# Aneurin Bevan University Health Board Public Board

*Wed 24 June 2026, 10:00 - 11:30*

**Microsoft Teams**

# Agenda

**10:00 - 10:00**
0 min

## 1. PRELIMINARY MATTERS

PB 20260624_Board Consent Agenda.pdf (1 pages)

### 1.1. Welcome and Introductions

*Oral* *Chair*

### 1.2. Apologies for Absence

*Oral* *Chair*

### 1.3. Declarations of Interest

*Oral* *Chair*

**10:00 - 10:00**
0 min

## 2. ANNUAL REPORT AND ACCOUNTS 2025/26

### 2.1. To RECEIVE Audit Wales' Audit of Accounts Report 2025/26

*Attachment* *Audit Wales*

PB 20260624 Agenda Item 2.1 To RECEIVE Audit Wales' Audit of Accounts Report 2025-26 .pdf (33 pages)

### 2.2. To RECEIVE a recommendation from the Audit, Risk and Assurance Committee in respect of ABUHB's Annual Report and Accounts 2025/26

*Attachment* *Chair of the Audit, Risk and Assurance Committee*

PB 20260624 Agenda Item 2.2 Recommendation to the Board from ARAC Annual Accounts 2025-26.pdf (2 pages)

### 2.3. To consider for APPROVAL and SIGNING ABUHB's Annual Report and Accounts 2025/26

*Attachment*

PB 20260624 Agenda Item 2.3 To consider for APPROVAL and SIGNING ABUHB's Annual Report and Accounts 2025-26 Cover Report.pdf (7 pages)

#### 2.3.1. Part One: Performance Report

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

PB 20260624 Agenda Item 2.3.1 Performance Report.pdf (64 pages)

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

*Attachment* *Director of Corporate Governance*

PB 20260624 Agenda Item 2.3.2 Annual Accountability Report.pdf (118 pages)

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

*Attachment* *Director of Finance and Procurement*

PB 20260624 Agenda Item 2.3.3 Annual Financial Statements.pdf (80 pages)

### 2.4. To APPROVE for SIGNING the Letter of Representation, as included in Audit Wales' ISA260 2025/26

*Attachment* *Director of Finance and Procurement*

PB 20260624 Agenda Item 2.4 To APPROVE for SIGNING the Letter of Representation, as included in Audit Wales' ISA260 2025-26 .pdf (3 pages)

**10:00 - 10:00**
0 min

## 3. OTHER MATTERS

Date of the Next Meeting:

- 29th July 2026

# CYFARFOD BWRDD IECHYD PRIFYSGOLN ANEURIN BEVAN
# ANEURIN BEVAN UNIVERSITY HEALTH BOARD MEETING

| AGENDA | |
|---|---|
| **Date and Time** | **Wednesday 24th June 2026 at 10:00** |
| **Venue** | **Microsoft Teams** |

| Item | Title | Format | Presenter |
|---|---|---|---|
| **1** | **PRELIMINARY MATTERS** | | |
| 1.1 | Welcome and Introductions | Oral | Chair |
| 1.2 | Apologies for Absence | Oral | Chair |
| 1.3 | Declarations of Interest | Oral | Chair |
| **2** | **ANNUAL REPORT AND ACCOUNTS 2025/26** | | |
| 2.1 | To RECEIVE Audit Wales' Audit of Accounts Report 2025/26 | 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 2025/26 | Attachment | Chair of the Audit, Risk and Assurance Committee |
| 2.3 | To consider for APPROVAL and SIGNING ABUHB's Annual Report and Accounts 2025/26 | 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 2025/26 | Attachment | Director of Finance and Procurement |
| **3** | **OTHER MATTERS** | | |
| 3.1 | Date of the Next Meeting:<br>• 29th July 2026 | | |



Archwilio Cymru
Audit Wales

# Audit of Accounts Report – Aneurin Bevan UHB

Audit year: 2025-26

Date issued: June 2026

Document reference: 5364A2026



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# 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 2025-26 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 2026.

The audit is substantially complete, subject to resolving some outstanding queries on testing and receipt of central assurances requested from NWSSP auditors.

Since my Audit Plan, I have updated materiality to reflect the 2025-26 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 18.

It is the responsibility of the those charged with governance, ie the 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 Finance and Governance teams 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 aiming to certify your accounts on 26 June 2026, ahead of the deadline of 30 June 2026.

# 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:

| Materiality | Reporting threshold (trivial) |
| --- | --- |
| Set at 1% of gross expenditure based upon 2025-26 draft financial statements | Set at 5% of materiality |
| **Audited body £22 million** | **Audited body £1.1 million** |

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:

| Remuneration report | Related party disclosures |
| --- | --- |
| £5,000 or nearest banding | £10,000 (relating to individuals) |

# 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 2023-24 to 2025-26.

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 2025-28. 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

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**

| | |
|---|---|
| **Engagement Lead** | Richard Harries<br>richard.harries@audit.wales |
| **Audit Manager** | Julie Rees<br>julie.rees@audit.wales |
| **Audit Lead** | Dafydd Parker<br>dafydd.parker@audit.wales |

## 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 |
|---|---|---|
| **Risk of management override**<br>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]. | The audit team:<br>• tested the appropriateness of journal entries and other adjustments made in preparing the financial statements;<br>• reviewed accounting estimates for bias; and<br>• evaluated the rationale for any significant transactions outside the normal course of business. | My audit work did not identify any instances of management override of controls. |

| Audit risk | Work done | Outcome |
|---|---|---|
| **Failure of first financial duty**<br>The Health Board's first financial duty is to break even over a three-year period.<br>Where you fail this financial duty, we will place a substantive report on the financial statements highlighting the failure and qualify your regularity opinion.<br>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, we will place a substantive report on the financial statements highlighting this. | • Continue to monitor the Health Board's financial position for 2025-26 and the cumulative three-year period to 31 March 2026;<br>• Perform 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; and<br>• Consider the impact of any relevant uncorrected misstatements over the three-year period to 31 March 2026. | My testing did not identify any material misstatement in the accounts as a whole.<br>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 2023-24 to 2025-26.<br>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. |

| Audit risk | Work done | Outcome |
|---|---|---|
| **Remuneration report disclosures**<br>Remuneration paid to senior officers and board members continues to be of high interest and is material by nature. We have also previously identified material issues with these disclosures.<br>Therefore, there is a risk that even low value errors in the disclosure could result a material misstatement. | • Understand the movements in the senior management team during 2025-26;<br>• Ensure that remuneration disclosed is consistent with supporting evidence, completing testing as part of our interim work where possible;<br>• Ensure that amounts paid are consistent with those approved by the Board and are in accordance with Welsh Government pay rates; and<br>• Ensure that disclosures are complete based on the team's knowledge and are prepared in accordance with requirements. | My testing identified some disclosure errors – see **Appendix 2**. |

| Audit risk | Work done | Outcome |
|---|---|---|
| **Valuation of property assets**<br>The value of property assets reflected in the balance sheet and notes to the accounts are material estimates.<br>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.<br>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.<br>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 2026. | • Review the indices used by management for reasonableness;<br>• Evaluate the competence, capabilities and objectivity of the professional valuer, who provide indices to management and undertake valuations as necessary;<br>• 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;<br>• Confirm that indexation has been appropriately applied and has been correctly reflected in the financial statements; and<br>• 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 |
|---|---|---|
| **Related party disclosures**<br>The financial statements must disclose any related party relationships along with the transactions and balances between the LHB and the other body/party.<br>The LHB has many relationships that could be considered a related party. Many are well known for example, Welsh Government as funder.<br>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<br>There is a risk of material misstatement due to incomplete or inaccurate disclosures, even where these are of relatively low value. | • Review management's process for identifying related party relationships and associated transactions and balances;<br>• Undertake procedures to confirm the completeness of related party relationships; and<br>• Ensure disclosures are complete, accurate, consistent with evidence and are in accordance with requirements. | My testing identified some disclosure errors – see **Appendix 2** |

| Audit risk | Work done | Outcome |
|---|---|---|
| **Provisions and contingent liabilities**<br>The financial statements include provisions for legal obligations, particularly in relation to clinical negligence.<br>There is a significant degree of subjectivity and uncertainty in the measurement and valuation of these provisions.<br>This subjectivity and uncertainty increases the risk of material misstatement. | • Review management's estimation process for the valuation of provisions;<br>• Consider the competence, capability and objectivity of the management experts who are prepare the estimates; and<br>• Ensure that disclosures are in accordance with the FReM and Welsh Government's Manual for Accounts. | My testing did not identify any material errors in the accounting for provisions and contingent liabilities. |

# 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 |
|---|---|---|
| Narrative | Remuneration and Staff Report – salary and pension disclosures | The gross salary of those individuals in receipt of Salary Sacrifice schemes was added to comply with the manual for accounts. |
| Narrative | Remuneration and Staff Report – salary and pension disclosures | A footnote was added to refer to the Medical Director's secondment to the Welsh Government. |
| Narrative | Note 29 Events after the reporting period | The Health Board received notification from Welsh Government of changes to the remuneration rates for public appointees, approved prior to the year end, effective from 1 January 2026.<br>The financial impact of the has been recognised in the financial statements and Welsh Government have advised that this is also reported as a post balance sheet event. |
| Amounts due £1.2k<br>Expenditure £360k | Note 30 Related party transactions | Our testing identified one Board members' related party disclosure had |

| | | |
|---|---|---|
| | | not been included in the note to the accounts. |
| £385k | Note 30 Related party transactions | Corrections required to the related party transactions recorded with nine health and local governments to ensure figures correspond to the balances agreed as part of the agreement of balances process. |

# Appendix 3 – Proposed audit report

## 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 2026 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 2026 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 matters 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 £75.233 million over the amount that it was authorised to spend in the three-year period 2023-2024 to 2025-2026. This spend 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 twelve months from when the financial statements are authorised for issue.

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

The going concern basis of accounting for Aneurin Bevan University 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 Minsters' 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 Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and the other unaudited parts of the Accountability Report, or the 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 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 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 audited entity'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 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 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 and 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. 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
26 June 2026

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 2026 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 2025-26, 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 2023-24 to 2025-26.

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 £5,703.840 million by £75.233 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 20245-26 if it submitted a 2025-2028 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 2025-2028.

**Adrian Crompton**

**Auditor General for Wales**

**26 June 2026**

# Appendix 4 – Letter of representation

[Audited body's letterhead]

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

[Date]

## Representations regarding the 2025-26 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 2026 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 24 June 2026.

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 or of the Health Board |
| Date: | Date: |

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- Use of specialists
- Supervisions and review



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



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- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
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We welcome correspondence and telephone calls in Welsh and English.

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

| | |
|---|---|
| **Name of Committee:** | Audit, Risk and Assurance Committee |
| **Chair of Committee:** | Iwan Jones, Independent Member |
| **Reporting Period:** | Annual Report and Accounts 2025/26 |

## Purpose

The purpose of this paper is to provide the Board with a recommendation from the Audit, Risk and Assurance Committee regarding the approval of Aneurin Bevan University Health Board's Annual Report and Accounts for 2025/26

## Summary

The Audit, Risk and Assurance (ARA) Committee confirms that, in accordance with its Terms of Reference, it met on 23rd June 2026 to consider:

1. ABUHB's Draft Annual Report and Accounts 2025/26 which includes:
    - The Performance Report (Part 1)
    - The Annual Accountability Report (Part 2)
    - The Financial Statements (Part 3)
2. The Audit of Accounts Report (2025/26) of External Audit (Audit Wales); and
3. ABUHB's Letter of Representation for 2025/26

**The Performance Report (Part 1)**

The Committee reviewed the draft Performance Report presented and raised no queries or requested amendments to its content.

The Committee recommends the Performance Report for approval by the Board.

**The Accountability Report (Part 2)**

The Committee reviewed the draft Accountability Report and no amendments to its content were requested.

The Committee received the final Head of Internal Audit Opinion for 2025/26. The ARA Committee was pleased to note that for 2025/26, the Board can take reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, were suitably designed and applied effectively.

The ARA Committee was pleased to note from the report of Audit Wales that the Auditor General for Wales intends to issue an unqualified audit opinion on the Health Board's annual accounts 2025/26, except for the regularity opinion which the Auditor General intends to qualify. The latter, because the Health Board has not achieved its first statutory financial duty to break even over a three-year period. 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 £5,703.840 million by £75.233 million.

The substantive report from Audit Wales 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 2025-28. The regularity opinion is not qualified for this.

The audit report of Audit Wales also confirmed that there were no misstatements which remained uncorrected within the draft financial statements.

The Certificate and report of the Auditor General for Wales to the Senedd is included in final Accountability Report prior to signature.

Noting the updates outlined above, the ARAC recommends the Accountability report for approval by the Board.

**Annual Accounts 2025/26**
The Committee reviewed the Annual Accounts 2025/26 and raised no queries or requested amendments to its content.

The ARAC recommends approval of the Annual Accounts to the Board

**Recommendation**

The Audit, Risk and Assurance Committee confirms that it is not aware of any other matters that should be drawn to the Board's attention which are not included in the reports presented to the Board in respect of the Annual Report and Accounts 2025/26 or the additions set out within this note.

Therefore, the Audit, Risk and Assurance Committee RECOMMENDS to the Board that it:

- RECEIVES the Audit of Accounts Report (2025/26) of External Audit (Audit Wales)
- APPROVES the Annual Report and Accounts 2025/26, which includes:
  1. The Performance Report (Part 1)
  2. The Annual Accountability Report (Part 2)
  3. The Financial Statements (Part 3)
- APPROVES the Letter of Representation; and
- AUTHORISES the Chair, Chief Executive Officer and Executive Director of Finance, to sign these documents where required.

**CYFARFOD BWRDD IECHYD PRIFYSGOLN ANEURIN BEVAN**
**ANEURIN BEVAN UNIVERSITY HEALTH BOARD MEETING**

| | |
|---|---|
| **DYDDIAD Y CYFARFOD:**<br>**DATE OF MEETING:** | 24 June 2026 |
| **CYFARFOD O:**<br>**MEETING OF:** | Board |
| **TEITL YR ADRODDIAD:**<br>**TITLE OF REPORT:** | Annual Report and Accounts 2025/26 |
| **CYFARWYDDWR ARWEINIOL:**<br>**LEAD DIRECTOR:** | Rani Dash, Director of Corporate Governance |
| **SWYDDOG ADRODD:**<br>**REPORTING OFFICER:** | 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 2025/26, 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 30th June 2026, in-line with HM Treasury Requirements.

Following presentation of the draft documents to the Audit, Risk and Assurance Committee on 19th May 2026 and 23rd June 2026, the final draft versions incorporate comments and feedback received from Welsh Government; Audit Wales and members of 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 23rd June 2026. Any required amendments or additions arising from the Committee's meeting on 23rd June 2026 will be outlined in a report from the Committee Chair for consideration by the Board at its meeting on 24th June 2026.
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 2025-26 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 2025/26

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.
  - Delivery and 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 2025/26.

The detailed structure of the Annual Report and Accounts 2025/26, is set out at Annex A.

For the 2025-26 reporting period the deadlines for submission are:

| **Annual Reports 2025/26 - Key Dates** | **2026** | |
|---|---|---|
| **Draft Accounts to WG** | **Fri** | **1-May** |
| **Draft Performance Report Overview, Accountability Report and Remuneration Report to WG** | **Fri** | **8-May** |
| Draft Reports to ARA Committee Members | **Tues** | **12-May** |
| **ARA Committee meeting** to Consider Draft Accounts and Draft Accountability Report | **Tues** | **19-May** |
| Final Accounts & Accountability Report to Audit Committee Members | Fri | 19 June |
| **ARA Committee meeting** to Consider Final Accounts, and Accountability Report | **Tues** | **23-June** |
| **Board meeting to approve Final Accounts and Accountability Report** | **Wed** | **24-June** |
| **Certification by Auditor General** | **Fri** | **26-June** |
| **Final Annual Report Deadline for Submission to WG** – Annual Report and Accounts as a single unified document | **Tues** | **30 June** |
| **Annual General Meeting** – to receive the Annual Report and Accounts | **Wed** | **15 July** |

## Part One – The Performance Report 2025/26

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 19th May 2026 and 23rd June 2026. 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 2025/26

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 Executive Director of Finance.

The Draft Accountability Report was considered by the Audit, Risk and Assurance Committee (19th May 2026 and 23rd June 2026). 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 2025/26**

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 2025/26 (agenda item 2.1).

**Argymhelliad / Recommendation**

The Board is asked to APPROVE Aneurin Bevan University Health Board's Annual Report and Accounts 2025/26 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 | FR7 |
| 7) | NHS Wales FHoT Extract for WG | FR9 |
| 8) | Whole of Government Accounts | FR10 |
| 9) | Lease Principal and Interest | FR14 |
| 10) | Inter Party Lease Eliminations (Part 1) | FR16 |
| 11) | Inter Party Lease Eliminations (Part 2) | FR16 |
| 12) | Monnow Vale Memorandum Statement | |

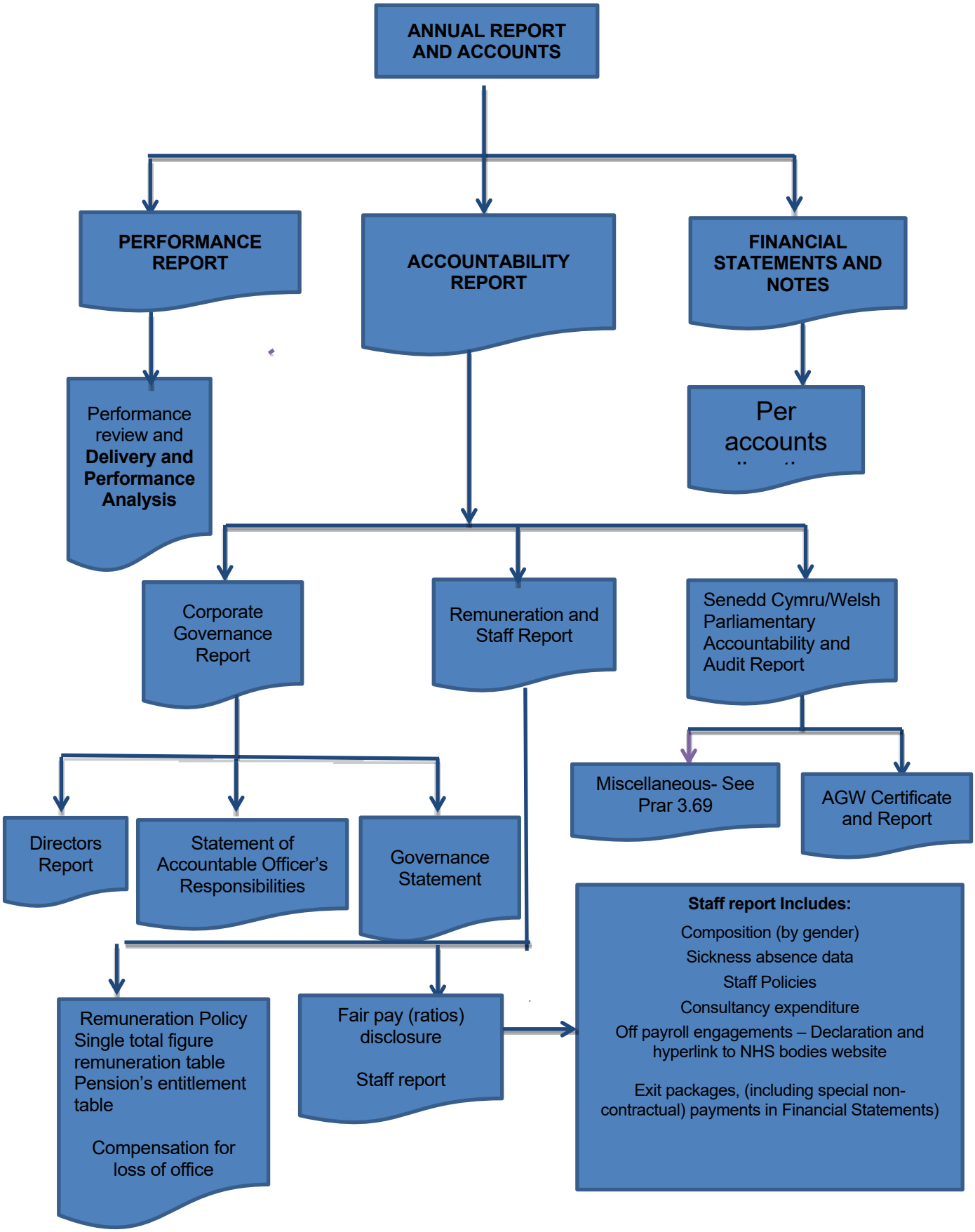
| **Amcanion: (rhaid cwblhau)<br>Objectives: (must be completed)** | |
|---|---|
| Cyfeirnod Cofrestr Risg Corfforaethol a Sgôr Cyfredol:<br>Corporate Risk Register Reference and Score: | N/A |
| Safon(au) Gofal ac Iechyd:<br>Health and Care Standard(s): | Governance, Leadership and Accountability<br>Choose an item.<br>Choose an item.<br>Choose an item. |
| Blaenoriaethau CTCI<br>IMTP Priorities<br><br>Link to IMTP | 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><br>Strategic Equality Objectives 2020-24 | Not Applicable<br>Choose an item.<br>Choose an item.<br>Choose an item. |

| **Gwybodaeth Ychwanegol:<br>Further Information:** | |
|---|---|
| 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 |

| **Effaith: (rhaid cwblhau)<br>Impact: (must be completed)** | |
|---|---|
| **Asesiad Effaith Cydraddoldeb<br>Equality Impact Assessment** (EIA) completed | **No  does not meet requirements**<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.<br>If you require advice on whether an EQIA is required contact ABB.EDI@wales.nhs.uk |
| **Deddf Llesiant Cenedlaethau'r Dyfodol – 5 ffordd o weithio<br>Well Being of Future Generations Act – 5 ways of working**<br><br>https://futuregenerations.wales/about-us/future-generations-act/ | Not Applicable<br>Choose an item. |

**Annex A**


ANNUAL REPORT AND ACCOUNTS
PERFORMANCE REPORT
ACCOUNTABILITY REPORT
FINANCIAL STATEMENTS AND NOTES
Performance review and **Delivery and Performance Analysis**
Per accounts
Corporate Governance Report
Remuneration and Staff Report
Senedd Cymru/Welsh Parliamentary Accountability and Audit Report
Miscellaneous- See Prar 3.69
AGW Certificate and Report
Directors Report
Statement of Accountable Officer's Responsibilities
Governance Statement
Remuneration Policy
Single total figure remuneration table
Pension's entitlement table
Compensation for loss of office
Fair pay (ratios) disclosure
Staff report
**Staff report Includes:**
Composition (by gender)
Sickness absence data
Staff Policies
Consultancy expenditure
Off payroll engagements – Declaration and hyperlink to NHS bodies website
Exit packages, (including special non-contractual) payments in Financial Statements)



GIG CYMRU NHS WALES
Bwrdd Iechyd Prifysgol
Aneurin Bevan
University Health Board

# 2025 - 2026
# Annual Report

## Aneurin Bevan University Health Board

## Introduction

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 2025/26, what we have achieved, how we plan to continue to improve next year and what out plans are.

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 1st April 2025 to 31st March 2026 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
http://x.com/aneurinbevanUHB
https://www.facebook.com/AneurinBevanHealthBoard

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# Part 1:

# Performance Report

# 1st April 2025 –

# 31st March 2026

## 1. Reporting Requirements

The purpose of the performance section of this Annual Report 2025/26, as set out in the guidance provided in the NHS Wales 2025/26 Manual for Accounts, is to provide information on Aneurin Bevan University Health Board, its main objectives, Strategy and plans 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 plans and demonstrate how the Health Board has delivered against these.

It should be noted that the Health and Social Care (Quality and Engagement) (Wales) Act 2020 legally requires Health Boards to publish an annual report regarding the Duty of Quality. This report will be prepared and published separately to this performance report. Further information is available in the Annual Accountability Report, Page XX.

## 2. Overview from the Chief Executive

In 2025/26, Aneurin Bevan University Health Board made important progress while operating within a challenging NHS Wales context of sustained operational, financial and workforce pressure. The year saw a clearer strategic direction, strengthened organisational planning and improvements in several priority areas of service delivery.

A key milestone was the publication of Gwent 35: Better Health, Better Care, Better Lives, the Health Board's ten-year strategy. This sets a clear ambition to improve healthy life expectancy, reduce inequalities and shift focus towards prevention, population health, care closer to home and sustainable services. It has been supported by the launch of the People Plan 2025-2030 and further work to strengthen place-based care, governance and accountability arrangements.

Operational delivery also improved in a number of important areas, supported by staff commitment, targeted improvement programmes and additional capacity. Key achievements included:

- **Improved access to planned and diagnostic care,** including major reductions in long outpatient, treatment and diagnostic waits.
- **Progress in care closer to home,** with strong delivery in pharmacy, optometry, enhanced community care and palliative care pathways.
- **Strengthened urgent and emergency care,** with improved ambulance handover performance, patient flow and discharge improvement work.
- **Development of specialist and regional services,** including regional ophthalmology delivery and the opening of the satellite radiotherapy centre at Nevill Hall Hospital.
- **Delivery of savings and financial improvement actions,** with savings of £43m achieved during the year, exceeding the planned savings target and supporting strengthened financial grip and control.
- **Workforce recruitment and retention progress,** with reduced vacancies in medical, nursing and midwifery posts through increased recruitment, alongside further reductions in agency staff usage and continued focus on building substantive workforce capacity.

- **Improved staff survey engagement and staff experience,** with participation increasing to 32.5% in 2025/26 and positive progress reported across almost all staff survey themes, providing a stronger evidence base to inform the People Plan and wider staff experience improvement work.
- **Continued focus on quality, safety and outcomes,** with positive mortality outcomes, lower infection rates and strong performance against core mental health access standards.

The report also recognises where performance remains challenged. The Health Board was re-escalated by Welsh Government to Level 4 Targeted Intervention for Finance, Strategy and Planning, and for urgent and emergency care performance and outcomes. Financial balance was not achieved, and further improvement is required in urgent care, cancer pathways, psychological therapies, neurodevelopmental services and some community capacity measures. These areas are being addressed through strengthened governance, recovery planning and focused operational delivery.

Overall, 2025/26 has established a stronger strategic platform while delivering tangible improvements for patients and communities. The focus for 2026/27 will be to sustain progress, accelerate recovery in challenged areas, improve financial performance and continue embedding Gwent 35 across the way services are planned and delivered.

## 3. The Health Board

Aneurin Bevan University Health Board (ABUHB) 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.

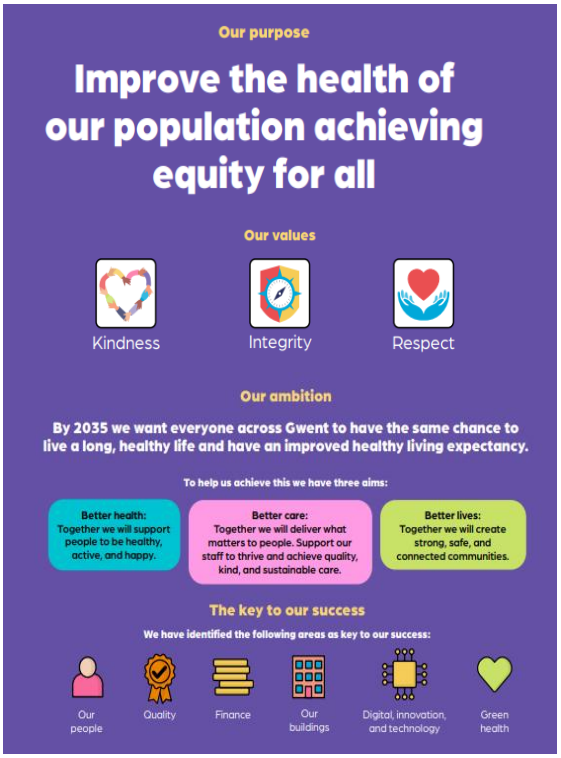
As a Health Board, the organisation serves the population of Gwent which reflects the five local authority areas: Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen. The demographics of Gwent are

varied and include rural countryside areas, urban centres and the most easterly of the South Wales valleys.

The Gwent Joint Strategic Assessment 2025/26 Edition - Aneurin Bevan University Health Board provides a comprehensive overview of the health and well-being of the people of Gwent in an accessible way for anyone to view. The majority of the data is sourced from publicly available national data sources such as Stats Wales, Wales Public Health Outcomes Framework and the Office of National Statistics. The Assessment provides partners across Gwent with a shared intelligence source about the current, future and influences of health and well-being of the population of Gwent. An evidence-base to inform planning for local service delivery, that provides us with a picture of health for Gwent and provides us with a framework for building a fairer, safer and healthier Gwent.

### 3.1 Gwent 35 Strategy

In July 2025, the Board approved *Gwent 35: Better Health, Better Care, Better Lives*, the Health Board's ten-year strategy (Gwent 35: Our Ten Year Strategy). The strategy sets a clear long-term direction for improving healthy life expectancy, reducing inequalities and shifting the organisation's focus towards prevention, population health, equity and care closer to home. It also fulfils the Health Board's statutory duty to publish well-being objectives under the Well-being of Future Generations (Wales) Act 2015.




Developed through engagement with communities and informed by evidence, Gwent 35 is built around three ambitions: better health, better care and better lives. These ambitions describe the conditions needed for people across Gwent to live healthier lives, access high-quality care when needed, and benefit from stronger communities, environments and services.

The strategy represents a significant step change for the Health Board, requiring a sustained rebalancing of resources, services and ways of working towards prevention, community resilience and sustainable models of care. It is underpinned by the organisation's values of Kindness, Integrity and Respect, which will guide the culture, behaviours and relationships needed to deliver the strategy.

Delivery is being supported through *Making it Happen*, the strategy delivery and deployment plan. This provides the framework for translating Gwent 35 into action through the Annual Plan and future IMTPs, supported by an outcomes framework and strategic plans aligned to the organisation's key areas for success. The detailed action plan can be found in Making it Happen, our strategy deployment & delivery plan.

Delivery describes what the Health Board will do to achieve the ambitions of Gwent 35; deployment describes how the organisation will work differently to make this happen. This includes strengthening the operating model so that culture and ways of working, organisational design, technology and infrastructure, governance and accountability, processes and partnerships are aligned to the strategy.

Work has commenced to review, test and strengthen the Health Board's operating model, with the action plan maintained as a live document to reflect the evolving work programme. An annual report on strategy delivery and deployment will be developed in September 2026 to provide assurance on progress and demonstrate how the Health Board is delivering against its well-being objectives.

## 3.2 Workforce

The Health Board has seen a significant growth in headcount over the last five years and currently employs 13,724 Whole Time Equivalents (WTE) (17,297 people; March 2025) and is the largest employer in Gwent. This is an increase of 264 WTE from last year, mainly in Nursing and Midwifery (146.24 WTE), and Medical & Dental (37.67wte).

The workforce demographic remains stable, with 20% of staff over 55 years old and 32% over 50 years old. From March 2025 to March 2026, turnover increased from 8.67% to 9.02% and sickness absence has increased from 6.44% to 6.55% with stress, anxiety, and depression accounting for a third of absences. All sectors, including the NHS have seen increases in sickness

absence and the health and wellbeing of our staff remains a key priority of our People Plan.

The Health Board has significantly reduced Registered Nurse vacancies, and we are forecasting a zero vacancy position through student streamlining processes in 26/27. Medical and Dental vacancies have also reduced, although hard to fill posts in some medical specialties (e.g., Ophthalmology, General and Acute Medicine, Psychiatry, Public Health) remain. We will continue with dedicated recruitment and retention campaigns, as well as working with educational and national partners to address these issues. Long-term vacancies remain in non-clinical roles like Mechanical and Craftsperson positions, and we have designed career pathways to attract and future-proof these roles.

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

Our most recent records indicate that there are 1,329 WTE staff (2,094 headcount) working independently as GP practice staff, with 11% of GP staffing covered by Locums. In addition, 25% of GP partners are over the age of 55 years old, alongside 35% of the nursing workforce matching this age profile.

**People Plan 2025 – 2030**: The new 5-year plan People Plan was launched this year and is a core enabler of our 10-year Health Board Strategy: 'Gwent 2035'. The plan was developed with engagement from staff, Trade Unions and partners, and supports our purpose and ambition by putting people at the heart of everything we do; creating the conditions for them to thrive, and enabling us to deliver outstanding, compassionate care while tackling health inequalities and building healthier futures for all.

The Plan sets three clear pillars of action for the next five years:

**Better Health and Wellbeing:** Our approach will be proactive, preventative and focused on resilience, valuing care for our people as much as care for our patients.
**Better Future Workforce:** By building digital skills, creating flexible roles and opening routes into NHS careers, we will ensure we have the right people, in the right roles, with the right skills for years to come.

**Better Working Lives:** We will invest in modern, flexible working arrangements, career development and recognition so that our people are motivated, engaged and able to reach their potential.

The Plan provides a strategic delivery programme set over the next 5-years. This includes further developing our achievements of the last People Plan (2022-2025), our key workforce performance indicators, and building on the achievements to date, which include:

- Ensuring all staff have a meaningful Performance Appraisal (PADR), with a target compliance of at least 85% (currently at 76.95%).
- Promotion of our staff survey, acknowledging the increased participation rate of 32.5% for 25/26 (previously 13.3%).
- Evaluation of a pilot staff recognition platform 'Share Given', that was implemented to provide an opportunity for patients (or their relatives) to say thank you and recognise the staff that made a difference to their care.
- Agreeing and implementing the recently refreshed Values and Behaviours Framework, following extensive staff engagement.
- Delivery and evaluation of a pilot strategic culture transformation project with consideration to how this approach can be applied across other teams and divisions.
- Continuation and development of our Leadership Development Programmes. Over the last year, 357 staff participated in a Leadership Development Programme and a further 339 managers attended masterclasses on subjects such as coaching, recognition and retention.
- Expanding retention initiatives across the Health Board following the success of the Nurse Retention plan including new starter surveys, a retention hub, talent and succession planning workshops.
- Further reducing time to hire, recognising this has consistently remained below the target of 71 days every month with lowest recorded average being 56.8 days.
- Reviewing our Nursing & Midwifery Workforce Strategy 2023-26, with a particular focus on Healthcare Support Worker development.
- Further roll out of innovative recruitment initiatives such as talent pools, lateral moves and rotational posts to support career development and promote retention across the Health Board. Through our talent pool approach, we have recruited to vacancies more efficiently, saving 25 days per vacancy in comparison to a traditional recruitment process.

