHSBSA by Welsh Government and notional funding to cover that expenditure as follows:

|  | 2024-25<br>£000 | 2023-24<br>£000 |
|--|-----------------|-----------------|
| <b>Statement of Comprehensive Net Expenditure for the year ended 31 March 2025</b> |                 |                 |
| Expenditure on Primary Healthcare Services   | 780             | 662             |
| Expenditure on healthcare from other providers                                     | 0               | 0               |
| Expenditure on Hospital and Community Health Services                              | 51,004          | 31,403          |
| <b>Statement of Changes in Taxpayers' Equity for the year ended 31 March 2025</b>  |                 |                 |
| Net operating cost for the year  | 51,784          | 32,065          |
| Notional Welsh Government Funding  | 51,784          | 32,065          |
| <b>Statement of Cash Flows for year ended 31 March 2025</b>                        |                 |                 |
| Net operating cost for the financial year  | 51,784          | 32,065          |
| Other cash flow adjustments  | 51,784          | 32,065          |
| <b>2.1 Revenue Resource Performance</b>  |                 |                 |
| Revenue Resource Allocation  | 51,784          | 32,065          |
| <b>3. Analysis of gross operating costs</b>  |                 |                 |
| <b>3.1 Expenditure on Primary Healthcare Services</b>                              |                 |                 |
| General Medical Services   | 684             | 662             |
| Pharmaceutical Services  | 0               | 0               |
| General Dental Services  | 85              | 0               |
| Other Primary Health Care expenditure  | 11              | 0               |
| <b>3.2 Expenditure on healthcare from other providers</b>                          | 0               | 0               |
|  | 0               | 0               |
| <b>3.3 Expenditure on Hospital and Community Health Services</b>                   |                 |                 |
| Directors' costs   | 166             | 103             |
| Staff costs  | 50,838          | 31,300          |
| <b>9.1 Employee costs</b>  |                 |                 |
| <b>Permanent Staff</b>   |                 |                 |
| Employer contributions to NHS Pension Scheme                                       | 51,784          | 32,065          |
| Charged to capital   | 0               | 0               |
| Charged to revenue   | 51,784          | 32,065          |
| <b>18. Trade and other payables</b>  |                 |                 |
| <b>Current</b>   |                 |                 |
| Pensions: staff  | 0               | 0               |
| <b>28. Other cash flow adjustments</b>   |                 |                 |
| Other movements  | 51,784          | 32,065          |

The Department of Health and Social Care (DHSC) 2023-24 consultation on the NHS Pension Scheme confirmed that the transitional approach that has operated since 2019-20 for employer contributions will continue in 2024-25. From 1 April 2024 an employer rate of 23.7% (23.78% inclusive of the administration charge) will apply. However, the NHS Business Services Authority will continue to only collect 14.38% from NHS Wales employers under their normal monthly payment process to the NHS Pension Scheme. This has resulted in an increase in the central payments made by Welsh Government from 6.3% to 9.4%.

**Other**

**34.2 IFRS 17 - Insurance Contract Disclosures**

The outcome of the contract review for a range of income contract types applicable to the organisation, did not identify any insurance contracts that fall within the scope of IFRS 17.

**STATEMENT OF FINANCIAL POSITION**

|  |         |
|--|---------|
| (Signage as per provision note disclosure)       | £000    |
| Liability for incurred claims @ 1 April 2024     | 0       |
| Liability for remaining payments @ 31 March 2025 | 0       |
|  | <hr/> 0 |
| Arising during year                              | 0       |
| Utilised   | 0       |
| Reversed unused                                  | 0       |
| Movement in Discount Rates                       | 0       |
|  | <hr/> 0 |

**STATEMENT OF COMPREHENSIVE NET EXPENDITURE  
/ STATEMENT OF COMPREHENSIVE INCOME \*Delete as appropriate**

|   |      |
|---|------|
| (Signage as per income and expenditure note disclosure) | £000 |
| Insurance Income  | 0    |
| Insurance expenditure                                   | 0    |

**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.



**GIG**  
CYMRU  
**NHS**  
WALES

Bwrdd Iechyd Prifysgol  
Aneurin Bevan  
University Health Board

Auditor General for Wales  
Audit Wales  
1 Capital Quarter  
Tyndall Street  
Cardiff  
CF10 4BZ

25 June 2025

## **Representations regarding the 2024/25 financial statements**

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of Aneurin Bevan University Health Board for the year ended 31 March 2025 for the purpose of expressing an opinion on their truth and fairness, their proper preparation and the regularity of income and expenditure.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

## **Management representations**

### **Responsibilities**

As Chief Executive and Accountable Officer I have fulfilled my responsibility for:

- preparing the financial statements in accordance with legislative requirements and the Treasury's Financial Reporting Manual. In preparing the financial statements, I am 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

#### **Bwrdd Iechyd Prifysgol Aneurin Bevan**

Pencadlys,  
Ysbyty Sant Cadoc  
Ffordd Y Lodj  
Caerllion  
Casnewydd  
De Cymru NP18 3XQ  
Ffôn: 01633 436700  
E-bost: [abhb.enquiries@wales.nhs.uk](mailto:abhb.enquiries@wales.nhs.uk)

#### **Aneurin Bevan University Health Board**

Headquarters  
St Cadoc's Hospital  
Lodge Road  
Caerleon  
Newport  
South Wales NP18 3XQ  
Tel No: 01633 436700  
Email: [abhb.enquiries@wales.nhs.uk](mailto:abhb.enquiries@wales.nhs.uk)



Bwrdd Iechyd Prifysgol Aneurin Bevan yw enw gweithredol Bwrdd Iechyd Lleol Prifysgol Aneurin Bevan  
Aneurin Bevan University Health Board is the operational name of Aneurin Bevan University Local Health Board

- prepare them on a going concern basis on the presumption that the services of Aneurin Bevan University Health Board will continue in operation.
- ensuring the regularity of any expenditure and other transactions incurred.
- the design, implementation and maintenance of internal control to prevent and detect error.

### **Information provided**

We have provided you with:

- full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to staff from whom you determined it necessary to obtain audit evidence;
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects Aneurin Bevan University Health Board and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements;
- the identity of all related parties and all the related party relationships and transactions of which we are aware; and
- our knowledge of all possible and actual instances of irregular transactions.

### **Financial statement representations**

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

### **Representations by Aneurin Bevan University Health Board**

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by Aneurin Bevan University Health Board on 25 June 2025.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:  
Nicola Prygodzicz  
Chief Executive  
25 June 2025

Signed by:  
Ann Lloyd CBE  
Chair of the Health Board  
25 June 2025