- Further reduction of M&D vacancies by recruiting strategically to anticipated training gaps across a number of specialties where possible instead of recruiting to shorter gaps per specialty. We achieved our lowest vacancies in December 2025 (59.6 WTE, compared to 203.72 WTE at its highest in August 2022).
- Delivering sustained reductions in variable pay through improved workforce planning, strengthened roster management and continued focus on recruiting substantively to key posts, supporting better financial control and workforce sustainability.
- Improving our Occupational Health performance to support timely access and working towards achieving industry standard for Occupational Health Services.
- Integrating the ABUHB Post Incident Support Network and Clinical Pathway which was launched via our Employee Wellbeing Service.

Our People Plan provides a strong platform to horizon scan and recognises the changing demands on healthcare and the demographics of our staff and population. This strategy, along with other national changes and priorities will take us forward to 26/27 and beyond.

### 3.3 Finance

For financial year 2025/26 the Health Board received a £2 billion annual revenue resource limit (budget) from Welsh Government and a capital resource limit of £46m. These resources are used to deliver the Board's Annual Plan, including statutory requirements and working jointly with partners to provide and commission services for the population of Gwent.

Detail on how the Health Board is governed is set out within the Accountability Report (Section 2 of the Annual Report and Accounts 2025/26).

The Annual Plan for 2025/26 had the ambition to deliver financial balance, unfortunately this was not achieved for revenue spending and an £18m deficit was recorded despite savings of £43m being achieved (£3m more than expected). The deficit was driven by nationally agreed workforce costs, urgent care demand and investments in cancer and mental health services beyond the original plan, in order to meet increasing demand and safety priorities.

The Board did achieve its capital resource limit, its public sector payment targets and cash holding guidelines.

The Board established strengthened financial governance arrangements through its Value and Sustainability Board to drive improved financial performance and future sustainability.

Financial year 2026/27 is presenting similar financial challenges and improving financial performance is a priority for the Board going forward including refreshing its 'route map to sustainability'.

## 4. Three year Plan 2025/26: Performance against trajectories

The Health Board's performance reporting is aligned to the commitments made in the Integrated Medium-Term Plan (IMTP) 2025-28 which are framed around the following two components:

### Ministerial Delivery Expectations

The Cabinet Secretary for Health and Social Services set out sixteen delivery expectations under five themes:

- Timely access to care
- Population Health & Prevention
- Building Community Capacity
- Mental Health Access (Adult and CAMHS)
- Women's Health

### System Change Themes

Additional performance measures were set out against system change themes in the Integrated Medium-Term Plan (IMTP) 2025-28, drawn from the NHS Performance Framework, the Enabling Actions from the NHS Planning Framework and de-escalation conditions related to the Health Board's escalation status of Enhanced Monitoring for Urgent and Emergency Care.

The performance measures are grouped against the following IMTP system change themes:

- Embedding Prevention and Population Health in all that we do
- Progressing Place Based Models of Care and sustainability in Primary and Community Services

- Improving our Urgent and Emergency Care System focusing on experience, access and discharge pathways
- Continuing to prioritise Cancer, Urgent and the longest waiting patients for Planned Care
- Improving our Mental Health Services

A summary of the Health Board's Annual Performance is detailed below by System Change theme noting the relevant, corresponding Ministerial Priorities of Ministerial Delivery expectation (MD), Targeted Intervention (TI) or Enabling Action (EA).

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

| Delivery Expectation | 2024/25 EoY position | ABUHB commitment 2025/26 | Latest position |
|---|---|---|---|
| % uptake of the COVID-19 vaccination for those eligible Spring Booster **[MD]** | **61%** (Jun-24) | **75%** (Jun-25) | **56.5%** (Jun-25) |
| % uptake of the COVID-19 vaccination for those eligible Autumn Booster **[MD]** | **48.2%** (Mar-25) | **75%** (Mar-26) | **60.4%** (Mar-26) |
| % uptake of the influenza vaccination amongst adults aged 65 years and over **[MD]** | **72.9%** (Mar-25) | **75%** (Mar-26) | **73.9%** (Mar-26) |
| % children up to date with vaccinations by age 5 **[MD]** | **86.5%** (Q4) | **95%** (Mar-26) | **86.2%** (Q4) |
| % of children receiving HPV vaccination 1 dose by the age of 15 **[MD]** | **66.1%** (Q4) | **90%** (Mar-26) | **70.7%** (Q4) |
| Percentage of adult smokers who make a quit attempt via smoking cessation services | **5.2%** (Q4) | **5%** (Mar-26) | **4.6%** (Q4) |
| Percentage of adult smokers who made a quit attempt via smoking cessation services who are CO-validated as quit at 4 weeks | **18.1%** (Q4) | **32%** (Mar-26) | **22.2%** (Q4) |
| Percentage of well babies entering the new-born hearing screening programme who complete screening within 4 weeks | **95.6%** (Mar-25) | **90%** (Mar-26) | **95.6%** (Feb-26) |
| Maintain physical examination at 6 weeks rates (Healthy Child Wales) | **90.2%** (Mar-25) | **90%** (Mar-26) | **99.6%** (Mar-26) |
| Increase weight and measurement at 8 weeks rates (Healthy Child Wales) | **85.5%** (Q4) | **80%** (Mar-26) | **91.8%** (Q3) |
| Increase in % of patients (aged 12 years and over) with diabetes who received all eight NICE recommended care processes **[MD]** | **44.4%** (Mar-25) | **47%** (Mar-26) | **47.3%** (Mar-26) |
| Establishment of one Women's Health Hub in each health board area by March 2026 **[MD]** | **N/A** | **Yes** (Mar-26) | **Established** (Mar-26) |

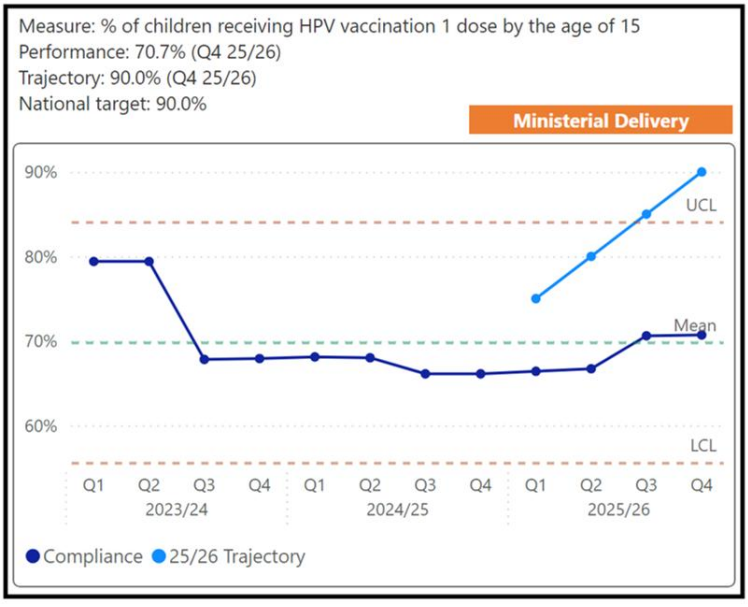
### 5.1.1 Vaccinations

Vaccination rates are important because they directly determine how well a population is protected from infectious diseases both at an individual and system level and the Welsh Government Framework sets out expectations across the key vaccinations programmes of COVID, influenza and HPV.

COVID vaccination activity centred on both the spring and autumn campaigns and whilst the Health Board's performance was higher than the 'all Wales' average, rates fell short of the national expectation in both the campaigns, a trend reflected nationally.

Influenza vaccination rates in residents over 65 years old however was more positive, with performance at the end of the campaign achieving 73.9% coverage, which was an improvement from 72.9% in 2024/25. The Health Board undertook several actions through the course of the year to improve uptake in seasonal vaccinations, including a review of booking processes and involvement in a PhD project to enhance uptake by exploring how to best remove barriers to uptake which will support further campaigns (e.g. use of text messaging services, improvement in letter wording to enhance engagement).

The number of children up to date with vaccinations by age 5 as well as those receiving HPV dose 1 by age 15 also did not meet the national targets. Vaccinations by age 5 had remained relatively stable at ~85%. To support improved vaccination uptake by age five, a task and finish group has been established led by the Public Health Team and working in partnership with Health Visitors, the Vaccination Service and the Health Intelligence Team.




The group will focus on targeted interventions in areas with lower uptake. A key initiative is the development of a 'live' dashboard to monitor uptake and assess the impact of interventions in real time. The initial pilot will prioritise MMRV vaccination and will be underpinned by Making Every Contact Count

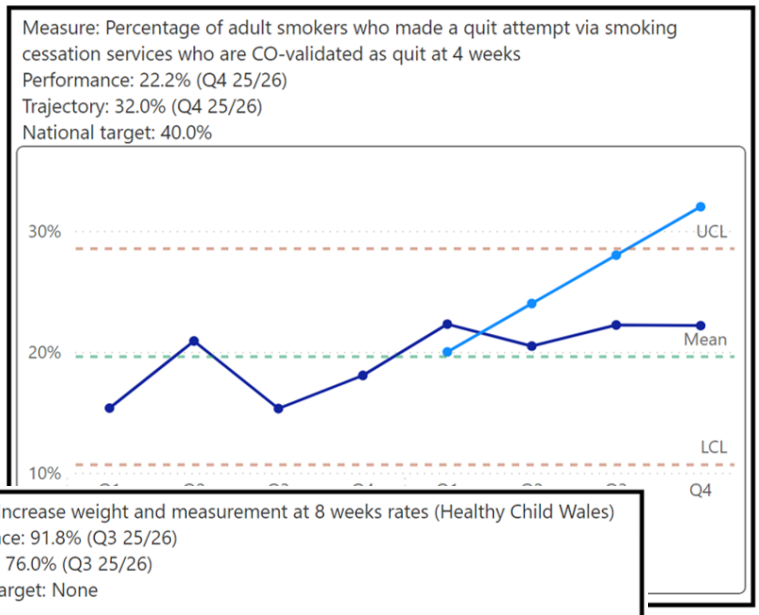
(MECC) principles during engagement with families. Staff involved in this work will be offered the newly developed Vaccine Brief Advice Awareness Training, delivered by the Health Protection Team, in line with recommendations from the Big Gwent Vaccination Conversation and the Director of Public Health's Annual Report findings. Progress has also been made in relation to HPV vaccination, with Q3 performance showing the first significant increase of the year, reaching 70.6%, which was maintained into Q4 at 70.7%. Digital consent for school-aged vaccinations is being piloted with a small number of schools to support improved accessibility and uptake. Learning from the pilot will be used to inform further refinements prior to wider rollout, with the aim of increasing HPV vaccination coverage across Gwent. In addition, the Nye Be*VAN* mobile vaccination service has been deployed in areas with sub-optimal uptake, providing parents and young people with additional opportunities to access vaccination.

### 5.1.2 Smoking cessation

Smoking cessation measures have shown steady improvement over the last two years as shown in the chart below.

As part of the Public Health commitment to delivering place-based care, behaviour change practitioners responsible for the Health Board's smoking cessation service have been aligned to localities and will form a core component of integrated neighbourhood teams. A comprehensive improvement programme is ongoing to optimise the service by reviewing and updating processes and placing greater emphasis on supporting individuals and groups to achieve carbon monoxide-validated quits at four weeks rather than just self-reported quits. This is being achieved by increasing community-based clinic capacity and ensuring that team members are given the opportunity to become embedded within their respective places and place-based teams.

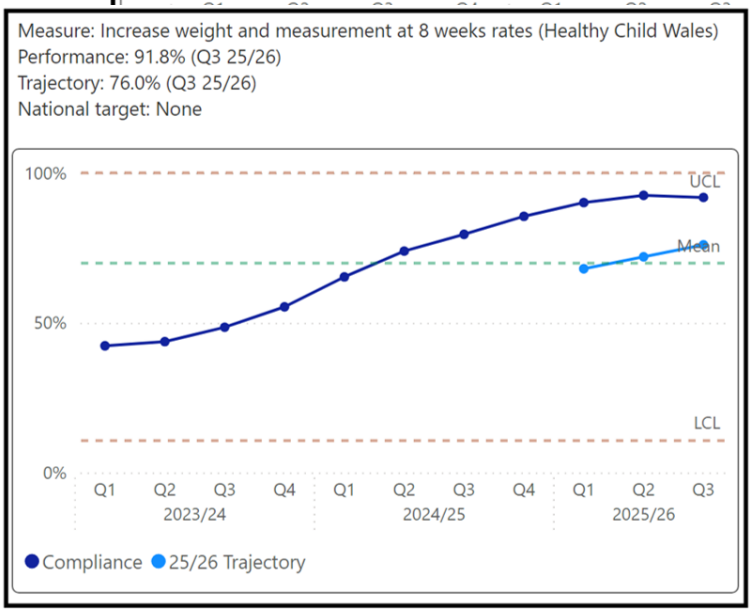
Work is also ongoing to ensure proportionate capacity is given to vulnerable populations at higher risk of tobacco related harm, e.g., those with mental health conditions, people with chronic conditions, pregnant women, and people at socio-economic disadvantage.




### 5.1.3 Newborn Babies

The three main measures for newborn babies:

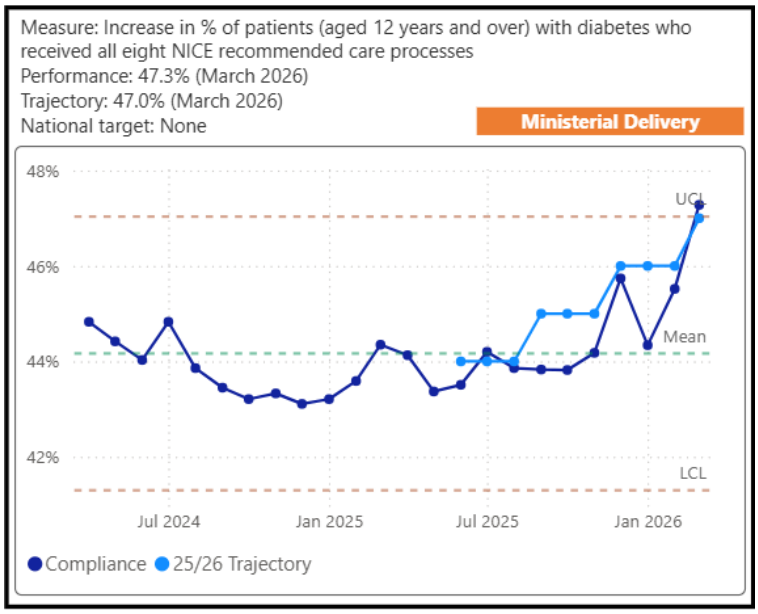
- hearing screening via the dedicated programme who complete screening within 4 weeks
- physical examination at 6 weeks rates
- weight and measurement at 8 weeks rates




have all performed strongly through the course of 2025/26 up to the latest available data and exceeding the IMTP trajectory. Increase in the weight and measurement at 8 week rates are most notable, having quarterly improvement from the beginning on 23/24, with performance having reached a high of 92.5% in Q2 2025/26, with Q3 at 91.8%.

### 5.1.4 Diabetes

The ministerial delivery expectation to increase the percentage of patients (aged 12 years and over) with diabetes who received all eight NICE (National Institute of Clinical Excellence) recommended care processes also showed progress throughout the year, closing the year at 47.3% and meeting the improvement trajectory set out in the IMTP. Significant progress has been delivered through the High Value Impact Pathway programme led by the Public Health Team, with a strong focus on improving quality and outcomes across diabetes care. Engagement materials supporting Urine ACR testing (which checks for early kidney damage) have been rolled out across all GP practices in Gwent and extended to wider community and hospital settings, reaching primary care teams, community pharmacies and the public. This has supported improved clinical practice, with pilot sites achieving a 10% increase in compliance.




### 5.1.5 Women's Health Hub

The Health Board delivered its commitment to establish a Women's Health Hub. Launched in March 26, the online hub provides a trusted, accessible source of information, advice and support to help women and those accessing women's health services in making informed decisions about their health and wellbeing at every stage of life. The hub brings together guidance on maintaining a healthy lifestyle, information on local community groups and events, and clear signposting to further support from healthcare professionals when needed. This initiative forms part of a wider Welsh Government programme, including a national women's health website and directly supports delivery of the NHS Wales Women's Health Plan, a ten-year commitment to improving services and addressing health inequalities for women and girls across Wales.

## 5.2 Progressing place-based models of care and sustainability in primary and community services

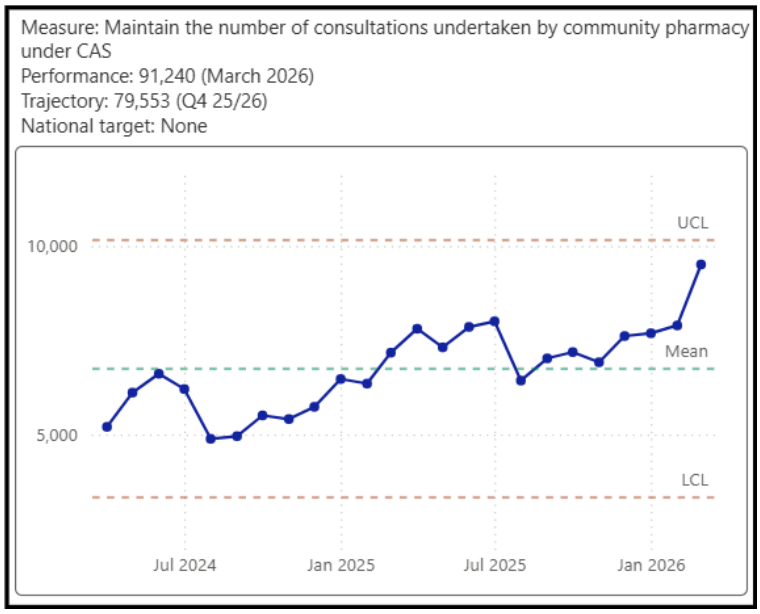
| Delivery Expectation | 2024/25 EoY position | ABUHB commitment 2025/26 | Latest position |
|---|---|---|---|
| 100% of GP practices achieving all National Access Standards for In hours GMS **[MD]** | **100%** (Mar-25) | **100%** (Mar-26) | **100%** (Mar-26) |
| Increase in people accessing PIPs where they would have visited their GP **[MD]** | **24,604** (Mar-25) | **24,065** (Mar-26) | **37,789** (Mar-26) |
| Maintain the number of consultations undertaken by community pharmacy under CAS | **70,637** (Mar-25) | **79,553** (Mar-26) | **91,240** (Mar-26) |
| Maintain the number of patients accessing NHS Optometry Services | **241,353** (Mar-25) | **246,133** (Mar-26) | **266,125** (Mar-26) |
| Number of patients accessing urgent emergency services - Dental | **43,590** (Mar-25) | **43,153** (Mar-26) | **39,999** (Mar-26) |
| Increase in capacity at the weekend of community nursing and specialist palliative care nursing to at least the required levels previously set for 2024/25 **[MD]** | **78,328** (Mar-25) | **128,347** (Mar-26) | **92,343** (Mar-26) |
| Increase in capacity of Enhanced Community Care to at least the required levels previously set for 2024/25 **[MD]** | **5,532** (Mar-25) | **5,277** (Mar-26) | **6,545** (Mar-26) |
| Maintain 95% of Palliative Care referrals assessed within 2 days | **96.7%** (Mar-25) | **95%** (Mar-26) | **94.0%** (Mar-26) |
| Maintain proportion of GP referrals made to Rapid Response as a total of all medical assessments) for over 65s | **6.6%** (Mar-25) | **8.5%** (Mar-26) | **7.0%** (Mar-26) |

Increasing the offer and access to advice and service in the community and primary care is a key component of the Health Board's strategy of care closer to home. Throughout 2025/26 activity has increased across a number of primary care professional groups and therefore increasing the offer to patients and communities.

### 5.2.1 Pharmacy

Contacts and associated activity in the Pharmacy Independent Prescribing Scheme (PIPS) and Common Ailment Scheme (CAS) services have continued to increase, reflecting both the expansion of clinical conditions managed by the service and the impact of a successful public awareness

campaign. PIPs consultations finished the year at 157% of the annualised target, supported by the continued expansion of the service and an increase in participating community pharmacies from 49 to 67 over the year. CAS activity also exceeded the IMTP trajectory, with March recording the highest monthly level of consultations to date at 9,510. Uptake continues to grow across newer clinical pathways, with UTI (Urinary Tract Infections) consultations almost doubling in the second half of the year to an average of just under 600 per month, and Sore Throat Test consultations showing both clear seasonal demand and a near-doubling year-on-year during the winter period, now exceeding 1,000 consultations per month. While further growth is anticipated, activity is expected to begin to moderate in future years as the service approaches capacity limits, particularly within CAS.




### 5.2.2 Optometry

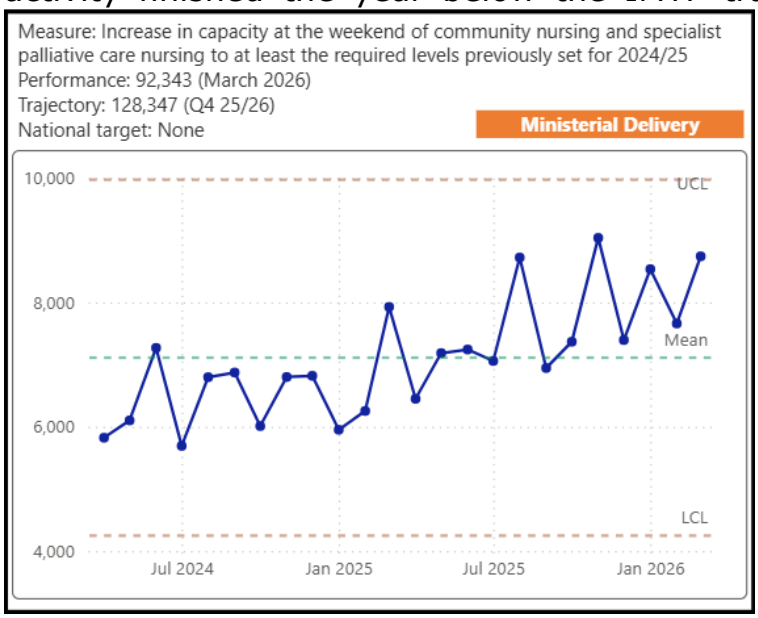
Optometry activity exceeded the IMTP trajectory by 8%, supporting almost 20,000 additional patients compared to plan, driven by implementation of the new Wales General Ophthalmic Service (WGOS) pathways and increased access to community-based care. Overall utilisation surpassed the total number of patients seen in 2024/25, despite some seasonal variability, with activity ranging from a low in January to a record high in October.

### 5.2.3 Dental Care

Emergency Dental activity was slightly below trajectory, delivering 93% of planned activity, alongside a reduction in overall demand compared to the previous year. Performance was more variable across the year, with notable seasonal lows and a peak demand in January, reflecting ongoing pressures and changing patterns of urgent dental need.

### 5.2.4 Community Nursing

The Ministerial Delivery Expectation for weekend Community Nursing activity finished the year below the IMTP trajectory, delivering 72% of planned activity. However, a clear upward trend has been sustained, with average monthly contacts increasing by around 1,200 compared to 2024/25. While weekend activity continues to increase proportionally, meeting the ministerial ambition for weekend delivery of 80% of that of an average weekday, would require a significant rebalancing of service delivery.



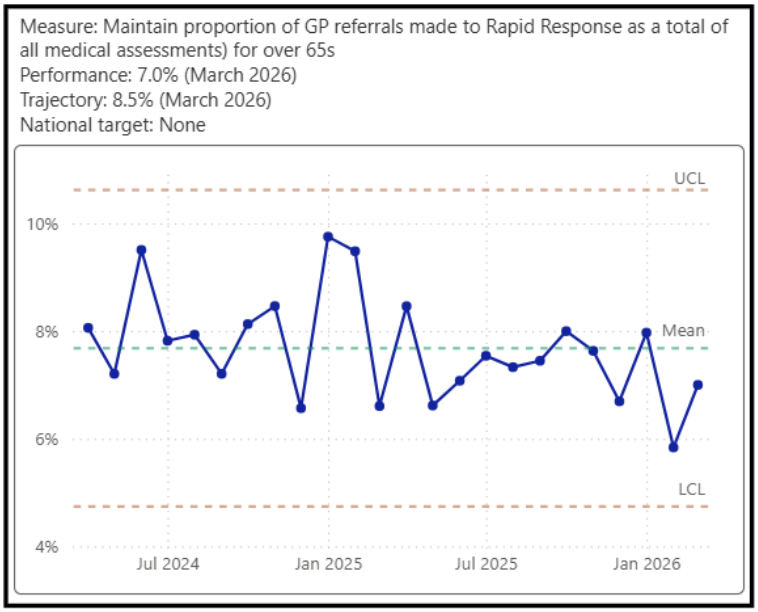

In contrast, Enhanced Community Care (ECC) performance, another Ministerial delivery expectation, exceeded forecast, with accepted referrals almost 25% above the IMTP trajectory, reflecting strong system utilisation of Rapid Response, Ready to Go Ward and Emergency Care at Home services.

### 5.2.5 Palliative Care

Palliative Care performance was marginally lower than the previous year, remaining consistently around 91% for much of the year and below the IMTP trajectory, primarily due to increased demand and periodic workforce capacity constraints. However, recovery in the final two months resulted in an end-of-year position of 94%, demonstrating improving resilience.

### 5.2.6 General Practice

GP referrals to Rapid Response services as a proportion of all medical assessments remained relatively stable throughout the year but were lower overall than in 2024/25 and largely below the IMTP trajectory, with seasonal variation and a more pronounced reduction in late winter.



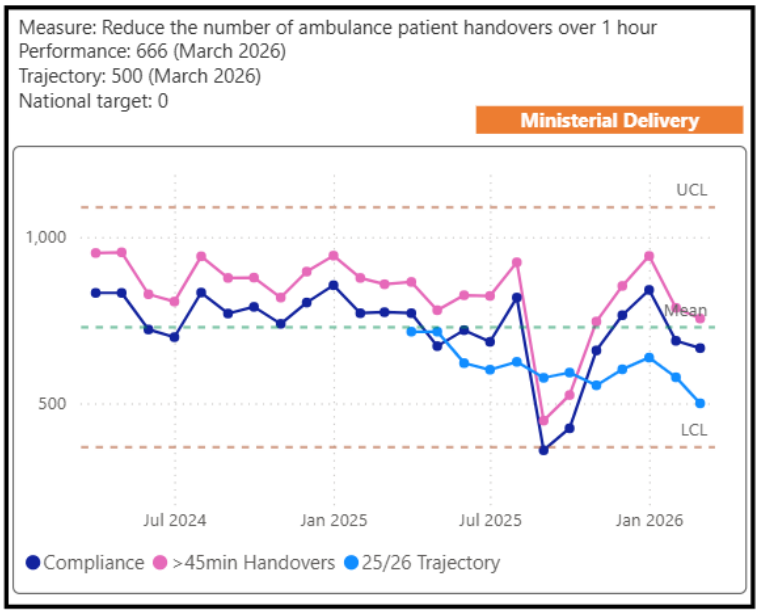

As part of the Urgent and Emergency Care transformation programme, the development of the Navigation Hub and Single Point of Access will seek to address access barriers and support improved utilisation of Rapid Response services, particularly for older people.

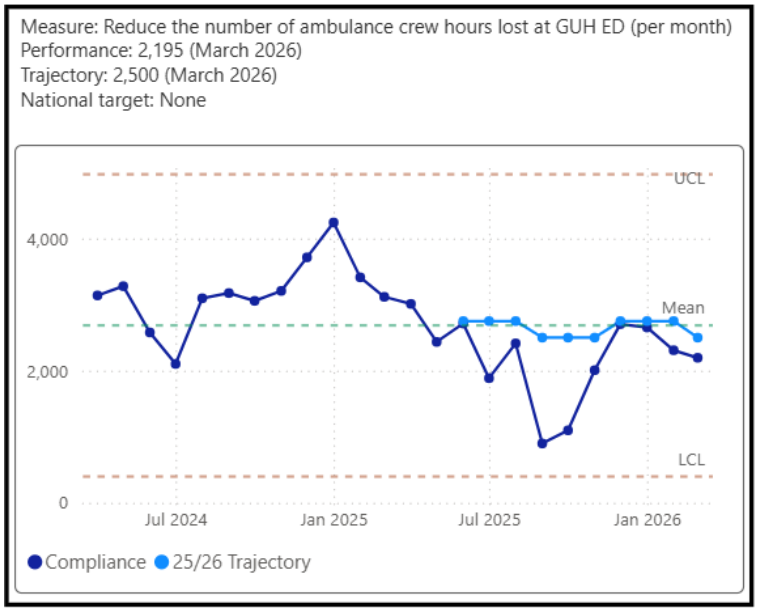
## 5.3 Improving our Urgent and emergency care system focusing on experience, access and discharge pathways

| Delivery Expectation | 2024/25 EoY position | ABUHB commitment 2025/26 | Latest position |
|---|---|---|---|
| Reduce the number of ambulance patient handovers over 1 hour **[MD]** | **774** (Mar-25) | **500** (Mar-26) | **666** (Mar-26) |
| Reduce the number of ambulance crew hours lost at GUH ED (per month) | **3,117** (Mar-25) | **2,500** (Mar-26) | **2,195** (Mar-26) |
| Reduce the number of patients who spend 12 hours or more in all major and minor emergency care facilities from arrival until admission, transfer or discharge compared to the same month the previous year, building towards the national target of zero **[MD]** | **1,210** (Mar-25) | **750** (Mar-26) | **1,184** (Mar-26) |
| Increase and maintain national target of the percentage of patients waiting <4 hours in ED/MIU | **76.7%** (Mar-25) | **80%** (Mar-26) | **73.8%** (Mar-26) |
| Reduction in time from arrival to ED triage - no waits over 60 minutes | **314** (Mar-25) | **200** (Mar-26) | **528** (Mar-26) |
| Median time from arrival at an emergency department to assessment by a clinical decision maker should not exceed 60 minutes and maintained for three months **[TI]** | **141** (Mar-25) | **60** (Mar-26) | **152** (Mar-26) |
| Maintain the number of Urgent Primary Care contacts (inc. virtual) | **91,279** (Mar-25) | **95,147** (Mar-26) | **95,304** (Mar-26) |
| % of patients directly admitted to an acute stroke ward <4hrs of clock start | **3.8%** (Mar -25) | **20%** (Mar-26) | **16.9%** (Mar -26) |
| % of unique stroke patients given thrombectomy (all stroke types) | **5.1%** (Mar 25) | **6%** (Mar-26) | **5.2%** (Mar 26) |
| % Assessed by OT within 24 hours | **22.2%** (Mar-25) | - | **45.7%** (Mar-26) |
| % Assessed by PT within 24 hours | **22.2%** (Mar-25) | - | **51.4%** (Mar-26) |
| % Assessed by SaLT within 72 hours | **64.1%** (Mar-25) | - | **80.3%** (Mar-26) |
| Deliver a 12-month reduction trend in the number of people who are delayed in hospital as measured by the Delayed Pathways of Care dashboard **[MD]** | **171** (Mar-25) | **160** (Mar-26) | **178** (Mar-26) |
| Deliver a 12-month reduction trend in the number of total days delayed in hospital as measured by the Delayed Pathways of Care dashboard | **6,195** (Mar-25) | **6,437** (Mar-26) | **4,543** (Mar-26) |
| Number of pathways of care delays due to awaiting completion of nursing / AHP / Medical / Pharmacy assessment **[TI]** | **10** (Mar-25) | **12** (Mar-26) | **19** (Mar-26) |
| Continuous reduction in the number of people admitted as an emergency who remain in hospital over 21 days since admission **[TI]** | **357** (Mar-25) | **370** (Mar-26) | **445** (Mar-26) |

### 5.3.1 Ambulance handovers

A key priority for the organisation and a component of national escalation status the data demonstrates steady improvement in Ambulance handover performance at the Grange University Hospital Emergency Department during 2025/26 with sustained reductions in both handover delays and associated lost hours. Notwithstanding improvement the levels required to achieve de-escalation were not met. The total number of lost hours remained below trajectory and, whilst not meeting the improvement trajectory set out on the IMTP, ambulance handovers over one hour showed marked improvement compared with the previous year, with around 100 fewer handover breaches and approximately 1,000 fewer lost hours over the same period.

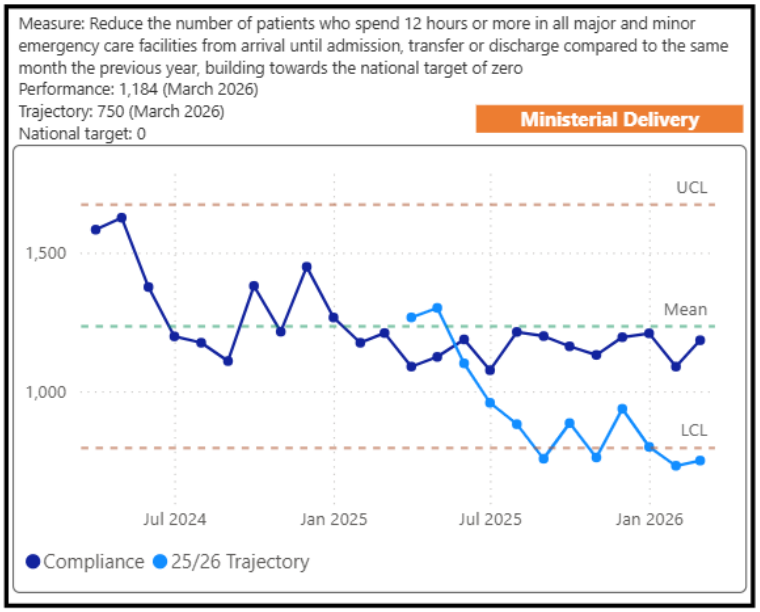



The March, year-end position delivered the strongest performance of the year outside of the initial Our Next Patient (ONP) launch period (September to November, record lows for all handover measures). A further step change in Ambulance handovers in line with Handover-45 expectations is required and is being underpinned by a refreshed improvement plan with strengthened oversight and governance at Executive and Board level.

### 5.3.2 12 and 4 hour targets

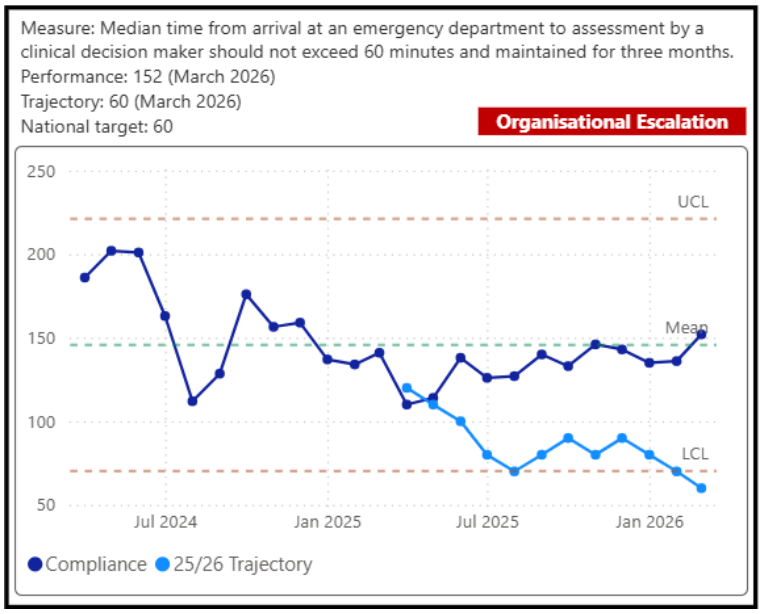
Delivery against the 12-hour EDMIU and 4-hour standards remained consistent during 2025/26, despite ongoing system pressures. While the 12-hour IMTP trajectory was not fully achieved, performance represented a clear improvement on previous years, with breach volumes remaining within a narrow range throughout the year and significantly reduced volatility compared to historical patterns. 12-hour compliance was consistently strong, typically above 92%, with a post-Grange opening record high in July and year-end performance of 92.8%, narrowly below the targeted intervention de-escalation threshold of 93%. These improvements reflect greater operational stability, although weekly variation persists, driven by delayed specialty responses, high bed occupancy and constrained patient flow across the wider system.




4-hour performance was more challenged during the winter period, reflecting demand-led pressures across the urgent and emergency care system. Sustained improvement will continue to focus on earlier specialty decision-making, improved inpatient throughput and maintaining continuous flow through the Emergency Department and downstream assessment units and wards, supported by the relaunch of the Our Next Patient initiative and in line with the Urgent and Emergency Care (UEC) Improvement and Stabilisation plan.

### 5.3.3 Triage and Wait to be Seen

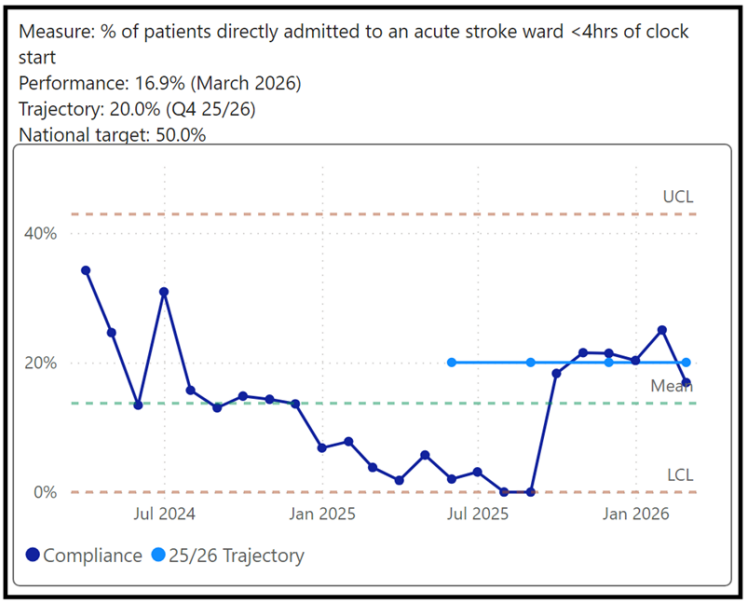
Triage and Wait to Be Seen (WTBS) performance during 2025/26 demonstrated improved control and stability compared with earlier years, while remaining sensitive to seasonal and operational pressures. Although triage performance tracked above trajectory following a winter peak, overall breach volumes remain significantly reduced, with 60-minute breaches




approximately one-third of those seen during the early years of the Grange University Hospital. Triage improvement remains a core focus within the relaunch of the ONP initiative. Clinical Median Wait/WTBS performance has also improved year-on-year and shown greater consistency, although it has trended upwards through the course of the year and remains some way off achieving the IMTP trajectory which is aligned to the Health Board's targeted intervention de-escalation criteria. Sustained improvement actions are focused on strengthening daily operational huddles, enhancing early patient movement, optimising daytime assessment capacity through clinician role redesign and Senior Rapid Assessment and Treatment (SRAT) rostering, and protecting overnight cubicle capacity through robust escalation and boarding protocols to maintain flow and minimise delays.

### 5.3.4 Stroke services

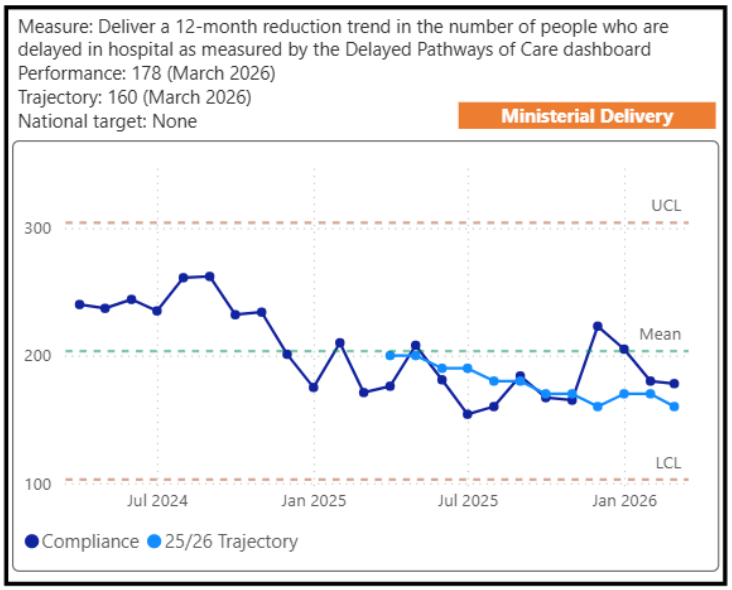
Stroke services demonstrated strong performance improvement during the year underpinned by corrected data processing, focused improvement actions and strengthened regional oversight. Following the resolution of a data processing error which severely impacted performance in the first half of the year, Q3 Sentinel Stroke National Audit Programme (SSNAP) results confirmed that performance against the stroke 4-hour standard exceeded the IMTP trajectory, with a dip in Q4 due to increased demand.

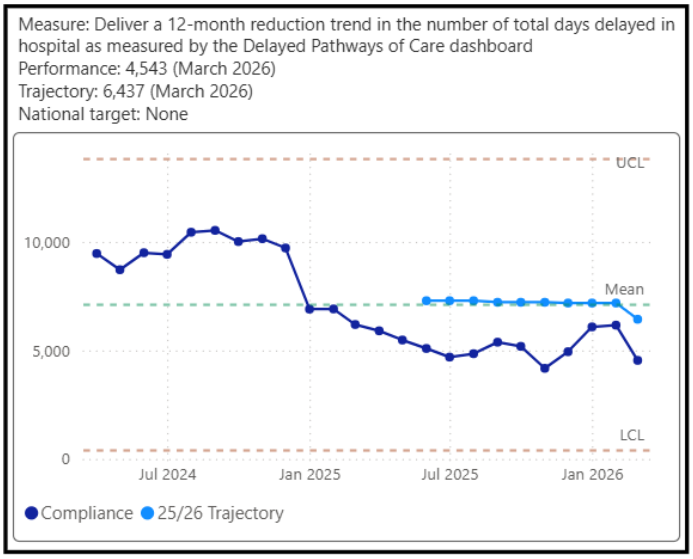



Progress has continued across the wider stroke pathway, with improved timeliness of physiotherapy and occupational therapy assessments and sustained improvements in speech and language therapy provision. An updated stroke improvement plan is in place to address outstanding GIRFT (Get it Right First Time National Programme) actions and align delivery with the NHS Wales Stroke Quality Statement, with performance oversight strengthening through the Urgent and Emergency Care Improvement Programme and enhanced regional governance arrangements, including Llais participation on the Stroke Regional Network Board.

### 5.3.5 Pathway of Care Delays

Pathway of Care Delays (POCDs) showed signs of sustained improvement towards the end of 2025/26 following a peak in system pressure during the winter. After reaching a high point in December of 223, total POCDs reduced for three consecutive months with the March, year-end position having reduced to 178. This was slightly above the planned trajectory of 160 and 4% higher than the equivalent position in the previous year (171), however the impact of delays has



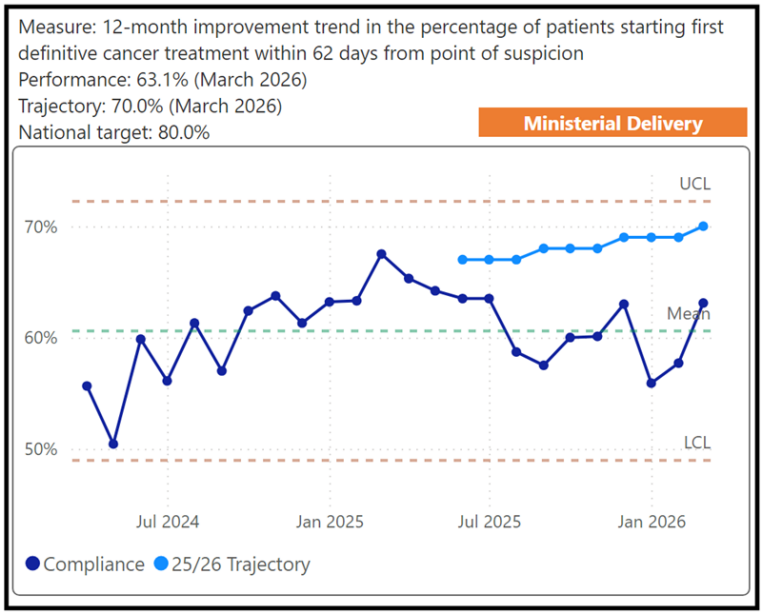



reduced more significantly, with total days delayed falling sharply to 4,543 in March which represents a 27% reduction compared with March 2025 and indicative of improved progression through discharge pathways, particularly for long-staying patients. Length of Stay for patients exceeding 21 days followed expected seasonal trends, peaking over winter before improving in February, supported by a renewed organisational focus through the Our Next Patient initiative. Continued improvement is being driven by a sustained focus on intensive review of the longest delays, alongside the introduction of strengthened divisional processes to improve the accuracy of Estimated Discharge Dates (EDDs) and clearer recording of the specific barriers preventing patients from moving to the next stage of discharge planning.

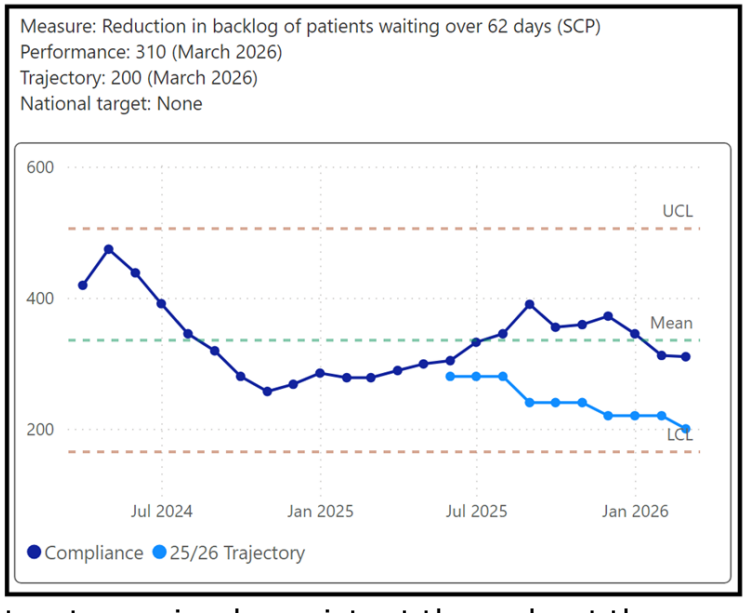
## 5.4. Continuing to prioritise Cancer, Urgent and the longest waiting patients for Planned Care

| Delivery Expectation | 2024/25 EoY position | ABUHB commitment | Latest position |
|---|---|---|---|
| 12-month improvement trend in the percentage of patients starting first definitive cancer treatment within 62 days from point of suspicion **[MD]** | **67.5%** (Mar-25) | **70%** (Mar-26) | **63.1%** (Mar-26) |
| Reduction in backlog of patients waiting over 62 days (SCP) | **278** (Mar-25) | **200** (Mar-26) | **310** (Mar-26) |
| Reduction in backlog of patients waiting over 104 days (SCP) | **84** (Mar-25) | **50** (Mar-26) | **92** (Mar-26) |
| Increase in rate of treatments starting within 28 days of decision to treat | **89.1%** (Mar-25) | **75%** (Mar-26) | **90.8%** (Mar-26) |
| Numbers of patients waiting over 104 weeks (all stages) **[MD]** | **288** (Mar-25) | **0*** (Mar-26) | **23** (Mar-26) |
| Number of patients waiting over 52 weeks for Outpatients | **14,265** (Mar-25) | **1,834*** (Mar-26) | **1,228** (Mar-26) |
| Reduction in the number of patients waiting 100% past Outpatient follow-up target date | **30,752** (Mar-25) | **27,275** (Mar-26) | **30,850** (Mar-26) |
| Increase in the rate of See On Symptom and Patient Initiated Follow-ups | **13.4%** (Mar-25) | **13.5%** (Mar-26) | **12.6%** (Mar-26) |
| Monitoring DNA/CNA for every Outpatient clinic. When DNA >5%, overbooking to be implemented & monitored and reduction of CNA **[EA]** | **5.5%** (Mar-25) | **5%** (Mar-26) | **5.2%** (Mar-26) |
| Reduction in the number of patients waiting more than 8 weeks for a specific diagnostic **[MD]** | **1,155** (Mar-25) | **166*** (Mar-26) | **233** (Mar-26) |
| Number of adults waiting more than 14 weeks for all audiology pathways | **Not reportable 24/25** | **5,440** (Mar-26) | **5,766** (Mar-26) |
| Number of children waiting more than 6 weeks for all audiology pathways | **Not reportable 24/25** | **3,630** (Mar-26) | **780** (Mar-26) |
| No patient waiting more than 14 weeks for a therapeutic assessment | **121** (Mar-25) | **105** (Mar-26) | **350** (Mar-26) |
| On 90% of days planned care inpatient/daycase/theatre recovery capacity should be protected from pressures and outliers **[EA]** | **97.5%** (Mar-25) | **90%** (Mar-26) | **95.4%** (Mar-26) |
| Theatre Utilisation late starts to less than 20% **[EA]** | **37.6%** (Mar-25) | **25%** (Mar-26) | **38.2%** (Mar-26) |
| Theatre Utilisation early finishes to less than 10% **[EA]** | **46.8%** (Mar-25) | **25%** (Mar-26) | **40.8%** (Mar-26) |
| Theatre Utilisation session utilisation to 85% **[EA]** | **83.7%** (Mar-25) | **85%** (Mar-26) | **83.7%** (Mar-26) |
| Deliver improvements in day surgery rates, achieving a BADS daycase rate **[EA]** | **73.8%** (Mar-25) | **55%** (Mar-26) | **75.7%** (Mar-26) |

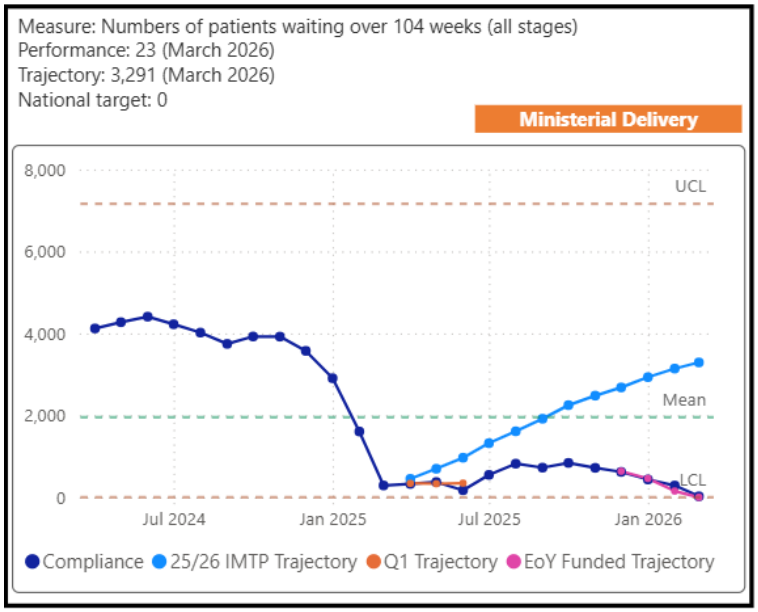
### 5.4.1 Single Cancer Pathway



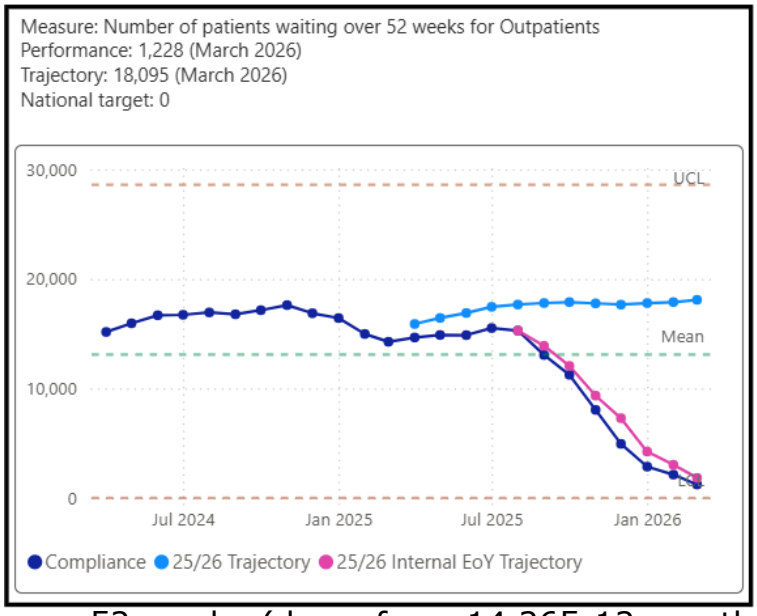

Delivery against the Single Cancer Pathway (SCP) standard during 2025/26 has been mixed as set out in the chart. Performance against SCP is impacted by demand fluctuations and sensitive to any changes in capacity in tumour site MDTs. Following a period of deterioration in quarters 1 and 2, performance improved at the end of the year, recovering to 63.1% Notable improvements are observed in gynaecological oncology, where SCP compliance increased from 37.5% in November to 73.3% in February, while Head and Neck pathways have seen backlog reduction following the resumption of weekly review meetings. Colorectal services remain a key focus, with a detailed recovery action plan now in place to address challenges at the initial diagnostic stage, including the ongoing impact of high DNA and short-notice cancellation rates within endoscopy. The 62-day backlog reduced steadily from a peak of around 390 in September down to 310 at year end, equating to 9.5% of the total Patient Tracking List (PTL) and within the intended ~10% tolerance. The 104-day backlog has remained broadly stable over the last two quarters of the year and delivery against the 28-day treatment start standard from decision to treat remained consistent throughout the year, ranging between 86.9% and 92.8%, and consistently above the mean, demonstrating sustained performance despite pathway pressures.



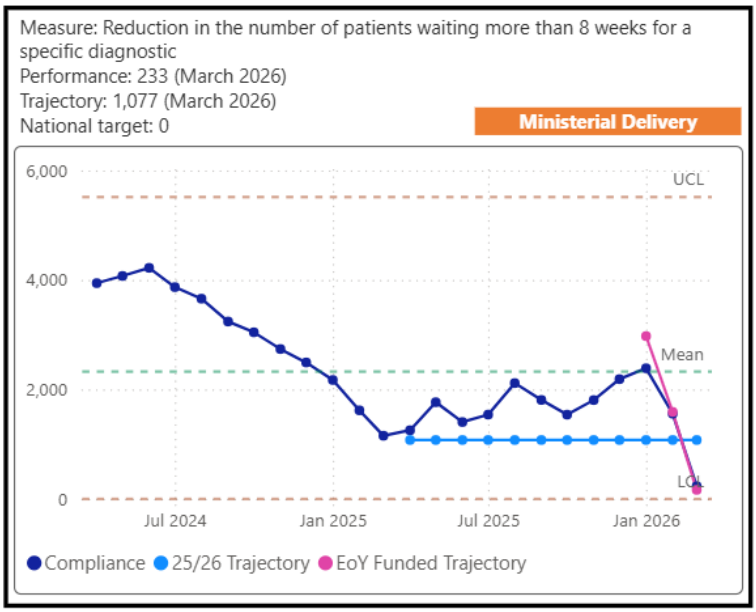
### 5.4.2 Planned Care

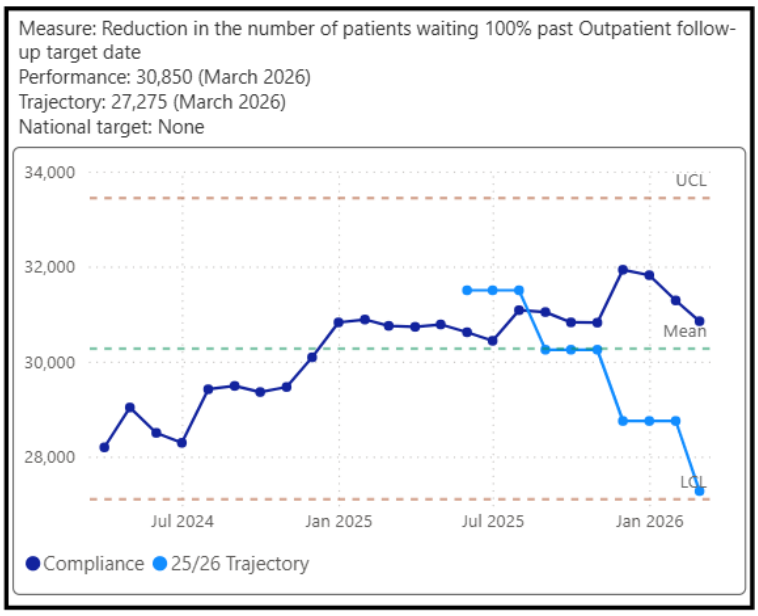



Planned care performance delivered a significant improvement during 2025/26, underpinned by strong organisational focus and targeted investment following national non-recurrent funding for both treatments (104 week waits) and outpatients (national insourcing programme). The Health Board reduced the number of patients waiting over 104 weeks to 23 patients by March year end, the lowest position since April 2020. This represented a substantial achievement against a challenging trajectory that aimed for zero, with an acknowledged delivery risk of 30–40 patients in Orthopaedics. This outcome was enabled a substantial, cross divisional effort across multiple teams. Performance against the 52-week new outpatient standard also improved, driven by the national outpatient insourcing programme, which contributed to a sustained reduction from August and delivered a year-end position of 1,228 patients over 52 weeks (down from 14,265 12 months previous). This was lower than the end of year forecast figure of 1,834 and represents the Health Board's lowest 52-week outpatient position since August 2020. Strong delivery as part of the national outpatient insourcing programme was central to this reduction, with 33,203 appointments achieved against a planned total of 33,612, equating to 98.8% contract delivery and demonstrating effective management of what was a hugely resource intensive programme to deliver within the Health Board.



Diagnostic performance against the 8-week standard improved markedly during the final quarter of 2025/26, following an intensive programme of recovery work supported by additional, non-recurrent funding. This resulted in a reduction in the numbers of patients waiting more than 8-weeks, falling from 1,557 in February to just 233 at year end. The year-end position saw zero breaches across several modalities, including endoscopy, neurophysiology and urodynamics, and a global 8-week compliance rate of 98.9%. The outcome reflects sustained organisational focus and the collective efforts of a wide range of clinical, operational and support teams, whose contribution has been instrumental in delivering this milestone improvement in performance.



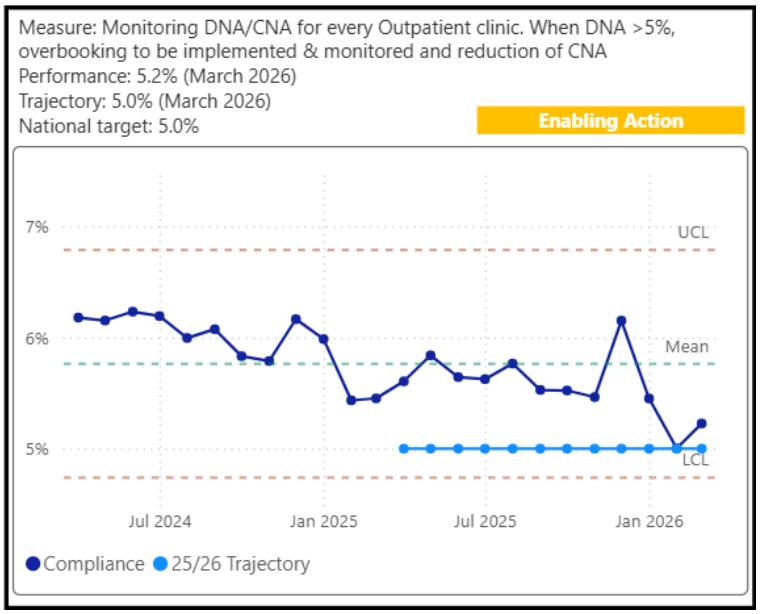




The number of patients on the follow up list delaying has remained fairly stable through the year and not achieved the reduction intended. Similarly, whilst comparatively achieving a good rate, the rates of See on Symptom (SOS) and Patient Initiated Follow Up (PIFU) also did not fulfil the trajectory although improvements were demonstrated in the final quarter of the year.

The Outpatient Transformation Programme continues to maintain a strong focus on managing patients with the longest follow-up waits, working closely with clinical leads and Directorates to ensure patients are

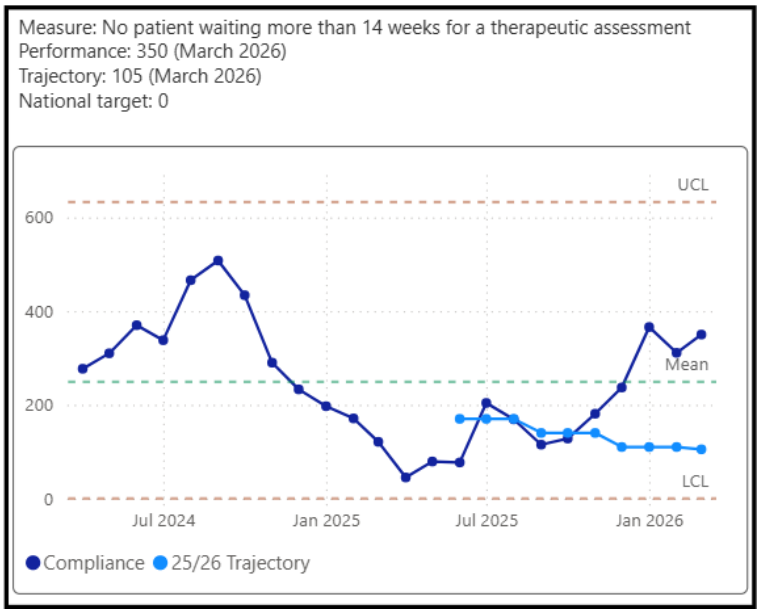
appropriately booked, clerically validated or clinically reviewed. Local SOS and PIFU pathways were established across services, with further work underway to ensure consistent utilisation and identify additional opportunities. Retrospective application of SOS and PIFU pathways is planned for 2026/27 as part of the wider validation strategy. Targeted clinical validation has already begun, including within ENT services, resulting in patients being discharged or appropriately transitioned to SOS or PIFU pathways where clinically suitable.

A key indicator of efficiency, Outpatient clinic 'Did Not Attend' (DNA) rates steadily improved throughout 2025/26. A targeted approach at specialty level was key to this improvement and will be further build on to address issues of variation where there is persistently higher DNA and CNA rates, supported by the widespread implementation of text message reminders across the majority of clinics. In addition, work has commenced with Public Health colleagues to better understand cohort-specific factors influencing non-attendance within Care of the elderly (COTE) services, helping to inform more tailored and preventative interventions going forward.




### 5.4.3 Audiology and Therapies

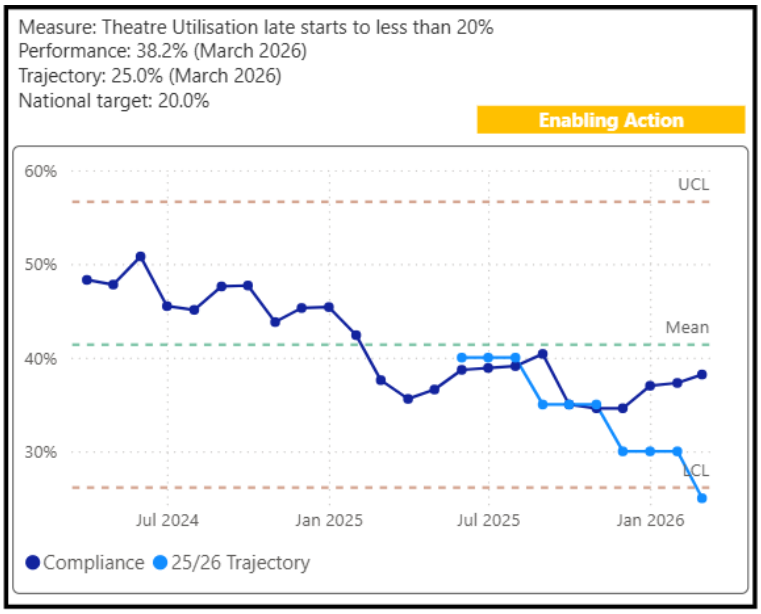
Audiology and therapy services experienced increased pressure during 2025/26 as a result of system-wide elective recovery activity and rising demand. Within adult audiology pathways, additional demand generated through the national outpatient insourcing programme in ENT led to increased referrals into Adult Hearing New and diagnostic pathways, resulting in higher than planned numbers of patients waiting more than 14-weeks. In contrast, paediatric audiology benefited from targeted end-of-year investment, enabling a reduction in long waiting patients and delivering a year-end position lower than at the start of the year and well below planned levels. Across therapy services, 14-week performance



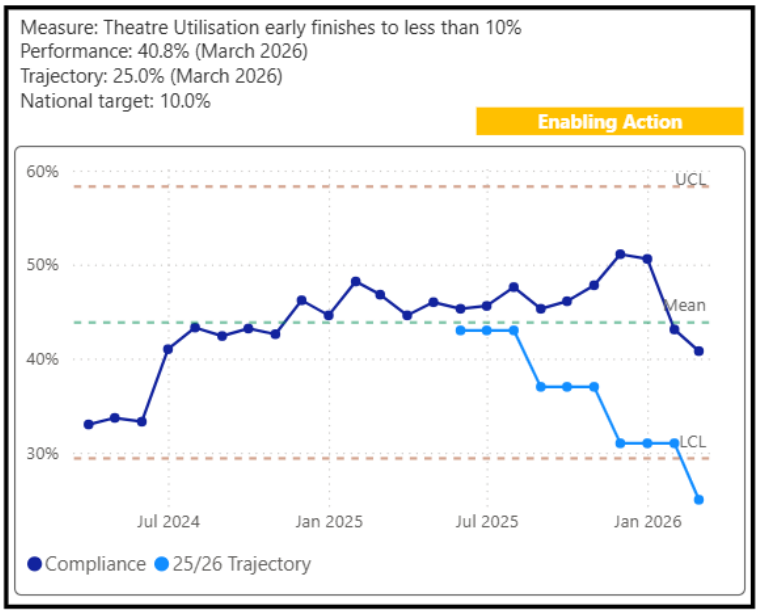

deviated from the IMTP trajectory in the second half of the year, reflecting ongoing capacity challenges. Dietetic services continue to face workforce constraints, particularly within paediatrics and gastroenterology. Physiotherapy services have also seen increased demand due to higher volumes of spinal and knee referrals redirected from Orthopaedics, alongside a planned reduction in capacity to support delivery of the end of year 104-week RTT performance.

### 5.4.4 Theatres

Performance against key Theatre efficiency metrics during 2025/26 was variable across the suite of metrics, with some showing signs of improvements and others remaining relatively static. Elective theatre protection has been consistently maintained for the past 18 months, minimising disruption to planned care and continuing to demonstrate a key advantage of the service redesign with the opening of the GUH. Improvements in late starts have been delivered over the past two years, supported by the full implementation of Autosend and Golden Patient initiatives across all sites. These projects have helped standardise processes and improve readiness at the start of the day to maximise the time available. However, the additional improvement anticipated

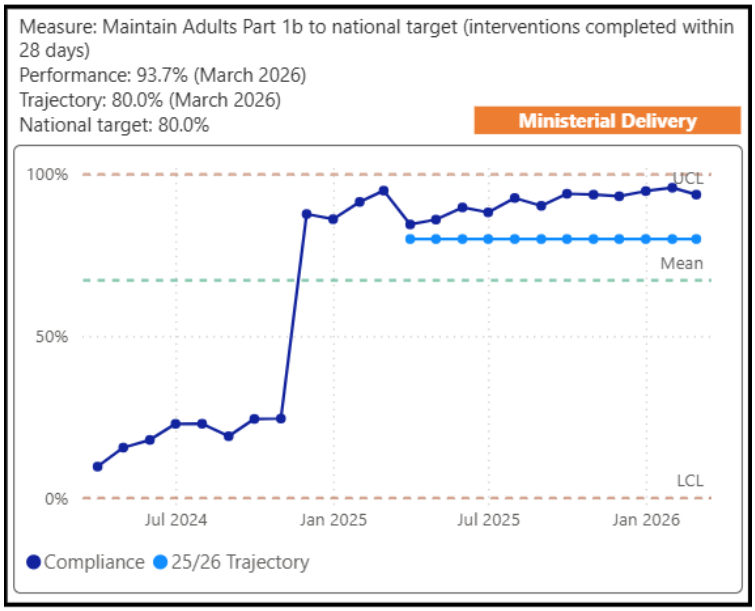


in the second half of the year was not fully realised, reinforcing the need for continued attention to list preparation, resource alignment and operational discipline. Early finishes remain a key challenge and continue to sit behind the IMTP trajectory; encouragingly, performance improved notably in the final two months of the year, with March recording the lowest early finish rate since June 2024. This indicates growing traction from optimisation actions, although further improvement is required to maximise productive theatre time. Session utilisation remained close to the national standard of 85% for most of the year, aside from expected seasonal variation. Day surgery performance has remained broadly aligned with national expectations, with BADS rates tracking near the 80% standard and ongoing maximisation meetings supporting delivery. Theatre optimisation, particularly reducing late starts and early finishes, remains a key organisational priority for 2026/27.



## 5.5 Improving our Mental Health services

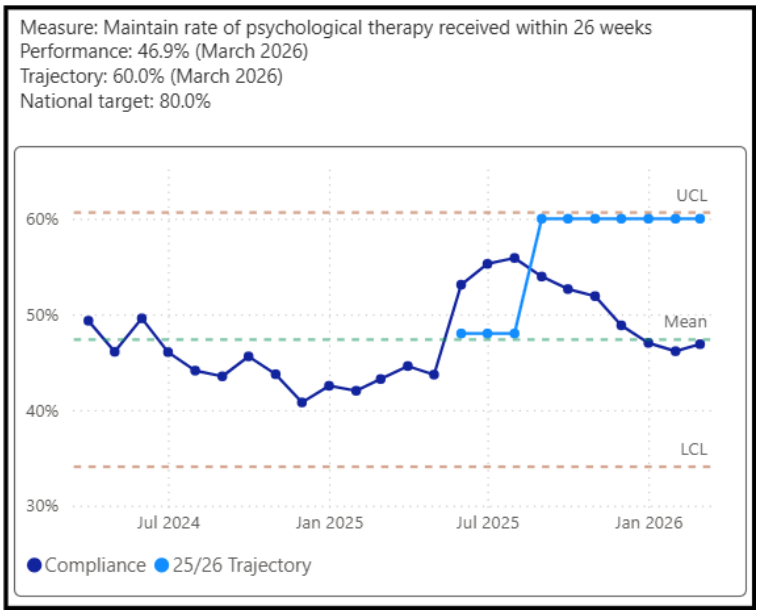
| Delivery Expectation | 2024/25 EoY position | ABUHB commitment 2025/26 | Latest position |
|---|---|---|---|
| Maintain Adults Part 1a to national target (assessment completed within 28 days) **[MD]** | **93.4%** (Mar-25) | **80%** (Mar-26) | **86.6%** (Mar-26) |
| Maintain Adults Part 1b to national target (interventions completed within 28 days) **[MD]** | **95.0%** (Mar-25) | **80%** (Mar-26) | **93.7%** (Mar-26) |
| Maintain Adults Part 2 rates (number of individuals with a valid care and treatment plan) | **71.0%** (Mar-25) | **90%** (Mar-26) | **91.3%** (Mar-26) |
| Maintain rate of psychological therapy received within 26 weeks | **43.2%** (Mar-25) | **60%** (Mar-26) | **46.9%** (Mar-26) |
| Maintain CAMHS Part 1a national target compliance (assessment completed within 28 days) **[MD]** | **77.2%** (Mar-25) | **80%** (Mar-26) | **99.0%** (Mar-26) |
| Maintain CAMHS Part 1b national target compliance (intervention completed within 28 days) **[MD]** | **80.3%** (Mar-25) | **80%** (Mar-26) | **80.4%** (Mar-26) |
| Maintain CAMHS Part 2 national target compliance | **98.2%** (Mar-25) | **90%** (Mar-26) | **95.0%** (Mar-26) |
| Improvement in Neurodevelopment waiting times compliance | **81.9%** (Mar-25) | **80%** (Mar-26) | **57.0%** (Mar-26) |
| Maintain 80% compliance of Specialist CAMHS Choice Assessments within 28 days from referral | **100%** (Mar-25) | **80%** (Mar-26) | **94.5%** (Mar-26) |



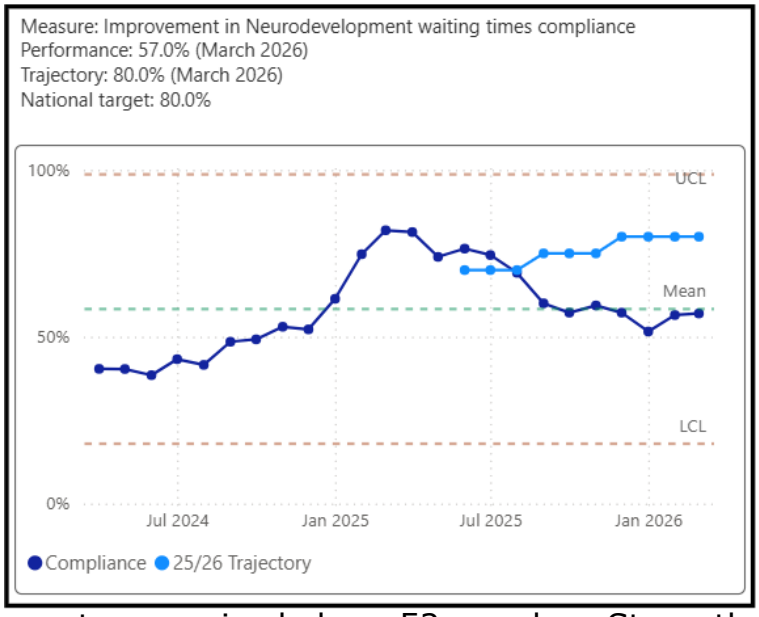

Delivery against the Mental health access standards during 2025/26 remained strong across the majority of core measures, reflecting effective demand and capacity management within both Adult and Children and Young People's services. Adult and CAMHS Part 1a and 1b standards were consistently achieved throughout the year. Adult and CAMHS 1a maintained continuous compliance with national requirements. Adult Part 2 performance exceeded the IMTP trajectory across the year and surpassing the national standard of 90% from August onwards. While ongoing data cleansing activity continues, volumes of new Care and Treatment Plans (CTPs) and discharges are expected to stabilise, supporting sustained compliance.

Similarly, Specialist CAMHS Choice assessments have continued to perform well above the national standard of 80%, despite temporary capacity reductions earlier in the year, with improvement evident over the most final

four months of the year. Within CAMHS Part 2, performance issues linked to non-compliance with CTP processes and data quality have been addressed through targeted audit activity, staff training, and the appointment of a dedicated CTP lead, resulting in a return to performance exceeding the national standard in the final four months of the year.




In contrast, some areas experienced increased pressure during the year, particularly within Psychological Therapies and CAMHS Neurodevelopmental pathways. Psychological Therapies performance declined during the second half of 2025/26, primarily because of workforce vacancies impacting capacity. In response, a revised divisional recovery plan has been developed to support delivery of the 2026/27 trajectory, with an ambition to improve performance to 62% by end of 2026/27. This is supported by the implementation of performance dashboards across all adult teams, completion of booking process mapping, and the development of improved future-state processes.

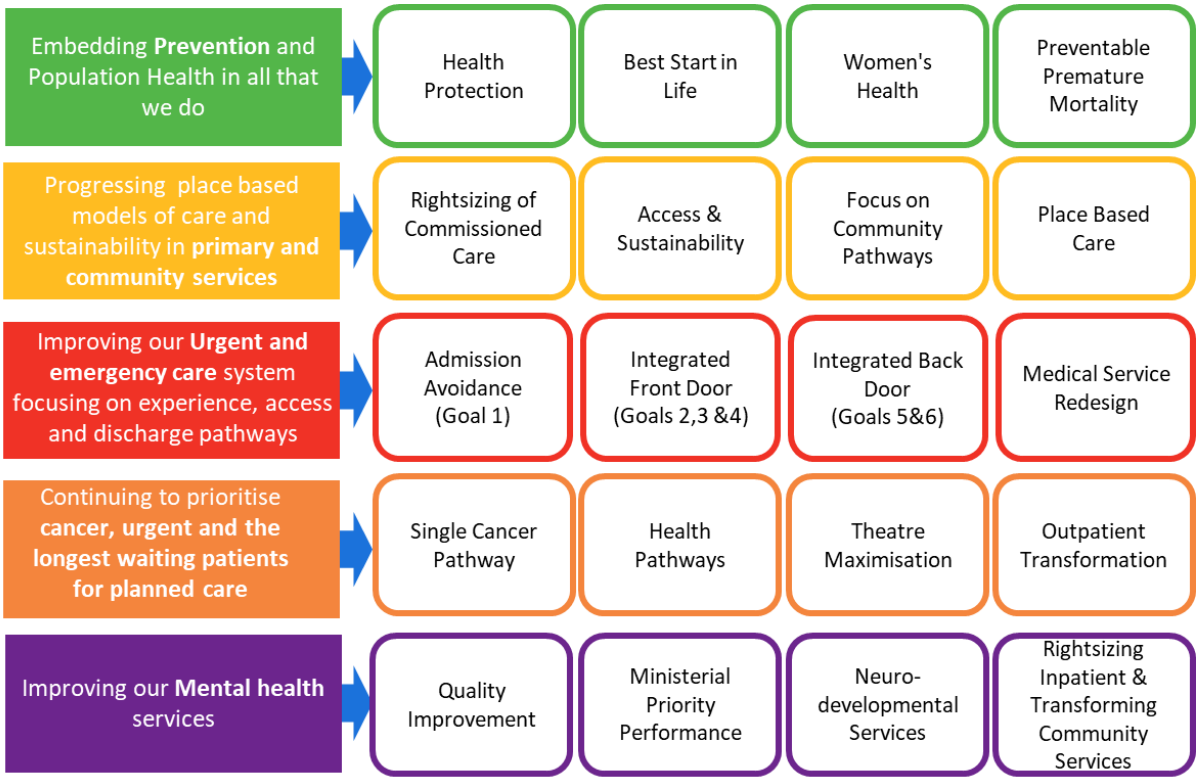



CAMHS Neurodiversity services remain under sustained pressure, with increasing referrals and growing waiting lists contributing to performance stabilising at around 57% through the second half of the year. While this has impacted the 26-week standard, the service has consistently maintained the ministerial requirement for longest waits to remain below 52 weeks. Strengthened screening processes and continued progress toward full implementation of the Neurodiversity Early

Support Hub model are expected to support improved pathway consistency and capacity during 2026/27.

## 5. Delivering the IMTP Priorities 2025/26

This chapter updates on delivery against the five system change themes and the key priorities outlined in our Three-Year Plan 2025/26.




### 6.1 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.

Our Director of Public Health's report on Preventable Premature Mortality called We are Gwent highlights that 1 in 3 deaths in Gwent between 2018-2022 happened prematurely, the three main causes are Cardiovascular Disease, Diabetes and Cancer which could have been preventable through regular physical activity, a healthy diet, not smoking, reducing alcohol consumption and through regular health checks.

Our Public Health Delivery Plan articulates how we work with partners and outlines our public health offer to them through five building blocks:

- Preventable Premature Mortality (including Women's Health)
- Best Start in Life
- Evidence Base
- Natural and Built Environment
- Resilient Communities (including Health Protection)

Under the system change theme of embedding prevention and population health in all that we do there were 4 key areas we committed to delivery against in our Plan for 25/26:

- **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.

We made the following key achievements against these areas:

| Embedding Prevention and Population Health in all that we do | |
|---|---|
| **Priority** | **Achievements** |
| **Resilient Communities & Health Protection** | • Plans successfully implemented to increase flu vaccination uptake in 2- & 3-years olds based on learning from the targeted programmes in Blaenau Gwent and Caerphilly<br>• Delivered Vaccination Service to offer flu and COVID-19 vaccinations to care home residents ensured timely flu vaccination of housebound patients<br>• Implemented the seasonal respiratory plan for all eligible cohorts coupled with an additional catch-up campaign for Respiratory syncytial virus (RSV)<br>• Established vaccine equity task and finish group to ensure we provide targeted support to those who need it most<br>• Implemented a Midwifery led quality improvement project to increase RSV vaccination uptake with support of the vaccination service in antenatal clinics<br>• Integrated Wellbeing Network Leads have convened Well-being Collaboratives in specific communities which brings together Health Board services, local authority, third sector organisations, community groups, volunteers and community leaders<br>• Driven actions to embed community-based interventions that address wider determinants of health as part of the ongoing partnership between Integrated Wellbeing Networks and Neighbourhood Care Networks ensuring activity remains aligned with local need and levels of deprivation |
| **Best Start in Life** | • Best Start in Life (BSiL) embedded as an area of focus for the Public Service Board (PSB) with a strategic Leadership Group to shape and steer an evidence-based regional delivery plan<br>• A multi-agency workshop took place that agreed the approach and programme milestones required to improve outcomes in the first 1000 days<br>• Agreed a Gwent wide BSiL definition and set of ambitions, as well as the proposed structure for the Early Years Delivery Plan, which will focus on programme assurance, priorities and developing a community of practice |

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| | • Draft priorities for improvement were shared with the Best Start in Life (BSiL) Leadership Group in Q4, with further refinement now underway through the Regional Management Group. Priorities include a focus on improving preconception, pregnancy planning support, and increasing breastfeeding in Gwent through promotion of the Pump Loan Scheme and Peer Support Groups |
| **Women's Health:** | • Priorities and pathways agreed and mapping work has completed to assess the current service provision against the baseline within specification<br>• The first tranche of funding from Welsh Government was successfully approved to progress implementation of training, engagement, accreditation and validation<br>• An application was submitted for the second tranche of Welsh Government funding to support implementation of additional education and training, increased community presence and virtual signage of hub and spoke model<br>• The Women's Health Discovery Report has been completed and translated into an action plan to inform future development of the pathfinder hub with the first pathfinder hub for Gwent successfully launching in April 26 |
| **Preventable Premature Mortality:** | • Hypertension case finding service is up and running across Gwent in its first three months, over 1,100 blood pressure checks were completed and over 80 patients identified as hypersensitive<br>• Commenced development of contract and service model with identified delivery partners for hypertension treat to target (TTT) service<br>• Delivery of the 12-week behaviour change programme continues and in the first six month the total invited to participate was 4,354 with a total of 1,769 appointments issued<br>• The Diabetes Prevention Programme has secured short term funding and planning continues for its integration into the Cardiovascular Disease service from September 2026. |

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

Neighbourhood Care Networks (NCNs) were developed over 10 years ago within Gwent. In 2022 the Strategic Programme for Primary Care launched the Accelerated Cluster Development programme which aimed to broaden professional engagement in NCNs beyond GP practices to include Community Pharmacy, Optometry, Dental, Nursing and Allied Health Professionals.

Aligned with our strategy Gwent 35 it is important now more than ever, to plan for the redirection of resources towards helping people in Gwent maintain good health and well-being, so they can lead fulfilled and healthier lives for longer.

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 through multi-disciplinary teams
- Providing are closer to home and streamlining access to specialist care
- Reducing preventable admissions and optimal hospital discharge through a Home First approach

Under the system change theme of progressing Place Based Models of Care and sustainability in Primary and Community Services, there were 4 key areas we outlined we would deliver against in our plan for 2025/26;

- **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.

| Progressing Place Based Models of Care and sustainability in primary and community services | |
|---|---|
| **Priority** | **Achievements** |
| **Rightsizing of Commissioned Care** | • Continued to build on positive work to manage and reduce enhanced care in care home setting including introducing additional scrutiny on enhanced care and one to one placements<br>• Community Health Care top 50 reviews were completed and associated actions taken forward resulting in efficiencies<br>• 25-26 identified saving targets have been met with £306k of full year savings achieved for top the 50 placements and £305k full year savings for Funded Nursing Care assessment process |
| **Access & Sustainability** | • Following completion of supplementary and enhanced service mapping Neighbourhood Care Network Leads engaged with practices to improve equitable provision of supplementary and enhanced services<br>• Continued robust management of GMS contractual changes including an updated Vacant Practice Policy reflective of the change in procurement regulations and ongoing Support for 3 practices under the Sustainability Assessment Framework<br>• All five revised clinical pathways for optometry services have been developed and are available across Gwent including the successful transition of Primary Care providers previously commissioned through Ophthalmic Diagnostic Treatment Centre |
| **Focus on Community Pathways** | • Established Clinical Interface Groups underway in Mental Health, Urgent Care and Surgery to support the shift of acute services into community settings delivering care closer to home<br>• Implemented programme management approach to progress the delivery of the Eye Care Plan through a series of workstreams with dedicated leads overseen by the Eye Care Collaboration Board<br>• The Local Oral Health plan was revised in the context of the new General Dental Service Regulations, oversight will be led from the newly re-established Integrated Oral Health Group |
| **Place Based Care** | • Established work programme with agreed pilot areas of Blaenau Gwent and Torfaen as a federated local authority and Integrated Service Partnership Boards<br>• Integrated Service Partnership Boards developed a costed implementation plan that articulates how the priorities will be addressed and identifying the key partners and stakeholders<br>• Integrated Wellbeing Network Leads are now active members of the Neighbourhood Care Networks embedding social prescribing to utilise community assets |

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

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

A strategic, coordinated approach was essential to ensure the system delivered timely, high-quality care. By focusing on improving Ambulance handovers, reducing prolonged stays, and addressing care delays, the system continued to progress in enhancing patient outcomes and operational efficiency.

Developed joined up place-based teams with the appropriate community infrastructure is necessary to tackle the complex and interrelated factors that affect health and well-being outcomes and health inequalities. An approach that solely relies on treating or providing care for individuals whilst ignoring the wider range of community assets in a 'place' will only achieve a partial response.

Under the system change theme of improving our Urgent and Emergency Care System focusing on experience, access and discharge pathways, there were 4 key areas we delivered against in our plan for 2025/26;

- **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.

| Improving our Urgent and Emergency Care System focusing on experience, access and discharge pathways | |
|---|---|
| **Priority** | **Achievements** |
| **Admission Avoidance (Goal 1)** | • Extended weekday expansion of Community Resource Teams commenced in September 2024. Since going live, the average weekly referrals are up 26% and accepted up 25% versus 2023/24<br>• The Extended Weekend Frailty Service pilot ran for 10 weekends (25 January–30 March 2025) to reduce admissions and support winter pressures. During this period, 40 patients were identified, with 24 suitable for Frailty and 8 referred for interventions, alongside 37 Rapid Medical referrals accepted by Community Resource Teams<br>• Upskillied care home staff to recognise red flags in residents with deteriorating diabetes supported through the development of a new Directory of Services, which outlines the support and training available to care<br>• The Future Care Plan (FCP) facilitators have delivered training to 14 care homes across Gwent, with further sessions consistently booked through to July 2026. 92 care homes staff (from the 14 homes) have been trained with 48 NHS staff |
| **Integrated Front Door (Goals 2,3 &4)** | • Combined Same Day Emergency Care (SDEC) patient throughput has increased substantially in 2025 with 'SDEC first' principles embedded at The Grange University Hospital<br>• Following the successful initial care home education and training initiative, a bid was submitted for National funding to increase the number of care home participation<br>• Improved capacity of the enhanced community falls response service in Gwent and partnership working with Wels Ambulance Services Trust to maximize impact of the level 2 response<br>• Frailty based MDT pilot implemented from November to March where 320 cases were reviewed resulting in 57% of patients remaining at home and 85% avoiding conveyance to the Grange University Hospital when community hospital admissions were included as alternative pathways |

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| **Integrated Back Door (Goals 5&6)** | • Continued to embed the Optimal Hospital Flow Framework across all sites to support continuous flow model<br>• Continued to monitor benefits and opportunities of the Transfer Lounge via Safety Flow |
| **Medical Service Redesign** | • Undertaken review of best practice models from Swansea, Leicester and Bristol<br>• Stakeholder engagement continued to develop optimal model and clinical criteria<br>• Older Person Pathway development progressed through working with clinical teams to define the clinical criteria at each stage of the pathway<br>• 12-week public and staff engagement for Stroke was completed with additional sessions organised for Stroke patients groups across Gwent |

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

Planned Care and Cancer Services have continued to focus on reducing waiting times, streamlining pathways, and enhancing patient outcomes.

From a strategic perspective, these areas must be approached with a dual focus: meeting current demand while planning for future capacity. Rising referrals and treatments place additional strain on existing resources, making it essential to implement innovative solutions that enhance operational efficiency. Forensic-level management of patients along the Single Cancer Pathway is crucial for sustaining improvements in performance, patient experience, and clinical outcomes. This includes data-driven approaches to track progress, optimise pathways, and identify opportunities to reduce delays.

Under the system change theme of continuing to prioritise Cancer, Urgent and the longest waiting patients for Planned Care, there were 4 key areas we outlined we would deliver against in our annual plan for 2025/26;

- **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 University Health Board 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.

| Continuing to prioritise Cancer, Urgent and the longest waiting patients for Planned Care | |
|---|---|
| **Priority** | **Achievements** |
| **Single Cancer Pathway** | • The Satellite Radiotherapy Centre in Nevill Hall Hospital opened in June 2025 for the first patient<br>• Straight to test compliance has continued to progress across all tumour sites, with the exception of colorectal. For all tumour sites detailed recovery plans are in in place tp support this priority.<br>• Systemic Anti-Cancer Therapy (SACT) outreach services has re-started at Nevill Hall Hospital in the Llanfoist suite following the closure of the Windsor suite due to RAAC<br>• Work continues in partnership with Velindre NHS Trust on SACT outreach in line with new Velindre Cancer Centre opening in spring 2027<br>• Significant improvements within the Gynaecology Single Cancer Pathway, supported by the continuation of fortnightly Cancer Recovery Group meetings |
| **Health Pathways** | • 84 pathways are now live since 1st April 2025, this represents 188 pathways total<br>• Page views have been consistently high throughout the year supported by dedicated education sessions increasing user traffic |
| **Theatre Maximisation** | • Planned Care Board workplan delivering key projects whilst also incorporating national priorities e.g. Clinical Implementation Network frameworks and Enabling Actions<br>• A Theatres Service Model was developed to inform the planning of a Day Case Centre of Excellence as part of Nevill Hall Hospital Development Programme<br>• Continued focus on day surgery maximisation to progress High-Volume Low Complexity lists<br>• Successful implementation of golden patient in Grange University Hospital in September and is now rolled out across the Health Board<br>• The Keeping Well Service continues to support patients who are experiencing long waits for planned care with a pilot to expand the service to incoming calls for Gynaecology in the new financial year |
| **Outpatient Transformation** | • Increased use of virtual clinics compared to the previous year and the identification of new pathways through scoping of opportunities in CIN and GIRFT recommendations |

- Consistent communications in place to promote Consultant Connect, successful pilot of Neurology Epilepsy Patients Initiated Follow Up using Consultant Connect has resulted in opportunities in other specialties
- Attendances in Outpatient Treatment Unit 25-26 were 3921, an increase of 1120 compared to the previous year
- As part of the development of the one stop treatment pathways. The new one stop Gynae Heavy Menstrual Bleeding clinic is planned for 25-26 and scoping exercise is taking place for vasectomy procedures moving from daycase to treatment rooms.

## 6.5 Improving our Mental Health Services

Demand for Mental Health Services continued to increase highlighting the importance of finding ways to support people earlier with provision in the community with 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 several 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 four key areas we outlined we would deliver against in our plan for 2025/26:

1. **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.

2. **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.

3. **Neurodevelopmental Services:** Complete Children's Neurodevelopmental Transformation Programme and deliver Single Neurodevelopmental Pathway for Adults.

4. **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.

| Improving our Mental Health Services | |
|---|---|
| **Priority** | **Achievements** |
| **Quality Improvement** | • Fully engaged in the National Patient Safety Programme, contributing to the four national workstreams<br>• Progressed the internal mock inspections for all wards throughout the year. All of Older Adult wards were complete and all of Adult wards apart from Carn Y Cefn have been completed. Feedback from wards that have completed the mock inspections was positive with staff finding the experience helpful and rewarding<br>• Carn Y Cefn was subject to recent HIW inspection and therefore this audit will move into the 2026/27 financial year along with audits of all community teams<br>• Embedded PROMS for adults and older adult functional services to ensure we act on what matters to individuals |
| **Ministerial Priority Performance** | • Increased triaging of referrals across Primary and Secondary Children & Adolescent Mental Health Services has supported a reduction in referrals which has enabled capacity to be flexed to meet both the 1A and 1B and support the waiting list for interventions despite having a significant rise in sickness absence<br>• Care and Treatment Plan improvement has been delivered through a model change to commence aligned to the recovery plan for Part 2 improvement plan for Children and Young People<br>• Psychological Therapies for Adults performance improved to 54% in October 2025, with a continued steady improvement since July 2025. Joint pathway work with Primary Care continues focusing on understanding the alignment between service areas<br>• Part 1a and Part 1b progress was maintained throughout 2025/26 for Adults, with the service being consistently above the target of 80% in both Part1a (assessments completed within 28 days) and Part 1b (interventions completed with 28 days) |
| **Neurodevelopmental Services** | • Whilst National Funding for Adults ADHD service ceased in 25/26 we put plans in place to manage the caseload and secured funding for ADHD for 2026/27 and will be developing the strategic direction for the service going forward. |

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| | • The Children & Young People needs-led model is embedding across teams, evidenced by a shift from universal to targeted support and improved appropriateness of referrals entering the specialist pathway<br>• For Children & Young People RTT increased slightly to 56.51% in February, indicating early signs of stabilisation despite rising demand with RIF funding secured for 2026/27, maintaining existing staffing and helping stabilise waiting times<br>• Website development and digital access pathways continue to progress as a key improvement action. |
| **Rightsizing Inpatient & Transforming Community Services** | • All Crisis services have been scoped as part of the work around a Single Point of Access and the development of our 111 press 2 Mental Health Service<br>• Continue to work in partnership with NHS Wales Performance and Improvement Team to progress towards Open Access and the Stepped Care 2.0 model<br>• Following completion of a review of the Learning Disability service model work is continuing to develop the models of care for learning disabilities, including a pilot reducing the number of beds within the inpatient unit<br>• An implementation plan is being developed which will inform actions needed in 26/27 to deliver the models of care programme for Adults, Older Adults and Community services |

## 7. Decarbonisation and Sustainability

The Health Board's Decarbonisation and Sustainability Programme which runs across all workstreams across the Health Board is well-established and aligned with Welsh Government's National Strategic Delivery Plan. Work continues to refine and mature the reporting framework so that progress can be tracked consistently across all workstreams, with an emphasis on understanding how decarbonisation benefits our communities and supports equity.

Key deliverables in 2025/26 include:

- **Strengthening staff communications and engagement**, helping increase awareness of and participation in decarbonisation and sustainability activities across the organisation.
- **Developing and implementing site-specific biodiversity plans** to enhance nature recovery and environmental value across Health Board estate locations.
- **Progressing the Refit energy-efficiency programme** and advancing work on alternative energy generation facilities to reduce long-term carbon emissions.
- **Reviewing prescribing and procurement practices** to support low-carbon, environmentally sustainable choices in line with emerging national priorities.
- **Embedding sustainable change within the newly established Waste Group**, ensuring decarbonisation is a core feature of both operational delivery and strategic planning.
- **Strengthening monitoring and reporting processes**, including prioritisation of viable initiatives, target setting, improved data collection to support accurate carbon calculations, and routine reporting of progress.
- **Publishing of the sustainable IV Paracetamol guidelines** following endorsement by the Medicines Management Programme Board and the Medicines and Therapeutics Committee for a targeted reduction in its use in favour of oral paracetamol whenever clinically appropriate which has a significantly lower carbon footprint.

The Decarbonisation Programme Annual Report 2024/25, which outlines the positive progress being made by the Health Board to reduces its Carbon Footprint, was received by the Finance and Performance Committee in April 2026 and is available on the following link. It is anticipated that the 2025/26 performance data will be reported in Quarter 4 2026/27.

The workplan for 2026/27 includes bringing the Health Board up to full compliance with the new recycling regulations, developing mandatory

sustainability training for staff and transitioning to reusable sharps containers.

## 8. Quality & Safety

The strong focus on improving the quality, safety and care of the services that we provide to our population continued throughout 2025/26 with the ongoing implementation of our *Quality Strategy 2023-26* ABUHB Quality Strategy 202326. The Strategy supports the Health Board's legal responsibilities under the Duty of Quality and Duty of Candour, ensuring that we are always open, transparent and focused on what is right for patients.

The Health Boards Quality and Safety Performance report which is produced for the Patient Quality, Safety and Outcomes Committee and the Board brings together intelligence drawn from established reporting systems, including patient feedback platforms, the Once for Wales Datix system, Qlik dashboards and validated infection surveillance data. This data is mapped against the Health Board's Six Pillars of Quality as set out below.

### 8.1 Patient Experience and Feedback

Overall patient satisfaction remains stable at 87% over the year. Friends and Family Test results are unchanged, with an overall score of 83% and a negative response rate of 10%. The lowest scoring experience question continues to relate to waiting times, with a noted decline in March, indicating an ongoing risk to patient experience. Work continues to expand feedback coverage, address areas with limited engagement, and embed new national surveys, including those aligned with the Listening to People regulations and accessible formats.

### 8.2 Concerns and Complaints

Putting Things Right and Listening to people Performance against the 30-day response target for formal concerns dipped in January, reflecting operational pressures and a significant increase in complaint volumes. Despite this, January was the first time the Health Board exceeded the national average for compliance.

Targeted work was put in place to reduce the backlog of overdue complaints continues, including enhanced oversight of cases exceeding nine months, divisional trajectories and deep-dive support. March saw the highest number of case closures this year with progress made in reducing cases over twelve months, although this work remains resource intensive and requires significant senior and Executive involvement.

Early Resolution performance has improved substantially compared to the previous year. The introduction of the Listening to People regulations, including a ten working-day Early Resolution timeframe, has encouraged this and been supported by enhanced Putting Things Right training, twice weekly case reviews and dashboard monitoring.

### 8.3 Incidents and Patient Safety

Reported patient safety incidents continue to increase year-on-year. This growth is primarily driven by no-harm incidents, which are suggested to reflect improved reporting culture and awareness.

Falls data shows month-to-month variation but no evidence of sustained upward trend. The majority of falls continue to be assessed as resulting in no or low harm and falls rates per occupied bed day remain below the national benchmark. The Health Board introduced a revised process in year for reviewing falls with severe injury and published an updated Falls Policy for Hospital Adult Inpatients.

Pressure ulcer reporting shows a gradual reduction over time; however, interpretation is cautious due to delays in case closure and increased numbers of open incidents. Focused reviews for all grades of pressure damage are in place to improve the accuracy of avoidable v. unavoidable reporting.

Medication and IV fluid incidents show an upward trend, with administration errors remaining the most common category. Most incidents continue to result in no or low harm, and system improvements to enhance monitoring and targeted training are in progress.

The number of open Nationally Reportable Incidents has reduced over the past year, with improved compliance and a significant reduction in overdue cases. There has been a reduction in Early Warning notifications compared to 2024/25. Mental health-related incidents remain a prominent theme.

Reported Duty of Candour incidents have also fallen in 2025/26 compared to 2024/25 with cases continuing to be subject to the formal Duty of Candour process to support transparency and communication with those affected.

Learning from Events financial penalties have reduced significantly following service and divisional improvements. Open inquests remain high, generating pressure across the organisation, although there is positive use of written hearings.

### 8.4 Health Safety and Security

Improvements in safety compliance continue and there are ongoing workstreams in place both locally and nationally to improve this further.

Compliance against RIDDOR which is the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations to the Health & Safety Executive has increased with the improvement attributed to clearer guidance and additional training although there are still improvements to be made.

Health and Safety mandatory training remains around 85% compliance for Fire Safety, Violence Prevention and Reduction and Health and Safety but has reduced in year for manual handling training. A range of actions to improve this are being taken including onboarding additional manual handling trainers, applying a risk-based approach to training requirements based on what is most appropriate to staff roles and exploring further initiatives to address barriers such as staff release time.

### 8.5 Infection rates

Infection Prevention and Control Healthcare-associated infection rates show reductions in some areas, including C-Difficile and staphylococcal bloodstream infections. Winter ward closures due to norovirus continued in 2025/26 and highlight ongoing system pressures. Workforce shortages, isolation capacity and environmental cleaning challenges continue to affect resilience.

The Health Board is taking ongoing actions to address these challenges including rapid outbreak responses, isolation and cohorting where possible, implementing advanced cleaning techniques and progressing anti-microbial stewardship to promote the appropriate use of antimicrobials including antibiotics to present their future effectiveness, improve patient outcomes and reduce the development of resistance.

### 8.6 Safeguarding

This was the final year of the Gwent Safeguarding Board's strategic plan 2023-26 which covers both adults and children. The priorities of this multi-agency plan are to protect children and adults from neglect and harm, protect those at risk of exploitation and improve safeguarding arrangements across the region.

At a Health Board level, Child level 1 and 2 and Adult level 1 and 2 safeguarding training continue to report compliance around the 85% benchmark whilst compliance with Adult and Child level 3 training continues to rise, with the Health Board on track to achieve our compliance target by March 2028.

## 9. Equality, Diversity and Inclusion

The Health Board remains committed to promoting equality, diversity and human rights across its workforce and the services it provides to the population of Gwent. During the reporting period, the Health Board has continued to progress delivery of its Strategic Equality Plan (SEP) 2024–2028, strengthening the integration of equality, diversity and human rights considerations across workforce practice, service delivery and organisational governance. This work supports the organisation's statutory responsibilities under the Equality Act 2010, the Human Rights Act 1998, and the Public Sector Equality Duty (Wales) Regulations 2011.

Progress during the year has focused on embedding the Health Board's equality objectives across key organisational programmes, including the People Plan, workforce development initiatives and service improvement activity. Governance and oversight arrangements have also been strengthened to ensure greater organisational accountability for equality, diversity and human rights delivery. Regular assurance on EDI activity continues to be provided to the Board through the People and Culture Committee, including monitoring progress against the Strategic Equality Plan and associated action plans

The Health Board has also continued to develop initiatives to support a more inclusive organisational culture, including strengthening engagement with staff networks, promoting inclusive leadership and progressing work to improve accessibility and equity in communication and information for patients and staff. This includes ongoing work aligned with the All-Wales NHS Accessible Communication and Information Standards (ACIS).

The Health Board continues to meet its statutory equality reporting requirements, including the annual publication of Gender Pay Gap data, based on the workforce snapshot taken on 31 March each year in line with national reporting requirements. The Health Board has seen a decrease in the pay gap percentage for average hourly rates, from 24.71% in March 2024 to 23.8% in March 2025, which is a move in the right direction. The median hourly pay gap has also reduced, from 9.69% in March 2024 to 6.13% in March 2025.

Through these arrangements, the Health Board maintains appropriate control measures to support compliance with equality, diversity and human rights legislation and to promote an inclusive and equitable environment for staff, patients and the communities it serves.

## 10. Welsh Language Requirements

The Health Board publishes an Annual Report in relation to Welsh language service delivery on its website bilingually. This fulfils the Health Board's statutory duty to provide the Welsh Language Commissioner with an annual account of compliance with the Welsh Language Standards in accordance with the Welsh Language (Wales) Measure 2011. Prepared in line with Welsh Language Standard 120, the report outlines our progress, highlights key achievements, and sets out our strategy and future plans in this area.

Some of the notable points from our work in the last year include:

- The development and approval of the Health Boards 5-year plan to increase the offer of clinical consultations through the medium of Welsh in line with the requirements of Welsh language Commissioner's standard 110. In line with the guidance received from the Commissioner's office, this new plan focusses on a specific service.

- Development of a learning programme that matches the need of the member of staff with the appropriate learning mechanism. This includes digital learning tools as well as tutor led courses. A specific confidence building mechanism places a dedicated tutor to work one on one with individuals who had higher levels of Welsh language abilities but have lost confidence in those skills.

- A robust programme of engagement events has been established with learners throughout their education journey. This includes fluent Welsh speaking students and Welsh learners, ensuring the Health Board is the employer of choice when they have finished their studies.

- A Welsh language awareness workshop was delivered to divisional managers across the Health Board to look at bespoke action plans to improve compliance and provide a better service to our service users. The Welsh language unit also delivers awareness sessions in a number of the Health Boards key learning and induction programmes, such as the 'Leadership Development Programme' and both the 'Newly Registered Nurse, and Health Care Supporter' induction programmes.

As a Health Board, we collaborate with partners across NHS Wales via the Welsh Language Leads group to identify and progress areas of collective focus. We maintain constructive engagement with Welsh Government and are committed to upholding a strong, positive relationship with the Welsh Language Commissioner's Office, ensuring we deliver the best possible care for our Welsh-speaking population.

## 11. Financial Management and Performance

The Annual Accounts 2025/26 in Section 3 of the Annual Report page XX set out the detailed accounts for the full year to 31 March 2026 for Aneurin Bevan University Health Board. These accounts are prepared until 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 IMTP to secure compliance with breakeven over three years

### 11.1 Revenue Resource Performance

The Health Board has not met its financial duty to break even against its Revenue Resource Limit over the three years 2023/24-2025/26. For the period 2025/26 the Board reported an overspend of XXX as shown in the table below:

| 3-year Revenue Breakeven duty | 2023/24 £'000 | 2024/25 £'000 | 2025/26 £'000 | Total £'000 |
|---|---|---|---|---|
| Underspend against allocation | -49,766 | -7,185 | -18,282 | -75,233 |

### 11.2 Capital Resource Performance

In additional to a revenue resource limit, the Health Board has a capital resource limit (CRL) that sets the target for capital expenditure. The Health Board met its financial duty to break even against its Capital Resource Limit over the 3 years 2023-24 to 2025-26. The target is measured over a three year period as shown in the table below:

| 3-year Capital Resource duty | 2023/24 £'000 | 2024/25 £'000 | 2025/26 £'000 | Total £'000 |
|---|---|---|---|---|
| Underspend against allocation | 41 | 66 | 47 | 154 |

### 11.3 Long Term Expenditure Trends

The below table sets out the long-term expenditure trends of gross operating costs across expenditure on Primary Healthcare Services, Healthcare from other providers and Hospital and Community services.

## Analysis of gross operating costs

| | £'000 | £'000 | £'000 | £'000 | £'000 | **£'000** |
|---|---|---|---|---|---|---|
| **Expenditure on Primary Healthcare Services** | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | **2025/26** |
| General Medical Services | 108,993 | 112,524 | 116,217 | 122,671 | 132,671 | **140,047** |
| Pharmaceutical Services | 27,109 | 25,082 | 25,273 | 25,756 | 29,224 | **29,396** |
| General Dental Services | 33,079 | 38,030 | 39,817 | 39,870 | 44,444 | **45,761** |
| General Ophthalmic Services | 8,734 | 9,343 | 8,866 | 10,659 | 15,075 | **17,251** |
| Other Primary Health Care expenditure | 2,289 | 2,487 | 2,612 | 4,373 | 4,729 | **3,715** |
| Prescribed drugs and appliances | 106,852 | 106,282 | 114,331 | 121,947 | 125,771 | **130,678** |
| **Total** | 287,056 | 293,748 | 307,116 | 325,276 | 351,914 | **366,848** |

| | £'000 | £'000 | £'000 | £'000 | £'000 | **£'001** |
|---|---|---|---|---|---|---|
| **Expenditure on healthcare from other providers** | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | **2025/26** |
| Goods and Services from Other NHS bodies | 103,278 | 117,637 | 117,587 | 129,254 | 133,420 | **139,949** |
| Goods and services from NHSW JCC | 161,384 | 177,035 | 198,320 | 208,640 | 218,320 | **232,273** |
| Continuing Care | 81,347 | 83,675 | 86,006 | 99,136 | 99,904 | **110,957** |
| Other | 71,795 | 85,054 | 72,240 | 71,368 | 75,559 | **91,411** |
| **Total** | 417,804 | 463,401 | 474,153 | 508,398 | 527,203 | **574,590** |

**Expenditure on Hospital and Community Health Services**

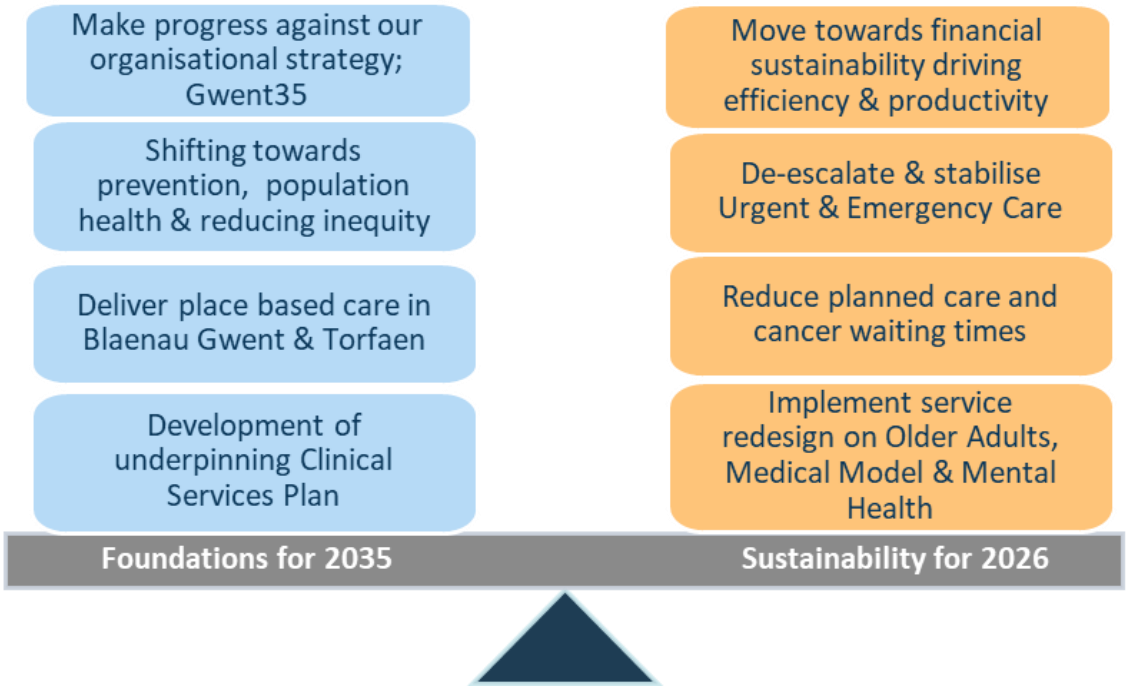
| | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** | **£'001** |
|---|---|---|---|---|---|---|
| | **2020/21** | **2021/22** | **2022/23** | **2023/24** | **2024/25** | **2025/26** |
| Staff Costs | 671,972 | 714,255 | 762,081 | 788,715 | 888,882 | **958,465** |
| Non Pay | 172,611 | 191,827 | 200,118 | 238,743 | 221,025 | **224,509** |
| Depreciation and Impairments | 96,361 | 31,056 | 30,804 | 59,994 | 49,908 | **46,193** |
| Losses, special payments and irrecoverable debts | 1,886 | 2,831 | 1,526 | 3,217 | 3,065 | **8,725** |
| Other operating expenses | 8,526 | 11,009 | 9,538 | 14,599 | 14,310 | **15,138** |
| **Total** | **951,356** | **950,978** | **1,004,067** | **1,105,268** | **1,177,190** | **1,253,030** |

## 12. Conclusion and Forward Look

Significant progress has been made as the organisation strives to deliver improvements in quality and performance and come out of areas of escalation. The organisation is proud of its achievements in 2025/26 which include:

- Significantly reducing the number of patients waiting over 104 weeks for treatment and waiting over 52 weeks for first outpatient appointments
- Achieving over 80% on mental health Part 1a and Part 1b targets for adults and children
- Markedly reducing the number of ambulance handover delays
- The Emergency Department in the Grange University Hospital achieving its highest compliance against the 12 hour target
- Sustaining progress with Pathway of Care Delays by continuing to reduce the volume & numbers of days patients are delayed
- Increasing the number of neonates that receive weight & measurement at 8 weeks throughout the year
- A continued shift of services into the community through common ailment services and independent prescribing in community pharmacies

Looking forward to next year's plan, the below sets out the commitments for 2026/27 and beyond as the organisation continues its path to sustainability whilst making progress in delivering our new organisational strategy Gwent 35: Better Health, Better Care, Better Lives and addressing the immediate financial, service and quality challenges and opportunities:



Next year's plan outlines the targeted actions we will take against the three strategic aims of:

1. **Better Health:** Together we will support people to be healthy, active, & happy
2. **Better Care:** Together we will deliver what matters to people – supporting our staff to thrive & achieving quality, kind, & sustainable care
3. **Better Lives:** Together we will create strong, safe, & connected communities

The diagram below outlines the four priorities against each of the strategic aims which will be progressed in 2026/27




**Signed:** **Date:**

**Nicola Prygodzicz**

**Chief Executive**

# Part 2:
# Accountability Report

# 1st April 2025 –
# 31st March 2026

# 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:

- **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.

- **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.

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

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

# Corporate Governance Report 2025/26

## Including:

### A: The Directors' Report

### B (1): The Statement of the Chief Executive as the Accountable Officer

### B (2): The Statement of Directors' Responsibilities in respect of the Accounts

### C: The Annual Governance Statement

## 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 2025/26 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 31st March 2026. 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 XX 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 Integrated Medium Term-Plan (IMTP) 2025-28 (approved by the Board March 2025) 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 2025/26 provides greater detail in relation to the achievements of the Health Board in delivering the IMTP during 2025/26.

## 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 2025/26 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 2025/26 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.

_____

**Name**: Nicola Prygodzicz, Chief Executive **Date:**

# SECTION B(2): STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS FOR 2025/26

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 abovementioned direction by the Welsh Ministers.

**By Order of the Board**

**Signed:**

Andrew Morgan, Chair
Dated:

Nicola Prygodzicz, Chief Executive
Dated:

Robert Holcombe, Executive Director of Finance
Dated:

# C: ANNUAL GOVERNANCE STATEMENT 2025/26

## 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.

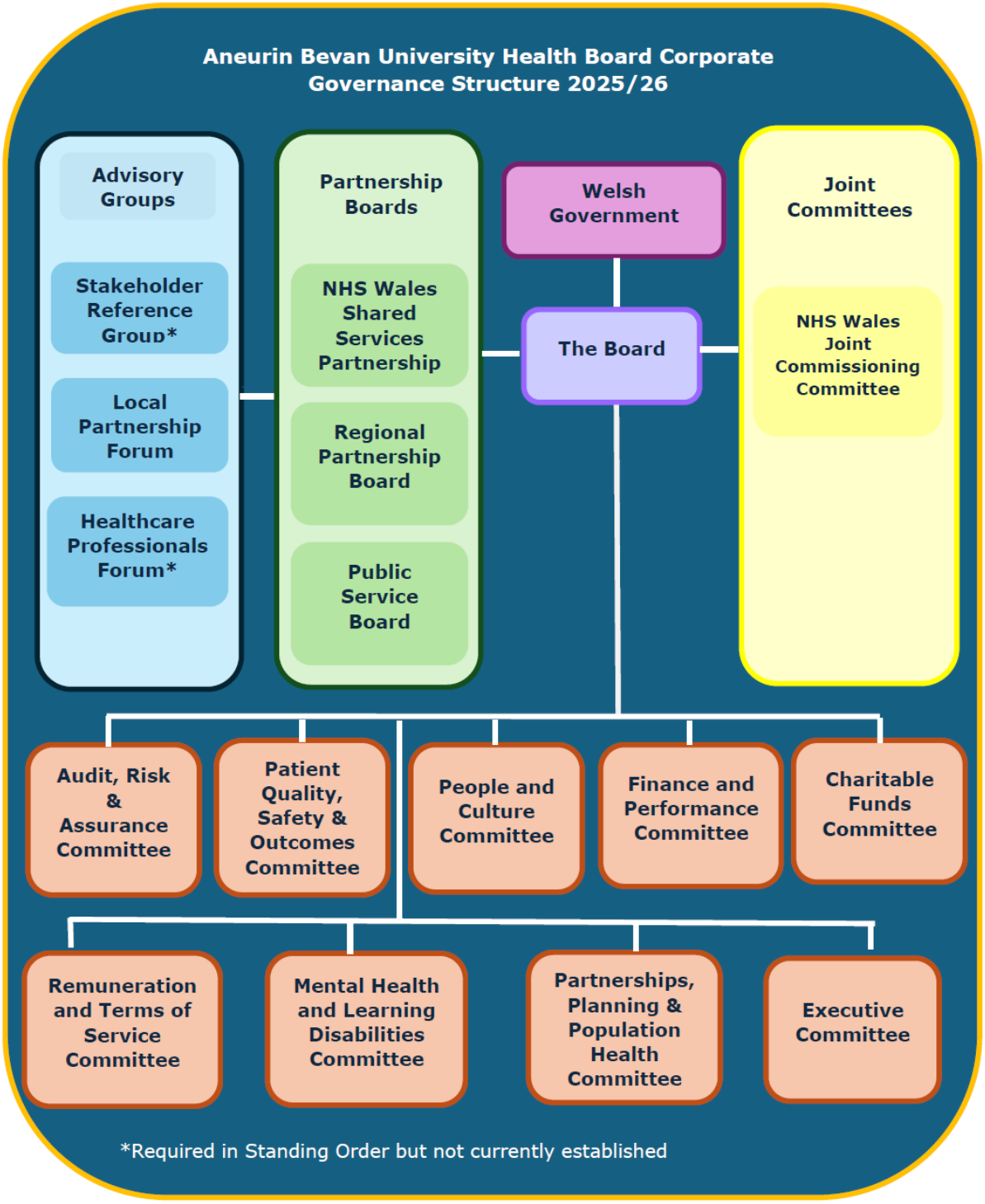
On 16 December 2025, the Cabinet Secretary escalated finance, strategy and planning from level 3 to level 4 under the NHS Wales Oversight and Escalation Framework, following deterioration in the Health Board's financial position and failure to deliver the approved IMTP. Performance and outcomes relating to urgent and emergency care were also escalated from level 3 to level 4 and widened to cover the whole urgent and emergency care system. As a result, approval of the Health Board's IMTP was revoked with immediate effect.

## 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 2025/26:



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 2025/26 and attendance at Board meetings for this period. The membership of the Board and changes during 2025/26, are outlined in Table 1 below:

| Name | Designation | Dates (If not full year) |
|---|---|---|
| **Executive Directors** | | |
| Nicola Prygodzicz | Chief Executive | |
| Hannah Evans | Director of Strategy, Planning and Partnerships | |
| Rob Holcombe | Director of Finance and Procurement | |
| Dr James Calvert | Medical Director and Deputy Chief Executive | Until 05/08/2025 |
| Dr Andy Bagwell | Interim Medical Director | 05/08/2025 until 26/10/2025 |
| Dr Seema Srivastava | Medical Director | From 27/10/2025 |
| Sarah Simmonds | Director of Workforce and OD | |
| Jennifer Winslade | Director of Nursing | Until 02/09/2025 |
| Jennifer Winslade | Director of Nursing and Deputy Chief Executive | From 03/09/2025 |
| Peter Carr | Director of Allied Health Professions and Health Sciences | |
| Tracy Daszkiewicz | Director of Public Health | |
| Leanne Watkins | Chief Operating Officer | |
| **Independent Members** | | |
| Ann Lloyd | Chair | |
| Phil Robson | Vice Chair | |
| Louise Wright | Independent Member (Trade Union) | Until 10/04/2025 |
| Vivek Goel | Independent Member (Trade Union) | From 02/06/2025 |
| Richard G Clark | Independent Member (Local Authority) | Until 19/09/2025 |

| Name | Designation | Dates (If not full year) |
|---|---|---|
| Helen Cunningham | Independent Member (Local Authority) | From 03/11/2025 |
| 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) | |
| Penny Jones | Independent Member (Community) | |
| Akmal Hanuk | Independent Member (Third Sector) | From 02/06/2025 |
| **Directors in Attendance*** | | |
| Paul Solloway | Director of Digital | |
| **Associate Members**** | | |
| Vacant | Chair, Stakeholder Reference Group | |
| Vacant | Chair, Health Professionals Forum | |
| Vacant | Director of Social Services | |
| **Director of Corporate Governance***** | | |
| Rani Dash | Director of Corporate Governance | |

**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.*

***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 Board was chaired by Ann Lloyd, CBE, until 2nd April 2026. Andrew Morgan OBE, commenced as Chair on 5th May 2026. Phil Robson, Vice Chair, undertook the role of Acting Chair during the period 3rd April to 4th May 2026.

## The Role of the Board

The Board 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 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 2025/26.

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 2025/26, 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 and Learning Disabilities Committee
- Remuneration and Terms of Service Committee
- Charitable Funds Committee

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 2025/26. In addition, all Board meetings were livestreamed and published to the Health Board's You Tube Channel.

Committee meetings were held virtually, which meant that public attendance was not facilitated. To maintain transparency and public accountability, from October 2025, the Health Board implemented an

alternative arrangement whereby summaries of Committee meetings were published on the Health Board's website. These summaries provide an overview of the key discussions, decisions and outcomes of each meeting, ensuring continued openness in the conduct of the Committee's business.

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 livestreamed and published to the Health Board's You Tube Channel within 24 hours;
- The Health Board's Annual General Meeting in September 2025 was livestreamed, with in person attendance also permitted.
- Summaries of Committee business were published to the Health Board's website within 24 hours of the meeting.

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 2025/26

During 2025/26, the Board held 6 scheduled meetings, as well as its Annual General Meeting on 24th September 2025.

All the meetings of the Board in 2025/26 were appropriately constituted and quorate. The key business and risk matters considered by the Board during 2025/26 are outlined below.

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

**Business Cases:**

- Approved the Outline Business Case for the **Transforming Access to Medicines (TRaM) South-East Wales Hub**.
- Approved the **Maternity and Neonatal Services Reconfiguration** Business Case.
- Approved the **Nevill Hall Hospital Strategic Outline Case** to address RAAC and long-term estate sustainability.
- Approved the Outline Business Case for the **Regional Orthopaedics Centre** (Llantrisant Health Park – Phase 2).
- Approved the **Digital infrastructure and AI oversight approach.**

**Governance and Assurance:**

- Received assurance in respect of arrangements for compliance with the **Nurse Staffing Levels (Wales) Act**.
- Approved the **Annual Report and Accounts 2024-25**.
- Approved the **Charitable Funds Annual Report and Accounts 2024-25**.
- **Received** the following **Annual Reports**:
  - Health, Safety & Fire Annual Report
  - Welsh Language Annual Report
  - Annual Quality Report
  - Annual Putting Things Right Report
  - Senior Information Risk Owner (SIRO) Annual Report
  - Strategic Equality Plan Annual Report
- Received the **Audit Wales Annual Audit Report** and **Structured Assessment 2025**.
- Received the **Public Services Ombudsman for Wales Annual Letter**.
- Approved interim changes to the **Standing Financial Instructions** and the **Scheme of Delegation – Delegated Limits**.
- **Noted** the **Pay Gap Reports 2025** (Gender Pay Gap and Ethnicity Pay Gap)

**Plans/Strategies/Policies/Service Change:**

- Noted progress in implementing the **Long-Term 10-Year Strategy** and associated outcomes framework.
- Approved the **Values and Behaviours Framework** (Kindness, Integrity, Respect).
- Approved the **People Plan 2025–28**.
- Approved the **Strategy Deployment Plan (Gwent 2035)**.
- Approved the **Winter Plan 2025/26** and noted the 2024/25 Winter Review.
- Noted updates on the **Nevill Hall Hospital Redevelopment Programme** and ongoing public engagement.
- Noted updates on **MSK / Community Therapy Transformation**.
- Noted progress and next steps on the **Digital, Data and Technology** modernisation programme.
- Noted the **Digital Programmes Update** and **Artificial Intelligence Review**.
- Endorsed the approach to **Quality Improvement**, including refreshed quality management structures.
- Approved the **Patient Safety Incident Reporting & Management Policy**.
- Received updates on **planned care performance**, including actions to reduce long waits and use Welsh Government funding for improvements.
- Noted development of **ReFit decarbonisation proposals**, funding uplifts and invest-to-save schemes.
- Endorsed improvement work across **urgent & emergency care**, including the Next/Your Next Patient flow initiatives.
- Noted updates on **Children and Young People's Services** including early pregnancy and gynaecology care improvements.
- Received the **Statutory and Mandatory Training Report** and **endorsed** actions to strengthen compliance.
- Received updates on implementation of the **NHS Wales Electronic Prescribing & Medicines Administration (ePMA)** programme.
- Approved service decisions relating to **General Medical Services**.

**Routine Business:**

- Ratified **actions taken by the Chair**, on behalf of the Board, to seal documents affixing the Health Board's Common Seal.
- Considered and discussed the Health Board's **financial performance** and the related risks being managed by the organisation.
- Considered the **Board's performance** against key local and national targets and the actions being taken forward to improve performance.
- 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.
- Noted progress on **Women's Health Hub development** and alignment with the national Women's Health Plan.
- Noted updates on **Respiratory and General Medicine Service Model** changes at the Grange University Hospital.
- Approved the **Capital Programme 2026/27**, including invest-to-save and discretionary schemes.
- Noted the community diagnostic hub **Llantrisant Health Park OBC** (regional, for information only).
- **Approved** the **Integrated Medium-Term Plan (IMTP) 2025–2028** for submission to Welsh Government.
- **Approved** the **Budget Delegation Proposal for 2026/27**.
- **Noted** updates on **Primary and Community Care development**, including Community by Design initiatives.
- **Noted** progress on **Dementia improvement**, including the Dementia Friendly Hospital Charter and refreshed three-year improvement plan.
- **Approved** the **Violence Prevention and Reduction Strategic Plan**.
- **Noted** the findings and priority actions arising from the **Maternity and Neonatal National Assurance Assessment**.

**Patient Experience and Public Engagement:**

Patient experience remained a core component of Board agendas, with powerful presentations demonstrating the impact of service developments and personal stories. Presentations during 2025/26 included:

- **Cryoablation and robotic innovation** in cancer and interventional radiology.
- **Early pregnancy and emergency gynaecology**: improvements introduced following a patient's experience of miscarriage care.
- **Knee osteoarthritis embolisation service**: showcasing innovative alternatives to surgery with strong outcome data.
- **Arts in Health** Programme for perinatal mental health, showing strong benefits for confidence, emotional regulation and social connection.
- **Closed loop insulin pump therapy** significantly improving quality of life for patients with Type 1 diabetes.
- **Dementia Care** highlighting learning and improvement actions across hospital and community services.

Throughout 2025/26, **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 2025/26, 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** | | |
|---|---|---|
| **Roles and Responsibilities** | 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.<br><br>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.<br><br>Terms of Reference | |
| **Chair** | Iwan Jones, Independent Member (Finance) | 8/8 |
| **Members and Attendance** | Dafydd Vaughan, Independent Member<br>Neil Patrick, Independent Member<br>Helen Sweetland, Independent Member - from September 2025<br>Richard Clark, Independent Member - to June 2025<br>Paul Deneen, Independent Member -January 2026 only | 8/8<br>8/8<br>4/5<br>1/3<br>1/1 |
| **Regular Executive Attendance** | Rani Dash, Director of Corporate Governance<br>Robert Holcombe, Director of Finance and Procurement<br>*(Attendance not required January 2026)* | 7/8<br>7/7 |
| **Number of Meetings per year** | 8 | |
| **Items Considered** | Among the key issues considered by the Committee during 2025-26, as outlined in the Committee's Work Programme, the following were also considered:<br>• An overview of **financial governance and control arrangements**, including updates on Financial Control Procedures and Standing Financial Instructions self-assessment, payment performance, banking | |

arrangements, and losses and special payments, together with routine monitoring of Single Tender Actions.

- An overview of **internal audit** activity, covering plan delivery and reports across areas such as clinical audit (local and national), job planning, discharge planning (follow-up), business continuity, divisional governance, mental health and learning disabilities, maternity, GUH Emergency Department extension, health & safety, Electronic Document and Records Management System, contract management, performance management framework, waiting list management, medical equipment & devices, and managed GP practices.
- An update on **external audit** work, including progress on the financial statements audit, Structured Assessment, Audit Fees consultation, and thematic reviews (e.g., Eye Care Services, Planned Care, Discharge Planning at Health Board and regional levels) and the National Fraud Initiative.
- An overview of meetings relating to the **Annual Report and Accounts**, considering Part 1 (Performance), Part 2 (Accountability and Annual Governance Statement), and Part 3 (Financial Statements), including processes to validate performance and financial data and recommendations to the Board for approval.
- Updates on **organisational risk, governance and compliance**, including risk maturity development, movements in strategic risks (e.g., industrial action, financial sustainability), and improvements to compliance with Welsh Health Circulars and Ministerial Directions with clearer escalation routes.
- An overview of **clinical audit** governance, including the Committee's continued emphasis on the absence (earlier in the year) of an approved local clinical audit plan, subsequent actions to strengthen corporate local clinical audit arrangements, and mid-year reporting on national audit participation.
- Updates on **job planning**, noting persistent challenges (e.g., expired plans, digital completion, local enforcement and training), with oversight aligned to the People & Culture Committee and a strengthened management approach.
- An overview of **discharge planning and urgent care performance**, noting improvements in delayed discharge metrics, documentation, real-time dashboards, and pathway redesign, while recognising ongoing system-wide challenges across partner organisations and digital systems.
- Updates on **quality governance, patient safety and assurance**, including follow-up of Quality Governance recommendations, safeguarding training compliance, the Post-Payment Verification annual programme and expanded scope, and counter-fraud performance and benchmarking across NHS Wales.

Further information is available in the Audit, Risk and Assurance Committee Annual Report 2025/26.

| Patient, Quality, Safety and Outcomes Committee | | |
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| **Roles and Responsibilities** | 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.<br><br>Full Terms of Reference | |
| **Chair** | Helen Sweetland | 5/5 |
| **Members and Attendance** | Penny Jones<br>Philip Robson - from June 2025<br>Paul Deneen<br>Vivek Goel - from October 2025<br>Helen Cunningham – from February 2026 | 5/5<br>4/5<br>5/5<br>3/3<br>1/1 |
| **Regular Executive Attendance** | Jennifer Winslade<br>Seema Srivastava – from December 2025<br>Peter Carr<br>James Calvert - to October 2025 | 5/5<br>2/2<br>3/5<br>2/2 |
| **Number of Meetings per year** | 6 – July meeting was cancelled resulting in 5 taking place. | |
| **Items Considered** | Among the key issues considered by the Committee during 2025-26, as outlined in the Committee's Work Programme, the following were also considered:<br>• **An overview of quality outcomes and performance reporting**, including regular Quality Outcomes Reports aligned to the six Pillars of Quality. These reports provided assurance on patient and staff experience, complaints and concerns, patient safety, clinical effectiveness, health and safety, infection prevention and control, and safeguarding. The Committee considered trends in mortality, falls, pressure ulcers, medication safety, complaints performance, infection rates and safeguarding activity, and reviewed areas requiring targeted improvement.<br>• **An overview of the development and implementation of the Quality Management System**, including the establishment and ongoing role of the Quality Management Group. The Committee received assurance on the alignment of quality governance arrangements with national requirements, the Duty of Quality and Duty of Candour, and the Health and Care Quality Standards.<br>• **An update on maternity and neonatal services**, including workforce, safety, culture and performance. The Committee reviewed maternity and neonatal quality reports, neonatal service improvement activity, culture and listening exercises, infection prevention and control arrangements, medicines management, workforce capacity and training compliance, and received assurance on ongoing improvement plans and leadership oversight.<br>• **An overview of patient experience, concerns and complaints management**, including the Patient Advice and Liaison Service (PALS), | |

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| | Putting Things Right (PTR) performance, and preparations for the implementation of the new *Listening to People* framework. The Committee considered early resolution performance, equity of access, resource implications, regulatory changes, and risks associated with implementation without additional national funding.<br>• **Updates on inspection and regulatory activity**, including Healthcare Inspectorate Wales (HIW) inspections, Audit Wales findings, Health and Safety Executive (HSE) interventions, and actions taken in response. The Committee monitored progress against inspection recommendations, reviewed assurance arrangements through the Assurance Monitoring and Tracking system, and considered learning and escalation where required.<br>• **An overview of specific risk and improvement programmes**, including safeguarding training compliance, health and safety leadership and workforce capacity, infection prevention and control, nutrition and hydration, mortuary and Care After Death services, learning from deaths, clinical audit activity, commissioning assurance, and the management of strategic risks delegated to the Committee.<br><br>Further information is available in the Patient Quality, Safety and Outcomes Committee Annual Report 2025/26. |

| **Partnership Population, Health & Planning Committee** | | |
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| **Roles and Responsibilities** | The purpose of the Partnerships, Population Health and Planning Committee is to seek assurance on:<br>• The robustness of the Health Board's approach, systems and processes for developing strategies and plans, including those developed in partnership;<br>• 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;<br>• That partnership governance and partnership working is effective and successful; and<br>• that those arrangements in place to improve population health and wellbeing are robust and effective and delivering intended outcomes.<br><br>Full Terms of Reference | |
| **Chair** | Ann Lloyd, until April 2025<br>Phillip Robson, from July 2025 | 1/1<br>3/3 |
| **Members and Attendance** | Phillip Robson, until July 2025<br>Dafydd Vaughan<br>Penny Jones<br>Richard Clark, until October 2025<br>Akmal Hanuk, from July 2025<br>Neil Patrick, provided IM Committee Support | 0/1<br>4/4<br>3/4<br>2/2<br>1/3<br>1/1 |

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| **Regular Executive Attendance** | Hannah Evans, Director of Strategy, Planning and Partnerships,<br>Tracy Daszkiewicz, Director of Public Health | 4/4<br><br>2/4 |
| **Number of Meetings per year** | 4 | |
| **Items Considered** | Among the key issues considered by the Committee during 2025-26, as outlined in the Committee's Work Programme, the following were also considered:<br>• **An overview of the development and approval status of the Integrated Medium Term Plan (IMTP),** including the early development of the 2026/27 IMTP.<br>• **An overview of priority programmes and transformation activity**, including planned care, urgent and emergency care, place-based care, population health, cancer services, mental health transformation, decarbonisation and digital foundations.<br>• **An update on regional planning and collaboration**, including ophthalmology, orthopaedics, diagnostics, endoscopy, radiology and wider regional service models.<br>• **An overview of meetings of the Regional Partnership Board and Public Services Boards**, with focus on priority setting, alignment of structures, winter pressures, and strengthening collaboration across system partners.<br>• **Updates on population health, prevention and health protection**, including vaccination programmes, communicable disease response, health protection system maturity, and learning from incidents and national exercises.<br>• **An overview of estates and infrastructure planning**, including the development of an updated Estates Strategy, rationalisation of St Woolos Hospital and development proposals for Nevill Hall Hospital.<br>• **Updates on business continuity, emergency planning and digital resilience**, including preparedness for cyber incidents, business continuity assurance, and alignment with wider emergency planning and response arrangements.<br>• Committee **risk report**.<br><br>Further information is available in the Partnership, Population Health and Planning Committee Annual Report 2025/26. | |

| People & Culture Committee | | |
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| **Roles and Responsibilities** | The purpose of the People and Culture Committee is to provide assurance to the Board on:<br>• all matters relating to staff and workforce planning of the Health Board;<br>• 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;<br>• the direction and delivery of Organisational Development and other related frameworks to drive continuous improvement and to achieve the objectives of the Health Board.<br><br>Full Terms of Reference | |
| **Chair** | Paul Deneen | 3/3 |
| **Members and Attendance** | Helen Sweetland<br>Philip Robson<br>Vivek Goel | 3/3<br>3/3<br>2/3 |
| **Regular Executive Attendance** | Sarah Simmonds | 3/3 |
| **Number of Meetings per year** | 3 | |
| **Items Considered** | Among the key issues considered by the Committee during 2025-26, as outlined in the Committee's Work Programme, the following were also considered:<br><br>• An overview of **workforce performance**, including sickness absence, turnover, workforce supply, recruitment timelines, job planning compliance, statutory and mandatory training, occupational health performance and variable pay, through regular review of the Workforce Performance Dashboard.<br>• An overview of the Health Board's **People Plan 2025–2030**, including its strategic pillars, delivery measures, success indicators and governance arrangements, alongside confirmation of refined outcome-focused measures to support effective implementation and assurance.<br>• An update on **staff experience and engagement**, including the NHS Wales Staff Survey approach, response rates, outcomes and the development of divisional and organisational action plans, as well as efforts to reduce survey fatigue and strengthen staff voice.<br>• An overview of **equality, diversity and inclusion** assurance, including progress against the Strategic Equality Plan and the Welsh Government's Race Equality Action Plan for Wales, with particular focus on workforce data quality, recruitment and progression inequalities, staff networks and Board-level leadership and oversight. | |

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| | • Updates on **employee relations activity**, including suspensions, disciplinary cases, employment tribunal claims and learning from complex cases, alongside implementation of new policies and frameworks such as Respect and Resolution and anti-sexual harassment arrangements.<br>• An overview of **workforce governance** and assurance, including Disclosure and Barring Service compliance, workforce risk management, establishment control, workforce planning and organisational change, and the monitoring of delegated strategic workforce risks.<br>• Updates **on professional workforce frameworks and reforms**, including arrangements for speciality doctors, locally employed doctors and clinical fellows, medical revalidation, job planning systems, and preparations for the Resident Doctors contract reform.<br>• An overview of **workforce safety and wellbeing initiatives**, including the Speaking Up Safely framework, violence prevention and reduction strategy, staff safety measures and organisational responses to concerns raised by staff.<br><br>Further information is available in the People and Culture Committee Annual Report 2025/26. |

| **Finance and Performance Committee** | | |
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| **Roles and Responsibilities** | The purpose of the Finance & 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<br>• 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;<br>• that arrangements for financial management and financial performance are sufficient, effective and robust;<br>• that services are improving efficiency and productivity and financial plans are being delivered;<br>• 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<br>• risks are suitably identified, mitigated, residual risks controlled, and corrective actions are taken as required to sustain or improve performance.<br><br>Full Terms of Reference | |
| **Chair** | Richard Clark (Until July 2025)<br>Neil Patrick (From September 2025) | 2/2<br>5/5 |
| **Members and Attendance** | • Iwan Jones, Independent Member<br>• Dafydd Vaughan, Independent Member<br>• Akmal Hanuk, Independent Member | 4/5<br>5/5<br>4/4 |

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| **Regular Executive Attendance** | • Paul Solloway, Director of Digital<br>• Hannah Evans, Director of Strategy, Planning and Partnerships<br>• Robert Holcombe, Director of Finance | 4/5<br>5/5<br><br>5/5 |
| **Number of Meetings per year** | 5 | |
| **Items Considered** | Among the key issues considered by the Committee during 2025/26, as outlined in the Committee's Work Programme, the following were also considered:<br><br>An overview of the **Committee Risk Report**, including strategic risks relating to financial sustainability, performance management, digital infrastructure, estates compliance, and carbon reduction, with ongoing consideration of risk tolerance, mitigation effectiveness, and interdependencies between workforce absence, operational pressures, and financial risk.<br><br>An overview of **organisational performance and escalation arrangements**, including national and internal escalation frameworks, progress against de-escalation criteria, and sustained challenges in Urgent and Emergency Care, Planned Care, Mental Health, and Financial Performance.<br><br>An update on the **Integrated Performance Report**, including performance against Ministerial Priorities, covering prevention and population health, Primary and Community Care, Urgent and Emergency Care, Planned care, Cancer and Diagnostics, Mental Health services, and Workforce productivity, alongside consideration of system-wide pressures and national supply constraints.<br><br>An overview of **financial performance** through the Monthly Finance Report and Monitoring Returns, including in-year deficit forecasts, savings delivery, cost pressures, income risks, capital expenditure, cash management, and engagement with Welsh Government on funding and financial risk mitigation.<br><br>Updates on **value, sustainability, efficiency, and productivity programmes**, including assurance from the Value and Sustainability Board, efficiency opportunities in theatres, beds, outpatients, medicines management, non-pay expenditure, and planned care productivity, recognising the distinction between performance improvement and cash-releasing savings.<br><br>An overview of **major service and transformation developments**, including ophthalmology diagnostic hub progress, outpatient transformation, theatres efficiency, stroke service improvement, benefits realisation from business cases, commissioning arrangements, and the alignment of service redesign with quality, safety, workforce, digital readiness, and financial sustainability. | |

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| | An overview of **digital, data, information governance, and cybersecurity assurance**, including progress on major digital programmes, electronic patient records, digital prescribing, data standards, information governance compliance, and the management of digital and cyber risks.<br>An overview of **estates compliance and infrastructure assurance**, including statutory compliance, backlog maintenance, estate condition risks, workforce challenges within estates services, and the prioritisation of investment based on clinical and safety risk.<br><br>Further information is available in the Finance and Performance Committee Annual Report 2025/26. |

| **Charitable Funds Committee** | | |
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| **Roles and Responsibilities** | 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.<br><br>Full Terms of Reference | |
| **Chair** | Paul Deneen | 4/4 |
| **Members and Attendance** | Neil Patrick<br>Richard Clark (Until June 2025)<br>Akmal Hanuk (Since June 2025)<br>Nicola Prygodzicz<br>Robert Holcombe | 4/4<br>1/1<br>2/3<br>4/4<br>4/4 |
| **Regular Executive Attendance** | N/A | |
| **Number of Meetings per year** | 4 | |

| Items Considered | Among the key issues considered by the Committee during 2025-26, as outlined in the Committee's Work Programme, the following were also considered:<br>• An overview of the **Finance and Performance position**, including quarterly financial performance, income and expenditure trends, investment valuation movements, management of fund balances, and the approval of new charitable funds to support specific initiatives and services. During the year, the Committee also considered the impact of market volatility on charitable investments and agreed actions to strengthen future assurance, including enhanced scrutiny of investment performance, engagement with investment managers, and preparation for the re-tendering of investment arrangements.<br>• An overview of **funds available to the Committee**, including updates on general-purpose funds, legacy receipts, commitments, and the level of discretionary funding available to support bids and grant applications. The Committee recognised the importance of balancing the active use of charitable funds with the long-term financial sustainability of the charity.<br>• An update on **bids and Small Grant Scheme applications**, including the approval of multiple small grants and larger funding bids, consideration of affordability and future commitments, and the establishment of strengthened governance arrangements. This included the operation of a bids and grants sub-group to enhance consistency, transparency, and alignment with charitable objectives, alongside agreement to improve application requirements and introduce proportionate monitoring of funded activity.<br>• An overview of **legislative and regulatory changes**, including updates on the Charities Statement of Recommended Practice (SORP), assurance that the charity was prepared for forthcoming requirements, and confirmation that no material impacts were anticipated for the organisation.<br>• Updates on the **management of slow-moving funds**, including attendance from fund holders, review of spending plans, encouragement of timely and appropriate use of charitable funds, and agreement to strengthen oversight where funds had remained unspent for extended periods.<br>• An overview of **investment composition and performance**, including updates from the charity's investment managers, consideration of market conditions, and assurance regarding the ongoing suitability and monitoring of investment arrangements.<br>• An update on the **priority plan to raise the profile of the charity and support future fundraising**, including approval of a refreshed charity brand identity, registration with the Fundraising Regulator, development of new fundraising mechanisms, and early engagement with potential corporate supporters and patronage opportunities.<br>• An overview of **governance and assurance matters**, including approval of the Committee's Programme of Business, Terms of Reference, administration charge for 2025/26, and the review and approval of the Annual Accounts, Annual Report, and related audit documentation. |
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| | Further information is available in the Charitable Funds Committee Annual Report 2025/26. |

| **Mental Health and Learning Disabilities Committee** | | |
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| **Roles and Responsibilities** | The purpose of the Mental Health and Learning Disabilities Committee is to advise the Board to assist it in discharging its functions and meeting its responsibilities with regard to mental health, learning disabilities and CAMHS issues; and especially the Health Board's compliance with the Mental Health Act 1983, Mental Capacity Act 2005, Equality Act 2010 (where relevant) and associated legislative and statutory frameworks.<br><br>Full Terms of Reference | |
| **Chair** | Penny Jones | 5/5 |
| **Members and Attendance** | Paul Deneen<br>Philip Robson<br>Dafydd Vaughan | 5/5<br>4/5<br>4/5 |
| **Regular Executive Attendance** | Leanne Watkins, Chief Operating Officer<br>Jennifer Winslade, Director of Nursing<br>Seema Srivastava, Medical Director (from November 2025)<br>Tracey Daszkiewicz, Director of Public Health | 3/5<br>3/5<br>0/2<br>1/5 |
| **Number of Meetings per year** | 5 | |
| **Items Considered** | Among the key issues considered by the Committee during 2025/26, as outlined in the Committee's Work Programme, the following were also considered:<br>• An overview of **Mental Health Act compliance**, including activity trends under the Act, use of Sections 4, 135 and 136, rectifiable and unlawful detentions, Community Treatment Orders, Hospital Managers' hearings, and multi-agency working. | |

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| | • An overview of **Mental Health services performance, quality, safety and activity**, including assurance on Adult Mental Health, learning disabilities and Child and Adolescent Mental Health Services.<br>• An update on **service transformation and improvement**, including psychological therapies, neurodevelopmental services, CAMHS recovery and sustainability, community-based models of care, and the redesign of pathways to support demand management, earlier intervention and more sustainable delivery.<br>• An overview of **restrictive practice**, including restraint, enhanced observations and segregation, alongside actions to reduce restrictive interventions through SafeWards, Safety Pods, improved training, strengthened policies, thematic reviews and divisional oversight arrangements.<br>• Updates on **Mental Capacity Act and Deprivation of Liberty Safeguards**, including training compliance, audit findings, backlog pressures, governance arrangements, and preparation for future Liberty Protection Safeguards requirements, recognising ongoing legal, workforce and financial challenges.<br>• An overview of **Right Care, Right Person**, including phased implementation, multi-agency collaboration, crisis pathways, transport and conveyance challenges, and ongoing development of integrated models to ensure individuals receive the appropriate response at the right time.<br>• An overview of **Dementia assurance**, including progress against the All-Wales Dementia Standards, community hubs, carers' support, workforce development, memory assessment pathways, dementia-friendly environments and sustainability risks associated with future funding.<br>• An overview of **quality improvement and inspection activity**, including Healthcare Inspectorate Wales inspections, internal audits, action plans, governance reviews, leadership visibility, and learning from incidents, complaints and external scrutiny.<br>• An overview of **digital enablement and maturity**, including digital process improvement, robotic process automation, electronic patient record readiness, data quality, and the findings of the Mental Health Digital Maturity Assessment.<br><br>Further information is available in the Mental Health and Learning Disabilities Committee Annual Report 2025/26. |

| **Remuneration and Terms of Service Committee** | |
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| **Roles and Responsibilities** | 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 Terms of Reference |

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| **Chair** | Ann Lloyd, Chair | 3/3 |
| **Members and Attendance** | Philip Robson, Vice Chair<br>Iwan Jones, Independent Member | 3/3<br>3/3 |
| **Regular Executive Attendance** | Sarah Simmonds, Director of Workforce and OD<br>Nicola Prygodzicz, Chief Executive | 3/3<br>3/3 |
| **No Meetings per year** | Quarterly, as required | |
| **Items Considered** | The Committee received updates on:<br>• Chief Executive and Executive Director Performance<br>• Executive and Senior Manager Secondments<br>• Settlement Agreements<br>• Progress with AFC non pay collective agreement and other pay related issues (national discussions) | |

The Chief Executive, as Accountable Officer, regularly attends all Committee meetings.

## Board Development and Briefing

Board members took part in a number of development and briefing sessions through 2025/26. Topics covered at these sessions included:

- Long Term Strategy Development
- Organisational Priorities and Parameters
- Service Development Business Cases
- Financial Plan 2025/26
- Welsh Government Priorities and Requests
- Annual Update from the Joint Commissioning Committee (JCC)
- Place Based Care, Including Primary Care Model
- Board Development Programme Delivered by Good Governance Institute (GGI)
- Records Management Update

## 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.

The Health Board commenced its Board Development Programme, delivered in partnership with the Good Governance Institute (GGI), during 2025/26. This work remains ongoing to support continuous improvement.

This programme focused 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.

Committees of the Board undertook self-assessment during November and December 2025. The outcomes of these assessments are summarised in the Committee Annual Reports. 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 2026.

### 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:

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| Section 5 – Advisory Groups | *The LHB's Advisory Groups include a Stakeholder Reference Group, Healthcare Professionals' Forum and Local Partnership Forum.* [Local Partnership Forum is established] |
| Section 7 - Meetings | *The availability of papers in English and Welsh languages and in accessible formats, such as Braille, large print, easy read (where requested or required) and in electronic formats;* |

Actions will be put in place to address each of these areas during 2026/27.

## 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 reviewed and redesigned 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 2026.

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 continuing to develop 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 2026.

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 a is 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

The NHS Wales Joint Commissioning Committee (NWJCC) is a formal committee representing all seven Health Boards in Wales. While each Health Board plans and delivers services for its own local population, some services are so specialist, complex, or low-volume that they need to be commissioned once for the whole of Wales.

NWJCC brings the Health Boards together to do this, ensuring that nationally commissioned services are planned consistently, collaboratively, delivered safely, and available equitably to everyone, wherever they live in Wales.

The National Health Service Joint Commissioning Committee (Wales) Directions 2024 (the Directions) came into force on 7th 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 in 2025/26 were:

- Ann Lloyd, Health Board Chair
- Nicola Prygodzicz, Chief Executive
- Tracy Daszkiewicz, Director for Public Health
- Hannah Evans, Director of Strategy, Planning & Partnerships
- Phil Robson, Vice Chair

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, 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, Aneurin Bevan University Health Board, Cardiff and Vale University Health Board, and Cwm Taf Morgannwg University Heath Board have established 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

As Chief Executive and Accountable Officer, I have overall responsibility for maintaining a sound system of internal control that supports the achievement of the Health Board's policies, aims and objectives, while safeguarding public funds and assets.

The system of internal control is designed to manage risk to a reasonable level rather than 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 2026 and up to the date of approval of the annual report and accounts.

## Governance Framework and Capacity to Handle Risk

The Health Board has established a clear governance framework to support effective risk management and internal control.

The Board is supported by its committees, in particular:

- The Audit and Risk Assurance Committee, which provides independent assurance on the adequacy of governance, risk management and internal control
- The Patient Quality, Safety and Outcomes Committee, which oversees risks relating to quality and safety
- The Executive Committee provides a forum for the identification, review and escalation of risks, ensuring that emerging risks are actively managed and reported through the governance structure.

Responsibility for risk is clearly defined and delegated to Executive Directors, ensuring appropriate expertise and accountability across key domains including operational delivery, workforce, digital and patient safety.

## The Risk Management Framework

The Health Board operates a comprehensive Risk Management Framework (RMF), approved by the Board and subject to annual review. The framework supports a consistent and structured approach to risk identification, assessment, mitigation and review.

Risk management is embedded within organisational processes, including planning and performance management, and aligned to the Integrated Medium-Term Plan (IMTP) and Gwent 35 Strategy.

Staff are supported through training and development to ensure that risk management is understood and applied consistently across the organisation, and aligned with the Board's Risk Appetite Framework.

An Internal Audit review undertaken during 2025/26 concluded a reasonable assurance opinion on the effectiveness of the Strategic Risk Register and associated processes.

Opportunities for improvement were identified in relation to consistency and clarity, but these do not detract from the overall effectiveness of the framework.

## Risk Appetite Determination

The Health Board's Risk Appetite Framework defines the level of risk the organisation is willing to accept in pursuit of its strategic objectives. The framework is informed by consideration of operational pressures,

stakeholder expectations, regulatory requirements and the broader risk environment in which the Health Board operates.

The Board adopts a balanced and proportionate approach to risk-taking. Whilst there is recognition that some level of risk is inherent in delivering healthcare services and driving improvement, the Board maintains a low tolerance for risks relating to patient safety, quality of care and regulatory compliance, and a cautious approach in relation to financial sustainability.

The Risk Appetite Framework supports:

- Informed decision-making and prioritisation of resources
- Clear articulation of acceptable levels of risk exposure
- Structured escalation and oversight of risks operating outside of appetite

The Board explicitly recognises that, in the current operating environment, some risks will remain outside of appetite in the short to medium term. However, this does not represent a position of acceptance. Rather, such risks are subject to enhanced scrutiny, with a clear expectation that action is taken to reduce risk exposure to within acceptable levels as far as is reasonably practicable.

The table below summarises the Health Board's position in relation to its risk appetite and tolerance levels. The full Risk Appetite Statement is available separately here

| | Risk Theme | Risk Appetite Level | Risk Appetite Description | Risk Appetite Thresholds |
|---|---|---|---|---|
| **RISK APPETITE** | 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 |

## Risk Profile and Principal Risk

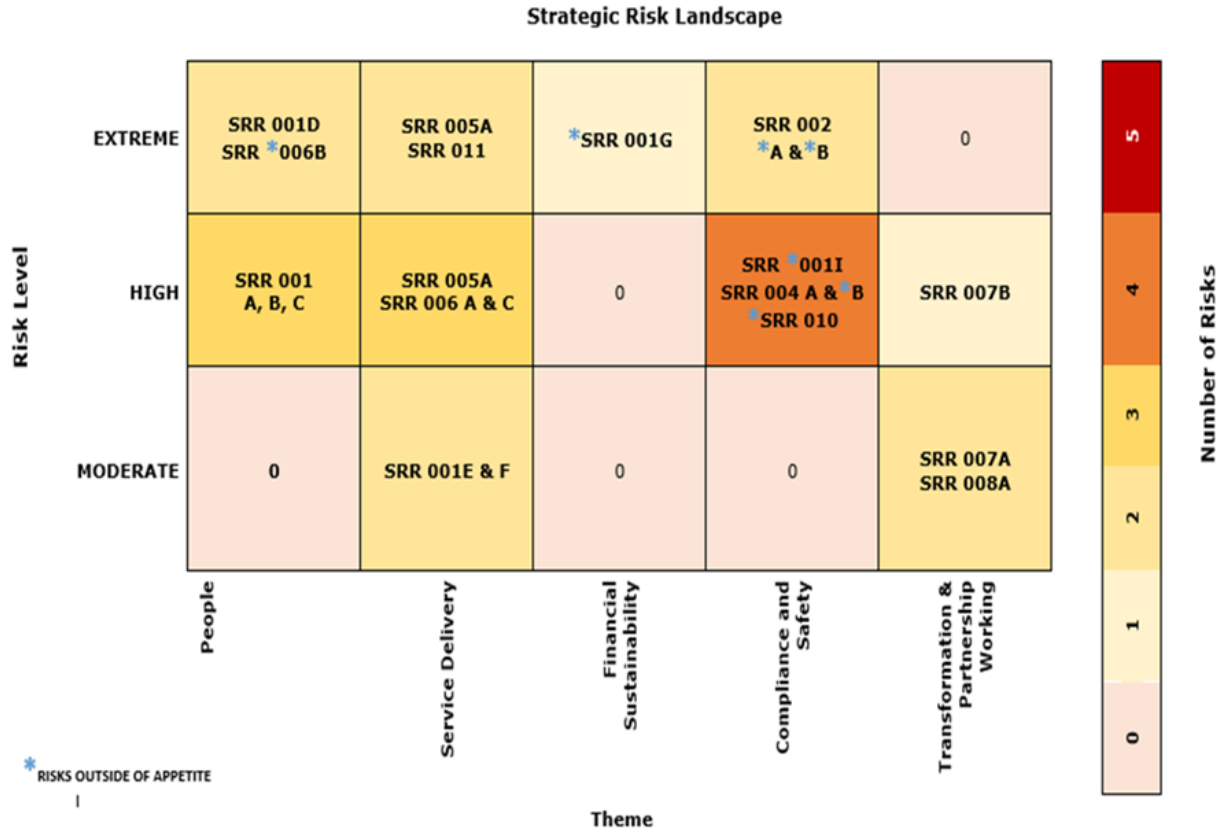
The Health Board maintains a Strategic Risk Register (SRR) which identifies and manages the principal risks to the achievement of its objectives. A copy of the latest Strategic Risk Report, presented to the Board in May 2026, is available on the Health Board's website.

The overall risk profile during 2025/26 remained stable within a high-risk operating environment. The majority of strategic risks are assessed as high, with a smaller number rated as extreme.

Key principal risks include:

- Financial sustainability
- Workforce capacity
- Service performance and operational resilience
- Patient safety and quality

The Board recognises the interdependencies between these risks and their potential cumulative impact on organisational performance and service delivery.




Seven of the strategic risks remain outside the Board's defined risk appetite and are subject to enhanced monitoring, scrutiny and management action, these are:

| Risk ID & Score Threshold | Sub Risk Description | Current Score | Management of the Risk |
|---|---|---|---|
| **SRR 001G**<br><br>Score 12 and below | There is a risk that the Health Board will be unable to deliver and maintain high quality safe and sustainable services which meet the changing needs of the population<br>**Due to the failure to deliver a sustainable financial position and longer-term financial plan.** | **20** | The residual risk is being **treated** through strengthened financial controls, while **opportunities are being taken** to redesign services for long-term sustainability. |
| **SRR 001I**<br><br>Score 8 and below | There is a risk that the Health Board will be unable to deliver and maintain high quality safe and sustainable services which meet the changing needs of the population<br>**Due to a failure to implement the required performance improvements in some areas** | **12** | The residual risk is being **treated** and opportunities taken to strengthen services and accountability structures. |

| | | | |
|---|---|---|---|
| | **of the organisation in line with the Health Board's Performance Management Framework domains of Quality and Safety, Operational Delivery, and Finance.** | | |
| **SRR 002A**<br><br>Score 8 and below | There is a risk that there will be significant failure of the Health Board's estate **Due to the presence of Reinforced Autoclaved Aeriated Concrete (RAAC) within structures** | **15** | The residual risk is being **tolerated** pending completion of remediation plans. |
| **SRR 002B**<br><br>Score 8 and below | There is a risk that there will be significant failure of the Health Board's estate **Due to significant levels of backlog maintenance and structural impairment.** | **12** | The residual risk is being **treated** through proactive estate investment and maintenance planning. |
| **SRR 004B**<br><br>Score 8 and below | There is a risk that the Health Board is unable to respond in a timely, efficient and effective way to a major incident, business continuity incident or critical incident **Due to ineffective and insufficient arrangements across service areas.** | **12** | The residual risk is being **treated** through the development, standardisation, and testing of business continuity and incident response plans. |
| **SRR 006B**<br><br>Score 17 and below | There is a risk that the Health Board has inadequate digital infrastructure and systems to maintain high-quality, safe service delivery. **Due to an adverse impact on service delivery in the implementation of new digital systems**. | **20** | The residual risk is being **treated** through strengthened governance, investment, implementation controls and contingency planning. At the same time, the Health Board is seeking to **take advantage** of opportunities presented by digital transformation. |
| **SRR 010**<br><br>Score 8 and below | There is a risk that the Health Board will fail to protect the Health and Safety of staff, patients, and visitors in-line with its duties under the Health and Safety at Work Act 1974 **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.** | **12** | The residual risk is being **treated** through strengthening governance and **taking the opportunity** to enhance staff safety culture. |

## Assurance Framework (Three Lines of Assurance)

The Health Board applies the three lines of assurance model to support a structured and transparent approach to assurance.

| | |
|---|---|
| **First line:** | Operational management and internal controls |
| **Second line:** | Oversight functions including governance, risk and compliance |
| **Third line:** | Independent assurance from Internal Audit and External Audit |

The Audit, Risk and Assurance Committee receives regular reports on the effectiveness of this framework, including:

- Adequacy of controls
- Progress against mitigating actions
- Identification of gaps in assurance

Sources of assurance include Internal Audit, External Audit, performance and financial reporting, quality and safety information, and management assurances.

## Significant Issues, Risks and Control Challenge

During 2025/26, the Health Board has continued to operate in a challenging environment, with a number of risks remaining outside risk appetite, particularly in relation to:

- Financial sustainability
- Workforce constraints
- Operational performance and demand pressures
- Infrastructure and estate resilience

These represent ongoing system pressures rather than failures of control but require continued focus and management action.

## Actions taken to address control issues

In response to these challenges, the Health Board has taken steps to strengthen its control environment, including:

- Enhanced financial governance and oversight
- Targeted service improvement and recovery actions
- Strengthened workforce planning
- Improved oversight of digital and infrastructure risks
- Development of business continuity arrangements

In addition, actions are underway to:

- Strengthen Executive oversight of the Strategic Risk Register
- Improve the quality and consistency of risk reporting
- Enhance alignment between risk management and strategic planning

## Overall Assurance Conclusion

Based on the sources of assurance outlined above, I can confirm that the Health Board has in place an effective system of internal control that supports the management of risk to a reasonable level.

While some risks remain outside the Board's defined appetite due to the external operating environment, these are clearly identified, actively managed and subject to enhanced scrutiny.

I am therefore able to provide reasonable assurance that the Health Board's arrangements for governance, risk management and internal control are operating effectively.

## Public and Stakeholder Engagement

The Health Board engages with patients, the public and external stakeholders to inform its approach to risk management. This includes:

- Public consultation and engagement activity
- Collaboration with patient advocacy organisations, including Llais
- Partnership working with regulators, emergency services and local authorities

These arrangements support improved identification of emerging risks and strengthen organisational responsiveness.

## 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 plan is currently undergoing a review in readiness for its 3 yearly review in 2027.

An internal business continuity audit was undertaken in October 2025 providing reasonable assurance. Within the scope of the audit the effectiveness of the business continuity management system in place was assessed and substantial assurance provided. A recommendation from the audit was for services to test and exercise their local plans, to address this the emergency planning team have scheduled dates throughout the year to facilitate exercising these plans.

There has, additionally, in accordance with the Act, been collaborative planning and exercising with Local Resilience Forum (LRF) 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

In 2025/26, Aneurin Bevan University Health Board continued to strengthen its quality governance arrangements to ensure effective oversight of clinical risk, patient safety, experience and clinical effectiveness. The Duty of Quality and Duty of Candour remained embedded as the golden thread from ward to Board, supported by the Quality Management Framework (2025–2028) and a maturing Quality Management System (QMS).

The QMS provides a structured and consistent approach to quality planning, quality control, quality improvement and assurance, enabling the Board to understand risk, variation and learning through triangulation of incidents, audit, outcomes, mortality, patient experience and staff feedback. Quality intelligence flows through divisional governance to the Quality Management Group (QMG), Executive Committee and Patient Quality, Safety and Outcomes Committee (PQSOC), providing assurance to the Board.

Further integration of corporate quality functions during 2025/26 (Quality and Patient Safety, Putting Things Right, Clinical Legal Services and Quality Improvement) strengthened escalation routes, reduced duplication and improved the reliability of movement from insight to action and assurance.

### Quality Outcomes Framework (QOF) and Assurance Reporting

During 2025/26, the operating discipline of the QMS was strengthened through refreshed Quality Outcomes Framework (QOF) reporting. Quarterly submissions to PQSOC became more standardised, with clearer narrative, improved visualisation and stronger alignment to the six pillars of quality.

Run-chart data for key safety indicators (including falls and pressure ulcers) improved visibility of variation and supported earlier intervention at divisional and service level. These developments enhanced the Board's ability to gain assurance on quality performance and risk.

### Clinical Effectiveness, Mortality and Clinical Audit

The Six Pillars of Quality continue to provide the assurance spine for the Health Board. In 2025/26, Pillar 3 – Clinical Effectiveness was strengthened to improve visibility of clinical outcomes, audit, benchmarking and adherence to evidence-based practice.

The local Clinical Audit approach underpinned participation in the National Clinical Audit Programme alongside local priority audits. Audit findings were reviewed through the Clinical Standards and Effectiveness Group (CSEG) and escalated to PQSOC where required. All actions arising from audit are recorded and tracked via the Audit Management and Tracking (AMaT) system, providing clear accountability and oversight.

Learning from Deaths processes were strengthened through more consistent templates, improved data validation and enhanced triangulation with audit, safety and outcome data. Thematic outputs now inform CSEG, QMG and PQSOC, supporting a more integrated view of harm and variation.

## Clinical Risk Management and Deteriorating Patients

Clinical risk is identified and managed through multiple sources including incident reporting, mortality reviews, audit findings, complaints, claims and patient feedback. Risks are reviewed within divisional governance structures and escalated through QMG and PQSOC as required, aligned to the Board Assurance Framework.

In 2025/26, a key area of focus was the deteriorating patient agenda and sepsis. Significant progress was made in implementing national deterioration tools (NEWS2, PEWS and NEWTT2) and preparing for Call 4 Concern (Martha's Rule). Training delivery was supported through ESR reporting and local training packages, with coordinated oversight via the Deteriorating Patient Health Board Group.

The Big Conversation on Sepsis strengthened governance focus by incorporating lived experience from patients, families, clinicians and leaders, reinforcing the importance of early recognition, escalation and reliable systems of care.

## Patient Experience, Putting Things Right (PTR) and Learning Systems

PTR governance continued to strengthen in 2025/26 through earlier acknowledgement, more consistent initial contact, Datix validation dashboards and targeted improvement work, particularly within Medicine. Patient and staff stories were increasingly used within governance forums to support compassionate, just learning and improvement.

These arrangements improved transparency, data quality and timeliness, and strengthened the role of lived experience within quality assurance and improvement.

## Infection Prevention and Control (IPC)

IPC governance was strengthened through enhanced surveillance, standardisation of policies and active oversight of infection risks. Integration of IPC metrics into QMS dashboards improved early

identification of infection-related risks and strengthened divisional accountability and assurance.

### Health and Safety

Health and safety governance was reinforced through improved RIDDOR oversight, policy standardisation and focused fire safety close-out. The early development of the Violence Prevention and Reduction Strategy strengthened links between staff safety, patient outcomes and organisational culture. Integration of health and safety metrics into QMS dashboards improved consistency of assurance.

### End of Life Care and Bereavement (GRACE)

End of life and bereavement care continued to develop through the rollout of the GRACE model, aligned to the National Bereavement Framework. Governance arrangements supported the establishment of a single point of contact, People Participation Panels and Graces' Places across boroughs, improving continuity of bereavement care and early support for families. Stronger multidisciplinary coordination, clearer pathways and early Grief Awareness training improved system visibility and consistency of care.

### Overall Assurance

In 2025/26, the Health Board's quality governance arrangements provided a coherent and increasingly mature system for managing clinical risk, overseeing clinical audit and effectiveness, and assuring the quality and safety of care. The continued development of the QMS strengthened the Board's ability to triangulate intelligence, escalate risk appropriately and gain assurance that improvement actions are implemented and sustained.

### 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 Assistant Director of Digital Governance & Assurance is the Data Protection Officer (DPO).

Throughout 2025/2026, 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.

The organisation continued to demonstrate a strong information governance and data protection control environment through its performance against the Information Governance Toolkit, achieving a compliance score in excess of 96% and meeting all essential criteria. This performance provides assurance of alignment with national data security and protection standards.

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 organisations 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 organisations.

In 2025/2026, the Information Governance Department received a total of 224 Subject Access Requests (SAR's) from individuals seeking access to personal information held about them. These requests were separate from and did not include Access to Health Records requests.

The number of Subject Access Requests (SAR's) processed under the Access to Health records provisions increased by 3.9% rising from 7,568 in 2024/2025 to 7,862 in 2025/2026.

There was also a 22% increase in Information Governance (IG) incidents reported by staff, from 555 incidents in 2024/2025 to 676 incidents in 2025/2026.

During the reporting period, a total of 82 Information Governance related complaints were received from members of the public. Of these, 4 complaints were referred to the Information Commissioners Office (ICO), with 3 not upheld and 1 pending a final outcome at the time of writing.

In 2025/26, the Health Board reported no serious lapses in data security to the ICO.

**Performance Management and Accountability Framework (2025/26)**

During 2025/26, the Health Board continued to strengthen its performance management and accountability framework to ensure a clear line of sight from strategic objectives through to operational delivery, supported by

robust governance, transparent reporting, and timely intervention where required. The framework is aligned to the requirements of the NHS Wales Planning Framework and reflects the organisation's commitment to high standards of stewardship, quality improvement, and public accountability. Throughout 2025/26, the Health Board maintained a comprehensive and balanced suite of indicators across key domains, including:

- Urgent and emergency care
- Planned care and waiting times
- Cancer performance
- Mental health and community services
- Workforce, finance, and quality and safety

Performance is reviewed on a monthly basis, with escalation protocols applied where delivery falls outside agreed tolerances. Exception reporting has been further refined to ensure a sharper focus on areas of underperformance, including root cause analysis, recovery actions, and defined timescales for improvement.

The Board continues to receive integrated performance reports, enabling triangulation of quality, activity, workforce and financial data to support informed decision-making and effective oversight.

The strengthened framework has supported more consistent oversight and earlier identification of performance risks. While wider system pressures have continued to impact delivery, particularly within urgent and emergency care and planned care, the Health Board has demonstrated:

- Improved organisational grip on performance, with clearer accountability and more structured follow-through of actions
- Enhanced visibility of risks and delivery challenges, enabling earlier escalation and intervention
- Stronger assurance to the Board, through more comprehensive and integrated reporting

Within mental health services, the application of strengthened performance management arrangements has supported targeted improvement activity and greater operational focus, resulting in measurable progress during 2025/26. These improvements have been underpinned by clearer lines of accountability, strengthened leadership oversight, and a more systematic approach to performance management within mental health services.

Overall, the progress made during 2025/26 provides a stronger and more coherent framework for delivery, with improved grip, enhanced assurance, and clearer accountability across the organisation.

## 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

In March 2025, the Board approved a balanced Integrated Medium-Term Plan (IMTP) for 2025-28 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.

This was subsequently approved by the Cabinet Secretary for Health and Social Care (the Cabinet Secretary) in July 2025, however the Welsh Government's Collective Review process concluded that the IMTP carried a

number of risks that would need to be actively managed and mitigated and was therefore approved subject to a range of accountability conditions.

On 16 December 2025, the Cabinet Secretary announced that, in-line with the NHS Wales Oversight and Escalation Framework, and due to a deterioration in the financial position, failure to deliver the approved IMTP, and waiting times at the Grange University Hospital emergency department: finance, strategy and planning would be escalated from level 3 to level 4; and performance and outcomes related to urgent and emergency care at the Grange University Hospital emergency department would be escalated from level 3 to level 4 and be widened to include the whole urgent and emergency care system. Consequently, the Cabinet Secretary informed the Health Board that a decision had been taken to revoke the approval status of the Health Board's IMTP with immediate effect.

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 IMTP for 2025/26.

In March 2026, the Board approved its Annual Plan (with a Three-Year Intent) for 2026/27, forecasting a financial deficit of £43.7m, which did not fully comply with section 175(2A) of the National Health Service (Wales) Act 2006 (as amended by NHS Finance (Wales) Act 2014) and the NHS Planning Framework.

On 22 April 2026, the Health Board received confirmation from Welsh Government that as the Annual Plan 2026/27 represented a deteriorating financial and performance position, the Plan was considered by Welsh Government to be unacceptable and unsupportable. At the time of writing, the Health Board is expected to consider and address feedback received from Welsh Government and provide a response which demonstrates tangible improvements to the Plan in relation to performance and finance by 29 May 2026.

## MANDATORY DISCLOSURE STATEMENTS

### Equality, Diversity & Human Rights

The Health Board remains committed to promoting equality, diversity and human rights across its workforce and the services it provides to the population of Gwent. During the reporting period, the Health Board has continued to progress delivery of its Strategic Equality Plan (SEP) 2024–2028, strengthening the integration of equality, diversity and human rights considerations across workforce practice, service delivery and organisational governance. This work supports the organisation's statutory responsibilities under the Equality Act 2010, the Human Rights Act 1998, and the Public Sector Equality Duty (Wales) Regulations 2011.

Progress during the year has focused on embedding the Health Board's equality objectives across key organisational programmes, including the People Plan, workforce development initiatives and service improvement activity. Governance and oversight arrangements have also been strengthened to ensure greater organisational accountability for equality, diversity and human rights delivery. Regular assurance on Equality, Diversity and Inclusion (EDI) activity continues to be provided to the Board through the People and Culture Committee, including monitoring progress against the Strategic Equality Plan and associated action plans.

The Health Board has also continued to develop initiatives to support a more inclusive organisational culture, including strengthening engagement with staff networks, promoting inclusive leadership and progressing work to improve accessibility and equity in communication and information for patients and staff. This includes ongoing work aligned with the All-Wales NHS Accessible Communication and Information Standards (ACIS).

The Health Board continues to meet its statutory equality reporting requirements, including the annual publication of Gender Pay Gap data, based on the workforce snapshot taken on 31 March each year in line with national reporting requirements. The Health Board has seen a decrease in the pay gap percentage for average hourly rates, from 24.71% in March 2024 to 23.8% in March 2025, which is a move in the right direction. The median hourly pay gap has also reduced, from 9.69% in March 2024 to 6.13% in March 2025.

Through these arrangements, the Health Board maintains appropriate control measures to support compliance with equality, diversity and human rights legislation and to promote an inclusive and equitable environment for staff, patients and the communities it serves.

## 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 2025/26 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."*

## 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 2025/26.

## 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 2025/26 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 2025/26 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 2025/26, 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 2025/26 work has continued to embed the Risk Management Framework and the Board's Quality Strategy ensures 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 me as Accountable Officer and the Board, through the Audit, Risk and Assurance Committee with a flow of assurance on the system of internal control. I have commissioned a programme of audit work which has been delivered in accordance with public sector internal audit standards by the NHS Wales Shared Services Partnership. The scope of this work is agreed with the Audit, Risk and Assurance Committee and is focussed on significant risk areas and local improvement priorities.

The 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 2025-26.

| **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. |
| |
| **Standing Orders Compliance 2025/26**<br>The overall objective of the audit was to assess Aneurin Bevan University Health Board's (the 'Health Board') adherence to the Model Standing Orders (Reservation and Delegation of Powers) and Standing Financial Instructions, as determined by the Welsh Government (WG).<br><br>**Welsh Intensive Care Information System 2025/26**<br>To ensure lessons learnt and / or any associated actions regarding the work completed to date on the Welsh Intensive Care Information System (WICIS) are appropriately addressed by Aneurin Bevan University Health Board. This audit focussed on the steps taken by the Health Board to incorporate lessons learnt / actions identified following the pausing of the WICIS Programme. It did not assess or review the ongoing suitability of WICIS for the Health Board or the appropriateness of the actions taken during the initial rollout of the Programme. Instead, this review focussed on risks that have been identified by the Health Board and subsequent remediation / lessons learnt identified. |
| **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.<br><br>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. |
| |
| **Divisional Governance Arrangements 2024/25**<br>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. This review was completed in line with the Aneurin Bevan University Health Board 2024/25 Internal Audit Plan.<br><br>**Mental Health and Learning Disabilities 2024/25**<br>The review assessed the arrangements from the 90-day Plan for the Mental Health and Learning Disabilities division to ensure that these have been embedded. |

**Maternity Services Improvement Plan 2024/25**
This review followed the 2023/24 internal audit of the Maternity Services Action Plan, assessing whether previously raised external recommendations were being effectively implemented on schedule and appropriately monitored.

**Staff Survey 2024//25**
A review of the actions underway to influence change following on from the Employee Experience Survey (staff survey) results.

**GUH Emergency Department Extension 2024/25**
The audit was undertaken to review the management arrangements established to progress the extension of the Grange University Hospital Emergency
Department.

**Health Board Managed Practices 2024/25**
The review examined the letting of a group of five Health Board managed GP practices that were let to a single partnership in early 2024 (one that commenced operation from 1 January 2024 and four from 1 April 2024) and which were subsequently returned to the Health Board's management in 2025. The review was to ensure that the Health Board had an appropriate process in place to assist in managing the return of a Managed Practice to Independent Contractor status, including the application and shortlisting processes.

**Performance and Accountability Framework 2024/25**
The review examined the adequacy of the Performance and Accountability Framework arrangements put in place at Aneurin Bevan University Health Board. The review assessed the appropriateness of the Framework implemented, rather than the associated performance recorded.

**Technical Continuity 2024/25**
To review the enactment of technical resilience and awareness of fault domains and to ensure that Aneurin Bevan University Health Board is maximising the potential for resilience within the architecture.

**Medical Equipment and Devices 2024/25**
This audit assessed the controls in place for the management of a sample of medical equipment and devices within the Health Board. The term medical device includes all products, except medicines, used in healthcare for the diagnosis, prevention, monitoring or treatment of illness or disability but the scope of this audit was limited to electronic patient connected medical equipment, excluding ultrasound devices, which were the subject of a similar audit during 2023/24.

**Newport East Health and Wellbeing Centre 2024/25**
The audit was undertaken to evaluate whether the Health & Wellbeing Centre, as commissioned, had achieved the desired objectives and whether issues raised

at prior audits have been addressed. This was the third audit of the project (the previous review in April 2024 having determined Reasonable Assurance).

**Waiting List Management 2024/25**
The review focused on adult weight management, which has Health Board derived targets in the absence of national targets.

**Electronic Document and Records Management Solution (EDRMS) 2024/25**
To review the effectiveness and appropriateness of the electronic document and records management solution (EDRMS) in use for the management of digital health records and the provision of scanning services within Aneurin Bevan University Health Board.

**Financial Sustainability 2024/25**
To determine if appropriate recovery plans were in place to achieve a sustainable financial position, including the impact of any associated reduction in non-recurrent funding. The audit provided assurance over the establishment, implementation and tracking of financial savings targets, in relation to the recovery plans.

**Safeguarding 2025/26**
The audit sought to provide assurance that key policies and procedures are in place within Aneurin Bevan University Health Board to ensure compliance with safeguarding regulations.

**Business Continuity Plan 2025/26**
As a Category 1 responder, with key emergency response duties under the Civil Contingencies Act (2004), the Health Board is required to ensure that it has robust plans in place for emergency preparedness, resilience and response. The audit examined and assessed the adequacy and completeness of business continuity plans and response protocols in a sample of the services within the Health Board's divisions. IT disaster recovery testing was not covered within this review, as it is assessed separately.

**Cyber Security 2025/26**
To assess Aneurin Bevan University Health Board's governance process for cyber security, associated risk statements and the management and delivery of improvement plans. In addition, the Cyber Incident Response Plan was also assessed.

**RGH Central Decontamination Unit 2025/26**
The overall objective of this audit was to evaluate the progression and delivery of the project against the key business case objectives and to assess the adequacy of the systems and controls in place to support the successful delivery of the project.

**Strategic Risk and Assurance 2025/26**
To determine and evaluate whether the Aneurin Bevan University Health Board's (the Health Board) governance and strategic oversight of risk and assurance are effective, aligned with organisational goals, and support long-term objectives.

**Capital Projects – Service Readiness 2025/26**
An evaluation of a sample of projects was completed over the preparedness of services for operational deployment, to ensure a timely commencement of the new / revised operations.

**Directorate Review – Child and Adolescent Mental Health Services 2025/26**
To ensure that appropriate arrangements are in place for the management of risk and performance within the Health Board and CAMHS Directorate.

**Occupational Health 2025/26**
To provide assurance over the arrangements and controls in place for the management of the Occupational Health Service within the Health Board.

**Limited Assurance**

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

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

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

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

Internal Audit also conduct a follow up of limited assurance reviews as part of their rolling audit plan.

**Embedding of Policies 2024/25**
The review assessed whether the Speaking up Safely: A Framework for the NHS in Wales has been fully implemented.

The Framework was released in December 2024 and work remained ongoing to address the gaps. Monitoring the effectiveness of the new process would continue. Follow Up audit included in the 2025/26 Internal Audit Plan.

**Job Planning 2024/25**
To provide assurance that arrangements are in place and operating effectively for consultant job planning.

A robust process was in place, with actions to increased compliance with job planning. The main challenge lay in the uptake and completion of job plans. Regular updates on progress provided to ARAC and People and Culture Committee.

**Health and Safety 2024/25**
To review how key health and safety risks were managed in accordance with the Health Board policies and procedures, including RIDDOR reporting.

Significant work had been undertaken since audit fieldwork concluded, with improvements made, but governance remained in development, with a review of divisional accountability underway.

**Subject Access Requests 2025/26**
To ensure the Health Board is complying with legal and regulatory obligations with effective processes and that the system for managing Subject Access Requests (SARs) is robust, secure, and efficient. The audit only looked at information held by the Health Board and did not include information managed by other parties e.g. GP practice records maintained by NWSSP. In addition, the quality of records that were issued to the requestor was not assessed.

Despite the limited assurance outcome, the team's operational performance was exceptionally strong, with more than 99% of SARs processed within statutory timescales and a high monthly volume of 600–700 requests being managed effectively. The limitation in assurance arose from control weaknesses, rather than performance. Improvement actions have been put in place to address this.

**Speaking up Safely**
The audit noted that the current approach is manual, time-consuming and does not reliably capture all activity undertaken to progress / manage cases. As a result, a limited assurance opinion was concluded, reflecting recurring issues from the previous audit. Speaking Up Safely framework is an overarching model supporting existing policies, but local interpretation has created complexity, requiring the need to formalise processes through a standard operating procedure (SOP) to clarify pathways, responsibilities, and expectations. A number of improvements are underway, including the appointment of a Speaking Up Safely Guardian, procurement of a unified case management system (with full implementation expected by October 2026), and strengthened governance, training, and communication arrangements.

**The GUH Emergency Department**
The audit of the Grange University Hospital Emergency Department Extension project for 2025/26 concluded limited assurance due to significant delays, contractor performance issues, and financial uncertainties, with Phase 1 delayed by 45 weeks and Phase 2 removed for re-tendering in 2026/27. Key management actions include undertaking a lessons-learnt review, improving financial reporting, managing contractual changes timely, and revising the benefits realisation plan, while governance and quality assurance were deemed reasonable but with room for improvement in reporting and operational planning.

**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.

**Contract Management 2024/25**
The review assessed whether appropriate contract management arrangements were in place within the Health Board. This review had been undertaken further to the advisory review of Contract and Procurement at Betsi Cadwaladr University Health Board (BCUHB), completed at the request of Welsh Government in 2023/24, which identified several areas of concern and non-compliance with the organisation's Standing Financial Instructions. Through inclusion within NHS Wales Organisations 2024/25 Internal Audit plans, this review has compared and contrasted the appropriateness of contract management arrangements across eight more organisations, with common issues and challenges noted.

**Follow up of previous Audit Recommendations 2024/25**
To assess whether a sample of high and medium priority internal audit recommendations have been implemented by Aneurin Bevan University Health Board

**Health Board Managed Practices 2024//25**
A follow up to the audit report listed above (in reasonable assurance). This supplementary report included additional considerations for the Health Board to consider, which are in addition to the expectations specified within the existing control environment (i.e. applicable regulations, Welsh Health Circular and/or Vacant Practice Policy).

**Public Health 2025/26**
To determine if the Health Board had effective controls in place to ensure that public health objectives are being met at a local level, in support of the IMTP and the requirements of the Wellbeing of Future Generations (Wales) Act 2015, whilst recognising the responsibilities of Public Health Wales. A number of items were raised aimed at improving internal controls and/or compliance. These will

need to be considered against other priorities and available financial / non-financial resources.

The following three reports included in the 2025/26 Internal Audit Plan have been deferred to 2026/27:

- Clinical Audit
- Six Goals Programme
- Directorate Review – Ophthalmology/ENT

The following **6** reports form the 2025-26 audit schedule will be presented at Committee meetings during Quarters 1 and 2 of 2026-27.

- Divisional Budgetary Control
- Benefits Realisation (Excluding digital)
- Professional Staff Registration
- Cancer Referral Rates
- Estates Assurance – Space Utilisation
- NHH Regional Satellite Centre

## Monitoring and Implementation of Audit Recommendations

The Audit, Risk and Assurance Committee maintains oversight of the monitoring and implementation of audit recommendations. Over the past year, the Health Board has strengthened its internal audit guidance, including the development of formalised procedures and supporting documentation. This has established a consistent framework for tracking both internal and external audit recommendations, reinforcing effective monitoring to support organisational learning, strengthen governance, and provide assurance.

During 2025/26, further progress has been made in enhancing the maturity and effectiveness of audit recommendation management. Targeted action has been taken to improve the timeliness of implementation, with particular emphasis on addressing longstanding recommendations (pre-2023) and those previously delayed due to factors outside the Health Board's control.

In-year, a series of focused "deep dive" reviews were undertaken in key areas, including discharge planning and digital. These reviews identified a number of longstanding recommendations that remained unimplemented and highlighted areas where there was overlap across recommendations, as well as instances where management responses had extended beyond the original scope of the recommendation. This work has provided greater clarity on prioritisation, improved alignment between recommendations and actions, and strengthened oversight of delivery.

Work is also underway to strengthen the reliability, visibility, and control of the tracking process through the transition from an Excel-based system to Microsoft Lists. All post-2023 recommendations are now managed within the new system. Once the remaining pre-2023 recommendations (20 in total) have been implemented and closed, the Health Board will complete the transition to a single, standardised digital platform. This will enhance data accuracy, improve version control, and provide a clearer audit trail, while also supporting the efficiency and robustness of Internal Audit's annual review process.

In addition, the development and implementation of an Audit Handbook, alongside an embedded quality assurance process, has further strengthened the Health Board's approach. This has improved the consistency and quality of management responses, ensuring they meet audit standards and are specific, measurable, achievable, relevant, and time-bound (SMART).

To provide independent assurance to the Committee and the Board, Internal Audit undertakes an annual review of the implementation of audit recommendations, with particular focus on those assessed as high priority. The review assesses whether appropriate and timely action has been taken and considers any residual risks arising from delays in implementation. Although this is an advisory audit, it is an important tool that supports organisational learning and provides valuable insight to strengthen the future management of audit recommendations.

At the end of the 2025/26 financial year, the Audit Recommendations Tracker recorded 80 outstanding recommendations across 34 audit reports. This reflects continued focus on implementation to support improvements in quality, safety, and governance across the Health Board.

| **Number of Live Recommendations on the Corporate Audit Tracker by Priority Rating** | | | | |
|---|---|---|---|---|
| **High** | **Medium** | **Low** | **Not Rated*** | **Total** |
| **20** | **35** | **2** | **23** | **80** |

*Not rated covers External Audit recommendations which are not given a priority rating as well as Internal Audit Advisory Reports

## Head of Internal Audit's Opinion for 2025/26

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 2025/26 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 assurance** |  | 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.<br>Some matters require management attention in control design or compliance.<br>**Low to moderate impact** on residual risk exposure until resolved. |

## EXTERNAL AUDIT: AUDIT WALES STRUCTURED ASSESSMENT

The Audit Wales 2025 Structured Assessment work reviewed the Health Board's corporate governance and financial management arrangements, particularly the progress in implementing recommendations from previous structured assessment reports and the Audit Wales 2024 report on cost savings.

Overall, the Audit Wales report stated:

***"The Health Board's 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 rounds 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 reflect 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 Annual Audit Report for the Health Board is available on the following link. This report summarises the findings from Audit Wales' 2025 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 2025/26, 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 2026/27 to ensure implementation of recommendations arising from audit reviews, in particular where a limited assurance rating is applied. Work will also continue in 2026/27 to further embed and mature risk management and assurance arrangements at a corporate and operational level. Implementation of further improvements identified by External Audit will see a further strengthening of the Board's effectiveness and the system of internal control in 2026/27.

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 2025/26, 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 Health Board has an agreed long-term strategy, *'Gwent 2035: Better Health, Better Care, Better Lives',* which articulates our joint commitments with the population of Gwent through to 2035. This strategy will continue to guide the Health Board in all we do to achieve our ambition that by 2035 everyone has the same chance to live a long healthy life.

**Signed:**

Nicola Prygodzicz

Chief Executive
Dated: XX 2026

**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 |
|---|---|---|---|---|
| **Independent Members** | | | | |
| Ann Lloyd | Chair | | 7 out of 7 | |
| Philip Robson | Vice Chair | | 6 out of 7 | Mental Health |
| Louise Wright | Independent Member (Trade Union) | Until 10/04/2025 | 0 out of 0 | |
| Vivek Goel | Independent Member (Trade Union) | From 02/06/2025 | 4 out of 6 | |
| Richard Clark | Independent Member (Local Authority) | Until 19/09/2025 | 2 out of 3 | |
| Helen Cunningham | Independent Member (Local Authority) | From 03/11/2025 | 3 out of 3 | |
| Professor Helen Sweetland | Independent Member (University) | | 6 out of 7 | Research |
| Paul Deneen | Independent Member (Community) | | 7 out of 7 | Children and Young People |
| Iwan Jones | Independent Member (Finance) | | 7 out of 7 | Welsh Language |
| Dafydd Vaughan | Independent Member (Digital) | | 7 out of 7 | |
| Neil Patrick | Independent Member (Community) | | 7 out of 7 | Armed Forces |
| Penny Jones | Independent Member (Community) | | 7 out of 7 | Speaking Up Safely |
| Akmal Hanuk | Independent Member (Third Sector) | From 02/06/2025 | 5 out of 6 | |

| Name | Designation | Dates (If not full year) | Attendance at Board Meetings | Champion Role |
|---|---|---|---|---|
| **Executive Directors** | | | | |
| Nicola Prygodzicz | Chief Executive | | 7 out of 7 | |
| 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 | Until 05/08/2025 | 1 out of 3 | Caldicot |
| Dr Andy Bagwell | Interim Medical Director | 05/08/2025 to 26/10/2025 | 1 out of 1 | |
| Dr Seema Srivastava | Medical Director | From 27/10/2025 | 3 out of 3 | Caldicot |
| Sarah Simmonds | Director of Workforce and OD | | 6 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 | | 7 out of 7 | |
| Leanne Watkins | Chief Operating Officer | | 5 out of 7 | |
| **Directors in Attendance** | | | | |
| Paul Solloway | Director of Digital | | 7 out of 7 | |
| **Director of Corporate Governance** | | | | |
| Rani Dash | Director of Corporate Governance | | 7 out of 7 | |

Membership and attendance at Committees of the Board is provided on pages 17-28

**Quoracy of Meetings**

| | Quorate | Non-Quorate |
|---|---|---|

| Board | 21 May 2025 | 25 June 2025 | 16 July 2025 | 24 September 2025 | 26 November 2025 | 28 January 2026 | 25 March 2026 | |
|---|---|---|---|---|---|---|---|---|
| Patient Quality, Safety and Outcomes Committee | 31 March 2025 | 3 June 2025 | 29 July 2025 (meeting cancelled) | 1 October 2025 | 2 December 2025 | 17 February 2026 | | |
| Audit, Risk and Assurance Committee | 22 April 2025 | 20 May 2025 | 24 June 2025 | 18 September 2025 | 21 October 2025 | 16 December 2025 | 22 January 2026 | 12 February 2026 |
| Charitable Funds Committee | 4 June 2025 | 30 September 2025 | 7 January 2026 | 22 April 2026 | | | | |
| Partnerships, Population Health and Planning Committee | 2 April 2025 | 1 July 2025 | 7 October 2025 | 27 January 2026 | | | | |
| Mental Health and Learning Disabilities Committee | 9 April 2025 | 17 June 2025 | 9 September 2025 | 20 January 2025 | 24 March 2025 | | | |
| Finance and Performance Committee | 8 April 2025 (meeting cancelled) | 17 June 2025 | 31 July 2025 | 29 September 2025 | 15 December 2025 | 23 February 2025 | | |
| People and Culture Committee | 11 June 2025 | 15 October 2025 | 10 February 2026 | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Remuneration and Terms of Service Committee** | **19 May 2025** | **3 September 2025** | **4 February 2026** | | | | | |

**Attachment Two**

## Welsh Health Circulars

| WHC No | Date Issued | Name of WHC | Rating |
|---|---|---|---|
| WHC/2025/004 | 14/04/2025 | NHS Wales National Clinical Audit and Outcome Review Plan 2025 to 2026 | Complete |
| WHC/2025/006 | 06/05/2025 | Recording of Mental Health Outcome Measures | In Progress |
| WHC/2025/008 | 25/06/2025 | Introduction of a National Mandatory Licensing Scheme for Special Procedures in Wales | In Progress |
| WHC/2025/010 | 11/04/2025 | Changes to prescribing antiviral and antibody treatments for COVID-19 | Complete |
| WHC/2025/011 | 11/04/2025 | Identity Verification for Digital Health Services in Primary Care | Complete |
| WHC/2025/012 | 29/05/2025 | Interim changes to NHS Model Standing Financial Instructions | Complete |
| WHC/2025/013 | 24/04/2025 | NHS Wales Financial Monitoring Return Guidance 2025 to 2026 | Complete |
| WHC/2025/015 | 22/04/2025 | People's Experience framework | Complete |
| WHC/2025/016 | 06/05/2025 | Update on NHS Wales Vaccination programme against respiratory syncytial virus (RSV) | Complete |
| WHC/2025/017 | 06/05/2025 | Tranexamic acid use: Recommendation 7a of the Infected Blood Inquiry (IBI) | In Progress |
| WHC/2025/018 | 09/05/2025 | Tirzepatide (Monjouro) for the management of obesity and overweight | Complete |

| WHC No | Date Issued | Name of WHC | Rating |
|---|---|---|---|
| WHC/2025/019 | 12/05/2025 | Changes to the routine childhood vaccination schedule and to the selective hepatitis B vaccination programme | Complete |
| WHC/2025/020 | 06/06/2025 | National Influenza Vaccination Programme 2025-26 | In Progress |
| WHC/2025/021 | 03/06/2025 | Introduction of routine vaccination programmes for prevention of mpox and gonorrhoea | In Progress |
| WHC/2025/022 | 26/06/2025 | National Covid 19 Vaccination Programme autumn 2025 | In Progress |
| WHC/2025/023 | 13/06/2025 | PPE Stockpile volumes in Wales | Complete |
| WHC/2025/024 | 11/12/2025 | NHS Wales hearing care: future approach to audiology services | In Progress |
| WHC/2025/025 | 11/07/2025 | Overseas Visitors' Eligibility to Receive Primary Care | In Progress |
| WHC//2025/026 | 04/08/2025 | The safe and responsible adoption of ambient voice technologies ('AI Scribes') in clinical and practice settings | In Progress |
| WHC/2025/027 | 16/07/2025 | All-Wales gluten free subsidy card scheme (WHC/2025/027) \| GOV.WALES | In Progress |
| WHC/2025/028 | 09/07/2025 | Expansion of the shingles immunisation programme for severely immunosupressed individuals aged 18-49 | In Progress |
| WHC/2025/029 | 14/07/2025 | Introduction of new RSV passive immunisation from autumn 2025 | Complete |
| WHC/2025/031 | 26/09/2025 | Data standards notice of change for Waiting Well Single Point of Contact | Complete |
| WHC/2025/034 | 25/09/2025 | Data Standards notice of change for Planned Care Referrals | In Progress |

| WHC No | Date Issued | Name of WHC | Rating |
|---|---|---|---|
| WHC/2025/037 | 25/09/2025 | Infected Blood Inquiry: Implementing recommendation 7e, Shot Reports | In Progress |
| WHC/2025/038 | 22/09/2025 | Accessible Communication and Information Standards in healthcare | In Progress |
| WHC/2025/039 | 23/10/2025 | Antimicrobial resistance and healthcare associated infection Improvement goals for 2025-2027 | In Progress |
| WHC/2025/042 | 20/10/2025 | Update: NHS Wales national clinical audit and outcome review plan 2025 to 2026 | Complete |
| WHC/2025/043 | 23/10/2025 | New clinical pathway for treating and managing obesity | In Progress |
| WHC/2025/044 | 04/02/2026 | Code of Practice Quality Assurance and Performance Management, Escalating Concerns, and Closure of Regulated Care and Support Services | In Progress |
| WHC/2025/045 | 30/10/2025 | Changes to Standing Orders for the Joint Commissioning Committee | Complete |
| WHC/2025/046 | 31/10/2025 | Routine varicella (chickenpox) vaccination programme for young children in Wales from 1 January 2026 | Complete |
| WHC/2025/049 | 15/12/2025 | Patient Travel Policy | Complete |
| WHC/2025/051 | 08/12/2025 | Safety netting discharge leaflets for adults and children | In Progress |
| WHC/2025/052 | 15/01/2026 | COVID 19 Spring Vaccination Programme 2026 | Complete |
| WHC/2025/053 | 02/02/2026 | Expansion of RSV vaccine eligibility to adults aged 80+ and residents in care | Complete |

| WHC No | Date Issued | Name of WHC | Rating |
|---|---|---|---|
| WHC/2025/054 | 17/12/2025 | Pneumoccal vaccination product change | Complete |
| WHC/2025/055 | 19/12/2025 | 2026-27 Health Boad Allocation | Complete |
| WHC/2026/001 | 08/01/2026 | Call4Concern: timelines and responsibilities | In Progress |
| WHC/2026/002 | 04/03/2026 | Data standards notice of change for planned care activity | In Progress |
| WHC/2026/004 | 26/03/2026 | Refreshed Intellectual Property guidance for NHS Wales Organisations. | In Progress |
| WHC/2026/007 | 24/02/2026 | **Critical UK-wide Bone Cement Shortage - Immediate National Requirements for NHS Wales** | In Progress |
| WHC/2026/008 | 10/03/2026 | NHS Research and Development Finance Policy | In Progress |
| WHC/2026/006 | 27/03/2026 | Listening to people: The amended NHS Wales complaints, incidents and redress process | In Progress |
| WHC/2026/011 | 01/04/2026 | Maternity Reporting Data Set (MR ds) - Data Requirements | In Progress |
| WHC/2026/017 | 31/03/2026 | Welsh health Circular enabling community pharmacies to supply medicines ordered by optometrists as part or providing NHS care in Wales | Complete |

## Ministerial Directives

| Date Issued | Ministerial Direction | Progress |
|---|---|---|
| 22/04/2025 | Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 2) Directions 2025 \| GOV.WALES | **Implemented** |
| 19/05/2025 | The Primary Medical Services (Intra-Periarticular Injections) (Directed Supplementary Services (Wales) Directions 2025 \| GOV.WALES | **Implemented** |
| 19/05/2025 | The Primary Medical Services (Minor Surgery) (Directed Supplementary Services (Wales) Directions 2025 \| GOV.WALES | **Implemented** |
| 30/05/2025 | The Primary Care (Contracted Services: Immunisations) (Influenza) Directions 2025 \| GOV.WALES | **Implemented** |
| 09/06/2025 | Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 3) Directions 2025 \| GOV.WALES | **Implemented** |
| 24/06/2025 | Amendments to Model Standing Orders and Model Standing Financial Instructions – NHS Wales (WHC/2023/032) \| GOV.WALES | **Implemented** |
| 23/07/2025 | Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 4) Directions 2025 | **Implemented** |
| 08/08/2025 | Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 5) Directions 2025 | **Implemented** |
| 13/08/2025 | The Primary Medical Services (Type 2 Diabetes Mellitus Care Scheme for Adults (Directed Supplementary Service) (Wales) (Amendment) Directions 2025 \| GOV.WALES | **Implemented** |
| 13/08/2025 | The Primary Medical Services (Type 2 Diabetes Mellitus Care Scheme for Adults) (Directed Supplementary Service) (Wales) Directions 2024 \| GOV.WALES | **Implemented** |
| 04/09/2025 | The Directions to Local Health Boards as to the General Dental Services Statement of Financial Entitlements (Wales) (Amendment) (No.4) Directions 2025 | **Implemented** |
| 04/09/2025 | https://www.gov.wales/directions-local-health-boards-personal-dental-services-statement-financial-entitlements-wales | **Implemented** |
| 30/09/2025 | The directed supplementary services directions and specification for people living with severe frailty in their own homes 2025 \| GOV.WALES | **Implemented** |
| 14/10/2025 | The Primary Care (Contracted Services: Outpatients Waiting Lists First Appointment Scheme) Directions and Specification 2025 \| GOV.WALES | **Implemented** |
| 11/11/2025 | Statement of general ophthalmic services remuneration and fee directions: 2025 \| GOV.WALES | **Implemented** |
| 02/12/2025 | Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 6) Directions 2025 \| GOV.WALES | **Implemented** |
| 03/12/2025 | Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) Directions 2026 \| GOV.WALES | **Implemented** |

| Date Issued | Ministerial Direction | Progress |
|---|---|---|
| 16/12/2025 | Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 7) Directions 2025 \| GOV.WALES | **Implemented** |
| 22/12/2025 | The Primary Medical Services (Minor Surgery) (Directed Supplementary Services (Wales) Directions 2025 \| GOV.WALES | **Implemented** |
| 23/12/2025 | The Directions to Local Health Boards as to the General Dental Services Statement of Financial Entitlements (Wales) (Amendment) (No 5) Directions 2025 \| GOV.WALES | **Implemented** |
| 05/01/2026 | Mental Health Review Tribunal for Wales (Membership) Bill \| GOV.WALES | **Implemented** |
| 14/01/2026 | The Nursery Milk Scheme (Wales) Directions 2026 \| GOV.WALES | **Implemented** |
| 16/01/2026 | The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 2) Directions 2026 \| GOV.WALES | **Implemented** |
| 04/02/2026 | Code of Practice Quality Assurance and Performance Management, Escalating Concerns, and Closure of Regulated Care and Support Services 2026 \| GOV.WALES | **Implemented** |
| 04/02/2026 | Code of Practice Quality Assurance and Performance Management, Escalating Concerns, and Closure of Regulated Care and Support Services (WHC/2025/044) \| GOV.WALES | **Implemented** |
| 04/02/2026 | The Directions to Local Health Boards and NHS Trusts in Wales on Quality Assurance and Performance Management, Escalating Concerns, and Closure of Regulated Care and Support Services 2026 (NWSI 2026 No.17) \| GOV.WALES | **Implemented** |
| 05/02/2026 | The Primary Care (Contracted Services: Immunisations) (RSV) Directions 2026 (NWSI 2026 No. 18) \| GOV.WALES | **Implemented** |
| 23/02/2026 | The Primary Care (Contracted Services: Immunisations) (RSV) Directions 2024 | **Implemented** |
| 06/03/2026 | The Wales Infected Blood Support Scheme (Amendment) Directions 2026 \| GOV.WALES | **Implemented** |
| 11/03/2026 | Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 3) Directions 2026 \| GOV.WALES | **Implemented** |
| 13/03/2026 | The Directions to Local Health Boards and NHS Trusts in Wales on Quality Assurance and Performance Management, Escalating Concerns, and Closure of Regulated Care and Support Services 2026 (NWSI 2026 No.17) \| GOV.WALES | **Implemented** |
| 19/03/2026 | The Primary Medical Services (People Living with Severe Frailty in their own Homes) (Directed Supplementary Service) (Wales) (Amendment) Directions 2026 \| GOV.WALES | **Implemented** |
| 24/03/2026 | https://www.gov.wales/mental-health-review-tribunal-for-wales-membership-act-2026#description-block | **Implemented** |

Corporate governance in central government departments: code of good practice 2017

# Aneurin Bevan University Health Board Assessment 2025/26

| 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. | The Board meets in public on a bi-monthly basis.<br><br>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.<br><br>The Board receives, as standing items to each meeting, finance, performance and corporate risk reports. | Comply | Board and Committee Minutes – demonstrate Scrutiny and support<br><br>Audit Wales Structured Assessment 2025 |
| 2.3 | 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.<br><br>The Board will operate according to recognised precepts of good corporate governance in business:<br>• 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<br>• Effectiveness – bringing a wide range of relevant experience to bear, including through offering rigorous challenge and scrutinising performance | 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.<br><br>Progress on the development and delivery of the Health Board's Integrated Medium-Term Plan 2026–29 is presented to the Board on a regular basis.<br><br>The Health Board's Standing Orders and Standing Financial Instructions are designed to translate the | Comply | Standing Orders and Standing Financial Instructions<br><br>Audit Wales Structured Assessment 2025<br><br>IMTP<br><br>Value and Behaviours Framework |

| Para | Corporate Governance Code Principles | Evidence of Internal assurance/Supporting Narrative | Comply or Explain | Supporting documentation / Evidence |
|---|---|---|---|---|
| | • Accountability – promoting transparency through clear and fair reporting.<br>• Sustainability – taking a long-term view about what the department is trying to achieve and what it is doing to get there. | statutory requirements into day to day operating practice, and, together with the adoption of a Schedule of Decisions reserved to the Board of Directors; a Scheme of Decisions to Officers and Others; and Standing Financial Instructions (SFIs), they provide the regulatory framework for the business conduct of the Health Board. These documents form the basis upon which the Health Board's governance and accountability framework is developed and, together with the adoption of the Health Board's Values and Behaviour Framework, is designed to ensure the achievement of the standards of good governance set for the NHS in Wales. | | |
| 2.4<br>3.10 | The Board should meet on at least a quarterly basis; however, best practice is that boards should meet more frequently.<br><br>The Board advises on five main areas:<br>• Strategic Clarity<br>• Commercial Sense<br>• Talented People<br>• Results focus<br>• Management information | The Board meets at least six times a year and in addition holds an Annual General Meeting.<br><br>Discussions, actions and decisions of all meetings of the Board and its Committees are formally recorded as minutes or action notes.<br><br>The Board's role, as set out in its Standing Orders, is to:<br>• Set the strategic direction for the organisation<br>• Hold the organisation to account for performance and delivery<br>• Set the tone and culture of the Board and the organisation<br><br>The Board's business is therefore structured in this way and encompasses the five main areas set out in point 2.4. | Comply | Standing Orders and Standing Financial Instructions<br><br>Audit Wales Structured Assessment 2025<br><br>Board and Committee Agenda and Meeting Papers |
| 2.7 | The Board also supports the accounting officer in the discharge of obligations set out in Managing Public | 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 | Comply | Accountability Report |

| Para | Corporate Governance Code Principles | Evidence of Internal assurance/Supporting Narrative | Comply or Explain | Supporting documentation / Evidence |
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| | Money for the proper conduct of business and maintenance of ethical standards. | Accountable Officer assuring the Board on the System of Internal Control. | | |
| 2.12 | Where Board members have concerns, which cannot be resolved, about the running of the department or a proposed action, they should ensure that their concerns are recorded in the minutes. | Any concerns raised at Board and Committee meetings are formally recorded in the minutes.<br><br>The role of the Director of Corporate Governance is responsible for ensuring these matters are effectively managed, recorded and resolved where possible. | Comply | Board and Committee Agenda and Papers<br><br>Role of the Director of Corporate Governance |
| 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. | Constitution is set out in the Health Board's Establishment Orders and the Health Board abides by this composition.<br><br>The Health Board's Standing Orders also outlines the composition of the Board.<br><br>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.<br><br>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.<br><br>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 | Comply | Health Board Establishment Orders<br><br>Standing Orders<br><br>Board Member Induction checklist |

| Para | Corporate Governance Code Principles | Evidence of Internal assurance/Supporting Narrative | Comply or Explain | Supporting documentation / Evidence |
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| | | up to a maximum of eight years in the organisation. This is controlled by Welsh Government as they are Ministerial appointments.<br><br>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.<br><br>Independent Member membership on Board Committees are rotated at appropriate times to ensure there is mix and balance of experience across all meetings | | |
| 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 | The Structured Assessment 2025 concluded that:<br><br>*The Health Board has an effective Board supported by strong governance arrangements, with clear and high-quality information enabling the Board to discharge* | Comply | Audit Wales Structured Assessment 2025 |

| Para | Corporate Governance Code Principles | Evidence of Internal assurance/Supporting Narrative | Comply or Explain | Supporting documentation / Evidence |
|---|---|---|---|---|
| | | *its duties. Board and committee meetings are well chaired, with Independent Members participating fully and providing appropriate scrutiny and challenge, particularly in relation to performance, finance and quality matters. Executive Directors were found to be open and transparent about the organisation's challenges and priority areas for action, and Board discussions were described as open and constructive, particularly when considering areas of risk and organisational pressure.*<br><br>The Health Board has robust arrangements in place to support Board capability and continuous improvement. There is a national programme of induction for Board members, coordinated by Health Education and Improvement Wales, alongside a locally tailored induction programme for new Independent Members. These arrangements are supported by an ongoing programme of Board Development Sessions, Board Briefings and targeted training.<br><br>During 2025–26, the Board has been supported by the Good Governance Institute through a comprehensive Board development programme, focusing on how the Board works together, effective relationships, scrutiny and governance, and the provision of strategic, risk-based assurance. These development activities are used to strengthen Board effectiveness and collective leadership on an ongoing basis. | | Independent Member Induction Pack |
| 3.15 | The Board should agree and document in its board operating framework a *de minimis* threshold and | A forward work programme of Board Business is in place and approved on an annual basis. | | Board Forward Work Programme |

| Para | Corporate Governance Code Principles | Evidence of Internal assurance/Supporting Narrative | Comply or Explain | Supporting documentation / Evidence |
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| | mechanisms for board advice on the operation and delivery of policy proposals. | The Terms of Reference Operating Arrangements for the Board Committees articulate their remit.<br><br>A forward work programme for each Committee is in place and approved on an annual basis. | | Committee Forward Work Programmes<br><br>Committee Terms of Reference |
| 4.1 | The Board should ensure that arrangements are in place to enable it to discharge its responsibilities effectively, including:<br>1. formal procedures for the appointment of new board members, tenure and succession planning for both board members and senior officials<br>2. allowing sufficient time for the board to discharge its collective responsibilities effectively<br>3. induction on joining the board, supplemented by regular updates to keep board members' skills and knowledge up-to-date<br>4. timely provision of information in a form and of a quality that enables the board to discharge its duties effectively<br>5. a mechanism for learning from past successes and failures within the departmental family and relevant external organisations<br>6. a formal and rigorous annual evaluation of the board's performance and that of its committees, and of individual board members<br>7. a dedicated secretariat with appropriate skills and experience | 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.<br><br>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.<br><br>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.<br><br>Board Induction programme in place (as previously referenced), supplemented by ongoing Board Briefing and Board Development sessions.<br><br>The Chair undertakes regular one to ones and annual Personal Appraisal and Development Reviews with all Independent Members. | | Terms of Reference and Operating Arrangements for Board and Committees<br><br>Board and Committee Forward Work Programmes |

| Para | Corporate Governance Code Principles | Evidence of Internal assurance/Supporting Narrative | Comply or Explain | Supporting documentation / Evidence |
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| | | Agenda and papers for Board meetings are published one week prior to the meeting. Report templates are in place to support the provision of appropriate and relevant information.<br><br>The Board's Quality Strategy and Quality Assurance Framework ensure learning as a key pillar of quality, embedded across the organisation.<br><br>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 2025/26 during January which will inform the Board's end of year assessment. | | |
| 4.5 | The terms of reference for the nominations committee will include at least the following three central elements:<br>• scrutinising systems for identifying and developing leadership and high potential<br>• 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<br>• 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 | 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.<br><br>The Chair reviews the membership of Committees on an annual basis to ensure the appropriate balance of skills and expertise and support succession planning. | Comply | Terms of Reference for Board Committees<br><br>Standing Orders |
| 4.6 | The attendance record of individual board members should be disclosed in the governance statement and | The Annual Governance Statement provides details on the membership of the Board and Committee and the attendance record of individuals at these meetings. | Comply | Annual Governance Statement |

| Para | Corporate Governance Code Principles | Evidence of Internal assurance/Supporting Narrative | Comply or Explain | Supporting documentation / Evidence |
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| | cover meetings of the board and its committees held in the period to which the resource accounts relate. | | | |
| 4.10 | Where necessary, board members should seek clarification or amplification on board issues or board papers through the board secretary. The board secretary will consider how officials can best support the work of board members; this may include providing board members with direct access to officials where appropriate. | 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.<br><br>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.<br><br>The Director of Corporate Governance acts as an independent voice within the organisation to advise and support the Board on governance matters and its approach to openness and transparency. The Director of Corporate Governance is responsible for developing the programmes of work for the Board and Committees of the organisation. Ensuring that agenda and papers are developed and reviewed prior to publication to ensure the quality or reports and maximum transparency and openness in the way in which the organisation conducts its business. | Comply | Board Secretary role profile |
| 4.11 | An effective board secretary is essential for an effective board. Under the direction of the permanent secretary, the board secretary's responsibilities should include:<br><br>• 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<br>• ensuring good information flows within the board and its committees and between senior management and non-executive board members, including: | 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 |
|---|---|---|---|---|
| | • challenging and ensuring the quality of board papers and board information<br>• ensuring board papers are received by board members according to a timetable agreed by the board<br>• providing advice and support on governance matters and helping to implement improvements in the governance structure and arrangements<br>• ensuring the board follows due process<br>• providing assurance to the board that the department:<br>• complies with government policy, as set out in the code<br>• 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)<br>• 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<br>• arranging induction and professional development of board members (including ministers) | | | |
| 4.14 | Evaluations of the performance of individual board members should show whether each continues to contribute effectively and corporately and demonstrates | Individual annual assessment of Board Executive Directors is undertaken by the Chief Executive and Independent Members by the Chair, with the former | Comply | Appraisal documentation and process |

| Para | Corporate Governance Code Principles | Evidence of Internal assurance/Supporting Narrative | Comply or Explain | Supporting documentation / Evidence |
|---|---|---|---|---|
| | commitment to the role (including commitment of time for board and committee meetings and other duties). | reported to the Remuneration and Terms of Service Committee. | | |
| 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. | Board Members complete annual Declarations of Interest, with a 6 monthly validation check, 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.<br><br>Standards of Business Conduct for Employees in place and details responsibilities for declarations of interests. | Comply | Declarations of Interest Register<br><br>Standards of Business Conduct for Employees Policy |
| 5.1<br>5.8 | The board should ensure that there are effective arrangements for governance, risk management and internal control for the whole departmental family. Advice about and scrutiny of key risks is a matter for the board, not a committee. The board should be supported by:<br>• an audit and risk assurance committee, chaired by a suitably experienced non-executive board member<br>• an internal audit service operating to Public Sector Internal Audit Standards1<br>• sponsor teams of the department's key ALBs | The Health Board has established an Audit, Risk and Assurance Committee, chaired by the Independent Member Finance lead.<br><br>NWSSP Internal Audit Services are appointed as the Health Boards Internal Auditors.<br><br>The Health Board and its Committees monitor the management of risk considering the risks profile and actively engaging in its management. | Comply | Terms of Reference and Operating Arrangements for the Audit, Risk and Assurance Committee<br><br>Accountability Report<br><br>Audit Wales Structured Assessment |
| 5.2<br>5.13 | 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. | 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, | Comply | Accountability Report |

| Para | Corporate Governance Code Principles | Evidence of Internal assurance/Supporting Narrative | Comply or Explain | Supporting documentation / Evidence |
|---|---|---|---|---|
| | 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. | advises on the Annual Governance Statement signed by the Chief Executive.<br><br>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. | | |
| 5.3<br>5.10 | The board's regular agenda should include scrutinising and advising on risk management. | The Health Board approve the Risk Management Framework.<br><br>The Health Board and its Committees monitor the management of risk considering the risks profile and actively engaging in its management.<br><br>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. | | Board and Committee Agendas and papers<br><br>Risk Management Strategy<br><br>Board Assurance Framework<br><br>Strategic Risk Register |
| 5.4<br>5.9<br>5.11<br>5.12<br>5.14<br>5.15 | The key responsibilities of non-executive board members include forming an audit and risk assurance committee.<br><br>The board and accounting officer should be supported by an audit and risk assurance committee, comprising at least three members.<br><br>An audit and risk assurance committee should not have any executive responsibilities or be charged with making | An Audit, Risk and Assurance Committee is established.<br><br>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.<br><br>Full secretariat support is provided by the Corporate Governance Team. | Comply | Terms of Reference and Operating Arrangements for Audit, Risk and Assurance Committee<br><br>Board Assurance Framework |

| Para | Corporate Governance Code Principles | Evidence of Internal assurance/Supporting Narrative | Comply or Explain | Supporting documentation / Evidence |
|---|---|---|---|---|
| | 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 *Audit and risk assurance committee handbook.*<br><br>The board should ensure that there is adequate support for the audit and risk assurance committee, including a secretariat function.<br><br>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<br><br>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. | The Board Assurance Framework is scrutinised by the Audit, Risk and Assurance Committee. | | |
| 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. | The role of Head of Internal Audit is clearly set out in the Health Board's Standing Orders.<br><br>The Head of Internal Audit attends all meetings of the Audit, Risk and Assurance Committee.<br><br>Audit Wales and Internal Audit have a routine invite to all Board and Committee meetings. | Comply | Standing Orders<br><br>Terms of Reference for the Audit, Risk and Assurance Committee |

| Para | Corporate Governance Code Principles | Evidence of Internal assurance/Supporting Narrative | Comply or Explain | Supporting documentation / Evidence |
|---|---|---|---|---|
| 5.6<br>5.7<br>5.10 | 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:<br>• there is a proper framework of prudent and effective controls, so that risks can be assessed, managed and taken prudently<br>• there is clear accountability for managing risks<br>• Departmental officials are equipped with the relevant skills and guidance to perform their assigned roles effectively and efficiently.<br><br>The board should also ensure that the department's ALBs have appropriate and effective risk management processes through the department's sponsor teams<br><br>Advising on key risks is a role for the board. The audit and risk assurance committee should support the board in this role. | The Health Board has an agreed Risk Management Strategy which articulates a clear risk escalation pathway.<br><br>A Risk Management Community of Practice is in place, led by the Head of Risk and Assurance. | Comply | Risk Management Strategy<br><br>Strategic Risk Register |

# Remuneration and Staff Report 2025/26

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 2025/26, 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:

- Philip Robson, Vice Chair of the Board;
- Iwan Jones, Chair of Audit, Risk and Assurance Committee

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 2025/26 financial year, together with comparators are given in Tables below.

**Directors' Remuneration**

Details of Directors' remuneration for the 2025/26 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 2025/26, 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)

**Remuneration Report**

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

| | | 2025-26 | | | | | 2024-25 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Name** | **Title** | **Full Year Equivalent Salary (bands of £5,000)** | **Salary (bands of £5,000)** | **Benefits in kind (to nearest £100)** | **Pension Benefits** | **Total (bands of £5,000)** | **Full Year Equivalent Salary (bands of £5,000)** | **Salary (bands of £5,000)** | **Benefits in kind (to nearest £100)** | **Pension Benefits** | **Total (bands of £5,000)** |
| | | **£000** | **£000** | **£00** | **£000** | **£000** | **£000** | **£000** | **£00** | **£000** | **£000** |
| **Executive Directors** | | | | | | | | | | | |
| Nicola Prygodzicz | Chief Executive | 245 - 250 | 210 - 215 | 23 | 94 | 305 - 310 | 240 - 245 | 200 - 205 | 16 | 175 | 380 - 385 |
| Dr James Calvert | Medical Director (Until 04.08.25)<br>Deputy Chief Executive (Until 04.08.25) | 230 - 235 | 80 - 85 | 0 | 0 | 80 - 85 | 225 - 230 | 225 - 230 | 0 | 92 | 315 - 320 |
| Dr Andy Bagwell | Interim Medical Director<br>(From 05.08.25 Until 26.10.25) | 210 - 215 | 45 - 50 | 5 | 41 | 85 - 90 | | | | | |
| Dr Seema Srivastava | Medical Director<br>(From 27.10.25) | 210 - 215 | 85 - 90 | 5 | 111 | 200 - 205 | | | | | |
| Robert Holcombe | Director of Finance and Procurement | 170 - 175 | 170 - 175 | 0 | 65 | 235 - 240 | 165 - 170 | 165 - 170 | 0 | 68 | 235 - 240 |
| Hannah Evans | Director of Strategy, Planning and Partnerships | 160 - 165 | 155 - 160 | 0 | 56 | 210 - 215 | 155 - 160 | 155 - 160 | 0 | 38 | 190 - 195 |
| Jennifer Winslade | Director of Nursing<br>Deputy Chief Executive (From 03.09.25) | 170 - 175 | 155 - 160 | 18 | 66 | 220 - 225 | 155 - 160 | 140 - 145 | 12 | 20 | 160 - 165 |
| Sarah Simmonds | Director of Workforce and Organisational Development | 160 - 165 | 150 - 155 | 23 | 56 | 210 - 215 | 155 - 160 | 145 - 150 | 15 | 55 | 200 - 205 |
| Peter Carr | Director of Therapies and Health Sciences | 140 - 145 | 135 - 140 | 0 | 85 | 220 - 225 | 130 - 135 | 130 - 135 | 0 | 99 | 230 - 235 |
| Tracy Daszkiewicz | Director of Public Health and Strategic Partnerships | 155 - 160 | 150 - 155 | 0 | 44 | 195 - 200 | 150 - 155 | 150 - 155 | 0 | 44 | 195 - 200 |
| **Chief Operating Officer** | | | | | | | | | | | |
| Leanne Watkins | Chief Operating Officer | 160 - 165 | 150 - 155 | 22 | 88 | 240 - 245 | 155 - 160 | 140 - 145 | 17 | 59 | 205 - 210 |
| **Other Directors** | | | | | | | | | | | |
| Rani Dash | Director of Corporate Governance | 130 - 135 | 125 - 130 | 16 | 43 | 170 - 175 | 130 - 135 | 120 - 125 | 10 | 28 | 150 - 155 |
| Paul Solloway | Director of Digital | 135 - 140 | 125 - 130 | 16 | 44 | 170 - 175 | 130 - 135 | 120 - 125 | 9 | 150 | 270 - 275 |

**Independent Members**

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ann Lloyd CBE | Chair | 70 - 75 | 70 - 75 | 0 | 0 | 70 - 75 | 65 - 70 | 65 - 70 | 0 | 0 | 65 - 70 |
| Pippa Britton | Vice Chair<br>(Until 30.11.24) | | | | | | 55 - 60 | 35 - 40 | 0 | 0 | 35 - 40 |
| Philip Robson | Vice Chair (From 01.04.25)<br>Special Advisor to the Board (Until 31.03.25) | 55 - 60 | 55 - 60 | 0 | 0 | 55 - 60 | 15 - 20 | 15 - 20 | 0 | 0 | 15 - 20 |
| Martin Blakebrough | Independent Member (Third Sector)<br>(Until 08.06.24) | | | | | | 15 - 20 | 0 - 5 | 0 | 0 | 0 - 5 |
| Akmal Hanuk | Independent Member (Third Sector)<br>(From 02.06.25) | 15 - 20 | 10 - 15 | 0 | 0 | 10 - 15 | | | | | |
| Prof. Helen Sweetland | Independent Member (University) | 15 - 20 | 15 - 20 | 0 | 0 | 15 - 20 | 15 - 20 | 5 - 10 | 0 | 0 | 5 - 10 |
| Richard Clark | Independent Member (Local Authority)<br>(Until 19.09.25) | 15 - 20 | 5 - 10 | 0 | 0 | 5 - 10 | 15 - 20 | 15 - 20 | 0 | 0 | 15 - 20 |
| Helen Cunningham | Independent Member (Local Authority)<br>(From 03.11.25) | 15 - 20 | 5 - 10 | 0 | 0 | 5 - 10 | | | | | |
| Paul Deneen | Independent Member (Community) | 15 - 20 | 15 - 20 | 0 | 0 | 15 - 20 | 15 - 20 | 15 - 20 | 0 | 0 | 15 - 20 |
| Neil Patrick | Independent Member (Community) | 15 - 20 | 15 - 20 | 0 | 0 | 15 - 20 | 15 - 20 | 15 - 20 | 0 | 0 | 15 - 20 |
| Penny Jones | Independent Member (Community) | 15 - 20 | 15 - 20 | 0 | 0 | 15 - 20 | 15 - 20 | 15 - 20 | 0 | 0 | 15 - 20 |
| Dafydd Vaughan | Independent Member (Digital) | 15 - 20 | 15 - 20 | 0 | 0 | 15 - 20 | 15 - 20 | 15 - 20 | 0 | 0 | 15 - 20 |
| Iwan Jones | Independent Member (Finance) | 15 - 20 | 15 - 20 | 0 | 0 | 15 - 20 | 15 - 20 | 15 - 20 | 0 | 0 | 15 - 20 |
| Louise Wright | Independent Member (Trade Union)<br>(Until 10.04.25) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Vivek Goel | Independent Member (Trade Union)<br>(From 02.06.25) | 0 | 0 | 0 | 0 | 0 | | | | | |

| Band of Highest paid Director's Total Remuneration £000 | 2025-26 | |
|---|---|---|
| | Pay | Ratio |
| 25th percentile pay £ | 245 - 250 | |
| Median pay £ | 29,758 | 8.3:1 |
| 75th percentile pay £ | 38,364 | 6.5:1 |
| | 49,046 | 5.0:1 |

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

Salary has been reported as gross pay, after deduction of any salary sacrifice schemes (the 2024-25 salary has also been restated to reflect this).

The table below shows the Gross Salary (in bandings) prior to the deduction of salary sacrifice schemes. The following salary was sacrificed.

| | 2025-26 | | | | |
|---|---|---|---|---|---|
| | Gross Salary | Lease Car Scheme | Home Electronics Scheme | Pensions Advice | Annual Leave Purchase |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Nicola Prygodzicz | 220 - 225 | 9 | | | |
| Dr Andy Bagwell | 45 - 50 | 2 | | | |
| Dr Seema Srivastava | 90 - 95 | 2 | | <1 | |
| Hannah Evans | 160 - 165 | | | | 3 |
| Jennifer Winslade | 165 - 170 | 12 | | | |
| Sarah Simmonds | 160 - 165 | 8 | | | |
| Tracy Daszkiewicz | 155 - 160 | | | | 3 |
| Leanne Watkins | 160 - 165 | 8 | 1 | | |
| Rani Dash | 130 - 135 | 9 | | | |
| Paul Solloway | 135 - 140 | 9 | | | |

| 2024-25 | | | | |
|---|---|---|---|---|
| Gross Salary | Lease Car Scheme | Home Electronics Scheme | Pensions Advice | Annual Leave Purchase |
| £'000 | £'000 | £'000 | £'000 | £'000 |
| 210 - 215 | 9 | | <1 | |
| | | | | |
| | | | | |
| | | | | |
| 155 - 160 | 12 | | | |
| 155 - 160 | 8 | | <1 | |
| | | | | |
| 150 - 155 | 11 | 1 | | |
| 130 - 135 | 9 | | | |
| 130 - 135 | 9 | | | |

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 of 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.

Ann Lloyd 2025-26 salary includes £1k backpay.

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 2025-26 was between £250,000 to £255,000 (£240,000 to £245,000 2024-25).

Former Medical Director and Deputy Chief Executive James Calvert has been seconded to Welsh Government since 5th August 2025. The Health Board was reimbursed for the employment costs incurred. The full salary for James Calvert was between £230,000 to £235,000 (£225,000 to £230,000 in 2024-25).

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**Remuneration Report continued**

**Salary and Pension entitlements of Senior Managers Pension Benefits**

| Name | Title | Real increase in pension at pension age (bands of £2,500) £000 | Real increase in pension lump sum at pension age (bands of £2,500) £000 | Total accrued pension at pension age at 31 March 2026 (bands of £5,000) £000 | Lump sum at pension age related to accrued pension at 31 March 2026 (bands of £5,000) £000 | Cash Equivalent Transfer Value at 31 March 2026 £000 | Cash Equivalent Transfer Value at 31 March 2025 £000 | Real increase in Cash Equivalent Transfer Value £000 | Employer's contribution to stakeholder pension £00 |
|---|---|---|---|---|---|---|---|---|---|
| Nicola Prygodzicz | Chief Executive | 5.0 - 7.5 | 2.5 - 5.0 | 90 - 95 | 235 - 240 | 2,140 | 1,974 | 106 | 0 |
| Dr James Calvert | Medical Director / Deputy Chief Executive | 0.0 | 0.0 | 95 - 100 | 235 - 240 | 2,361 | 2,404 | 0 | 0 |
| Dr Andy Bagwell | Interim Medical Director | 2.5 - 5.0 | 2.5 - 5.0 | 60 - 65 | 150 - 155 | 1,413 | 1,174 | 44 | 0 |
| Dr Seema Srivastava | Medical Director | 5.0 - 7.5 | 10.0 - 12.5 | 65 - 70 | 165 - 170 | 1,443 | 1,138 | 111 | 0 |
| Robert Holcombe | Director of Finance and Procurement | 2.5 - 5.0 | 2.5 - 5.0 | 65 - 70 | 165 - 170 | 1,596 | 1,474 | 75 | 0 |
| Hannah Evans | Director of Strategy, Planning and Partnerships | 2.5 - 5.0 | 0.0 - 2.5 | 50 - 55 | 115 - 120 | 1,055 | 964 | 54 | 0 |
| Jennifer Winslade | Director of Nursing / Deputy Chief Executive | 2.5 - 5.0 | 2.5 - 5.0 | 65 - 70 | 160 - 165 | 1,573 | 1,449 | 81 | 0 |
| Sarah Simmonds | Director of Workforce and Organisational Development | 2.5 - 5.0 | 0.0 - 2.5 | 45 - 50 | 100 - 105 | 939 | 852 | 53 | 0 |
| Peter Carr | Director of Therapies and Health Sciences | 2.5 - 5.0 | 5.0 - 7.5 | 55 - 60 | 135 - 140 | 1,245 | 1,118 | 91 | 0 |
| Tracy Daszkiewicz | Director of Public Health and Strategic Partnerships | 2.5 - 5.0 | 0.0 | 20 - 25 | 0 | 344 | 288 | 32 | 0 |
| Leanne Watkins | Chief Operating Officer | 5.0 - 7.5 | 5.0 - 7.5 | 60 - 65 | 155 - 160 | 1,339 | 1,212 | 88 | 0 |
| Rani Dash | Director of Corporate Governance | 2.5 - 5.0 | 0.0 - 2.5 | 35 - 40 | 75 - 80 | 643 | 585 | 33 | 0 |
| Paul Solloway | Director of Digital | 2.5 - 5.0 | 0.0 - 2.5 | 50 - 55 | 125 - 130 | 1,109 | 1,029 | 47 | 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 had 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 £689,932 (£685,920, 2024-25) 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.

| | | | | | | |
|---|---|---|---|---|---|---|
| **Total Pay and benefits** | | | **£'000** | | | **£'000** |
| **Chief Executive Total pay and benefits range** | | | **245-250** | | | **240-245** |
| **Highest paid Director Total pay and benefits range** | | | **245-250** | | | **240-245** |
| | **2025-26** | **2025-26** | **2025-26** | **2024-25** | **2024-25** | **2024-25** |
| | **£** | **£** | **£** | **£** | **£** | **£** |
| **Total pay and benefits mid-point** | **Chief Executive** | **Employee** | **Ratio** | **Chief Executive** | **Employee** | **Ratio** |
| 25th percentile pay ratio | 247,500 | 29,758 | 8.3 | 247,500 | 29,484 | 8.2 |
| Median pay | 247,500 | 38,364 | 6.5 | 247,500 | 37,030 | 6.5 |
| 75th percentile pay ratio | 247,500 | 49,046 | 5.0 | 247,500 | 48,530 | 5.0 |
| **Salary component of total pay and benefits** | | | | | | |
| 25th percentile pay ratio | 247,500 | 29,758 | | 247,500 | 29,484 | |
| Median pay | 247,500 | 38,364 | | 247,500 | 37,030 | |
| 75th percentile pay ratio | 247,500 | 49,046 | | 247,500 | 48,530 | |
| **Total pay and benefits mid point** | **Highest Paid Director** | **Employee** | **Ratio** | **Highest Paid Director** | **Employee** | **Ratio** |
| 25th percentile pay ratio | 247,500 | 29,758 | 8.3 | 247,500 | 29,484 | 8.2 |
| Median pay | 247,500 | 38,364 | 6.5 | 247,500 | 37,030 | 6.5 |
| 75th percentile pay ratio | 247,500 | 49,046 | 5.0 | 247,500 | 48,530 | 5.0 |
| **Salary component of total pay and benefits** | | | | | | |
| 25th percentile pay ratio | 247,500 | 29,758 | | 247,500 | 29,484 | |
| Median pay | 247,500 | 38,364 | | 247,500 | 37,030 | |
| 75th percentile pay ratio | 247,500 | 49,046 | | 247,500 | 48,530 | |

In 2025-26, 14 (2024-25, 15) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £17k to £371k (2024-25, £17k to £459k).

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

## Financial Year Summary

The 2025-26 pay ratio is comparable with 2024-25 with minimal variation. 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 | 2024-25 to 2025-26 | 2023-24 to 2024-25 |
|---|---|---|
| % Change from previous financial year in respect of Chief Executive | % | % |
| Salary and allowances | 2 | 7 |
| Performance pay and bonuses | 0 | 0 |
| % Change from previous financial year in respect of highest paid director | | |
| Salary and allowances | 2 | 7 |
| Performance pay and bonuses | 0 | 0 |
| Average % Change from previous financial year in respect of employees takes as a whole | | |
| Salary and allowances | 1 | 5 |
| Performance pay and bonuses | 0 | 0 |

# STAFF REPORT

## Staff Numbers (Audited position)

| 9.2 Average number of employees | Permanent Staff | Staff on Inward Secondment | Agency Staff | Specialist Trainee (SLE) | Collaborative Bank Staff | Other | Total | 2024-25 |
|---|---|---|---|---|---|---|---|---|
| | Number | Number | Number | Number | Number | Number | Number | Number |
| Administrative, clerical and boarc | 2,800 | 8 | 11 | 0 | 0 | 0 | 2,819 | 2,722 |
| Medical and dental | 890 | 5 | 39 | 447 | 0 | 13 | 1,394 | 1,339 |
| Nursing, midwifery registered | 4,180 | 0 | 111 | 0 | 0 | 0 | 4,291 | 4,121 |
| Professional, Scientific, and tech | 455 | 0 | 10 | 0 | 0 | 0 | 465 | 433 |
| Additional Clinical Services | 2,910 | 0 | 23 | 0 | 0 | 0 | 2,933 | 2,903 |
| Allied Health Professions | 981 | 5 | 14 | 0 | 0 | 0 | 1,000 | 982 |
| Healthcare Scientists | 258 | 0 | 2 | 0 | 0 | 0 | 260 | 257 |
| Estates and Ancilliary | 1,081 | 0 | 25 | 0 | 0 | 0 | 1,106 | 1,054 |
| Students | 3 | 0 | 0 | 0 | 0 | 0 | 3 | 6 |
| **Total** | 13,558 | 18 | 235 | 447 | 0 | 13 | 14,271 | 13,817 |

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 reducing vacancies.

Turnover has increased to 9.02% compared to the previous year of 8.67%.

In the last 12 months staff in post has increased by 2.18%. The largest increases have been within Medical & Dental staff increased by 4.36% and Nursing and Midwifery increased by 3.63%.

## Retirements Due to Ill Health

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.

**9.3. Retirements due to ill-health**

| | **2025-26** | 2024-25 |
|---|---|---|
| Number | **15** | 16 |
| Estimated additional pension costs £ | **962,243** | 1,456,012 |

## Staff Composition

The table below provides the breakdown of staff numbers split by Directors and all other staff within the Health Board.

The gender breakdown for all staff groups as of 31 March 2026 is provided below:

| | **2025-26** | | | **2024-25** | | | **2023-24** | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Directors** | **WTE** | **%** | **Directors** | **WTE** | **%** | **Directors** | **WTE** | **%** |
| **Female** | 7.85 | 10,901 | 79.54% | 7.85 | 10,682 | 79.67% | 8.00 | 10,413 | 76.60% |
| **Male** | 3.00 | 2,804 | 20.46% | 3.00 | 2,742 | 20.33% | 4.00 | 2,669 | 20.40% |
| **Total** | **10.85** | **13,705** | | **10.85** | **13,424** | | **12.00** | **13,082** | |

## Sickness Absence Data

The Health Board's sickness absence rate for 2025/26 was 6.55%. This is an increase from 6.44% in 2024/25 and 6.10% in 2023/24. During the period sickness absence remained above 6% from June 2025 to February 2026 reducing to 5.94%, in March 2026. December 2025 recorded the highest in month sickness absence rate at 7.46%.

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

| Sickness Absence | Data Calculations | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| WTE Days Lost (Short Term <28 days) | The WTE days Lost due to sickness calculates the impact of sickness absence based on the employees contracted hours **WTE days lost x FTE by the number of calendar days absent** | 61261 | 53097 | 60406 | 54759 | 68229 | 60411 | 79761 | 98573 | 85948 | 86029 | 86865 |
| WTE Days Lost (Long Term >28 days) | | 144562 | 147711 | 153345 | 162684 | 194289 | 188778 | 203781 | 205131 | 207218 | 223369 | 237875 |
| Total WTE Days Lost | | 205823 | 200808 | 213751 | 217443 | 262518 | 249189 | 283542 | 303704 | 293166 | 309398 | 324740 |
| Sickness Absence % | | 5.23% | 5.26% | 5.23% | 5.29% | 5.79% | 6.51% | 6.51% | 6.73% | 6.21% | 6.44% | 6.55% |
| Total Staff Years | **WTE days lost / 365 days per year** | 564 | 550 | 586 | 596 | 719 | 683 | 777 | 832 | 803 | 848 | 890 |
| Average Working Days Lost | **WTE days lost / headcount** | 14.7 | 14.2 | 15.2 | 15.2 | 15.2 | 16 | 17.2 | 18 | 17.5 | 18.08 | 18.71 |
| Total staff employed in period (headcount) | **Avg headcount as at March each year** | 14020 | 14155 | 10412 | 14334 | 14835 | 15528 | 15863 | 16245 | 16735 | 17111 | 17352 |
| Total staff employed with no absence (Headcount) | **Avg headcount without absence/headcount available** | 5608 | 5803 | 5852 | 5016 | 5340 | 6055 | 5710 | 5035 | 5188 | 5133 | 5379 |
| Percentage staff with no sick | | 40% | 41% | 37% | 35% | 36% | 39% | 36% | 31% | 31% | 30% | 31% |
| **Source: Electronic Data Record (ESR) All data has been sourced via ESR BI Reports** | | | | | | | | | | | | |

The Sickness Absence Focus Group supports the People Plan and Health Board objectives by reviewing attendance trends and identifying ways to reduce sickness absence. The work is taken forward through its subgroups:

- Education and Training
- Stress, Anxiety & Depression
- Data Analysis
- Communications & Engagement

## 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 2025 to 31 March 2026 include:

- All Wales Procedure for Staff to Raise Concerns (review)
- All Wales Anti Sexual Harassment Policy (new)
- All Wales Flexible Working Policy (review)
- All Wales Organisational Change Policy (review)
- Internal Lateral Transfer Scheme (new)
- Neonatal Care Leave and Pay Policy (new)
- Manual Handling Policy (review)
- Nursing and Midwifery Professional Regulation Policy (review)
- People in Positions of Trust (PiPoT) (new)
- The use of Restrictive Physical Intervention (RPI) Policy (review)
- Using the Welsh Language Internally Staff Policy (review)
- Violence Against Women, Domestic Abuse and Sexual Violence (VAWDASV) Policy (review)
- Violence Prevention and Reduction Policy (review)
- All Wales Reserve Forces Training and Mobilisation Policy (review)
- Employment Break Scheme (review)
- Unpaid Parental Leave Policy (review)
- Paternity Leave Policy (review)
- Roster Policy (review)
- Adverse Weather (review)
- Health and Safety Policy (review)
- Professional Regulation Policy (review)
- Preceptorship Policy (review) Recruitment and selection policy (new)
- Keeping of Personal Records Policy (review)
- Maternity and Adoption Leave Policy (review)
- Annual Leave and Statutory Holidays Policy for Non -Medical and Dental Staff (review)

Between 01 April 2025 and 31 March 2026, the following policies were identified as being superseded by All Wales policies previously implemented within the Health Board and were therefore decommissioned Banding of New Posts Policy

- Re-evaluation of Existing Posts Policy

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 01 April 2025 to 31 March 2026 is provided below:

| Disciplinary Cases | Dismissals | Appeals | Employment Tribunals | Upholding Professional Standards in Wales | Respect and Resolution | Capability |
|---|---|---|---|---|---|---|

The Health Board has continued to apply the principles of its avoidable employee harm programme of work to disciplinary investigations, to consider the impact on the people involved and improved application of process. Work is ongoing to embed the avoidable employee harm approach in the management of Respect and Resolution cases.

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** |
| Boo Coaching & Consulting Ltd | Coaching Consultancy Support for the Board | 11,400 |
| | | |
| Dorset Software Services Ltd | G Cloud Focus Consultancy Services | 588,539 |
| | | |
| Ernst & Young LLP | VAT Consultancy & Advisory Services | 29,806 |
| | | |
| Supportive Care UK | Consultant Support to the Specialist Palliative Care Service | 18,900 |
| | | |
| **Total Consultancy 2025/26** | | **648,645** |

## Expenditure on Temporary Staff

| | £000 |
|---|---|
| **Administrative, Clerical and board members** | 436 |
| **Medical and dental** | 10,528 |
| **Nursing, midwifery registered** | 8,242 |
| **Professional, Scientific, and technical staff** | 1,159 |
| **Additional Clinical Services** | 1,440 |
| **Allied Health Professions** | 1,495 |
| **Healthcare Scientists** | 250 |
| **Estates and Ancillary** | 1,333 |
| **Total** | **24,883** |

## Tax Assurance for Off-payroll Engagements

**Table 1 : For all off-Payroll engagements as of 31 March 2026, for more than £245 per day**

| | |
|---|---|
| **No. of exisiting Engagements as of 31 March 2026** | **2** |
| Of which, the number that have existed: | |
| for less than one year at time of reporting | 0 |
| for between one and two years at time of reporting | 1 |
| 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 |

**Table 2 : For all new off-Payroll engagements between 1 April 2025 and 31 March 2026, for more than £245 per day**

| | |
|---|---|
| Number of new engagements between 1 April 2025 and 31 March 2026 | 2 |
| Of which... | |
| No. assessed as caught by IR35 | 0 |
| No. assessed as not caught by IR35 | 2 |
| | |
| 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)

| 9.5 Reporting of other compensation schemes - exit packages | | | | |
|---|---|---|---|---|
| **9.5.1 Exit Packages Costs and Numbers** | | | | |
| | **2025-26** | **2025-26** | **2025-26** | **2025-26** | 2024-25 |
| **Exit packages cost band (including any special payment element)** | **Number of compulsory redundancies** | **Number of other departures** | **Total number of exit packages** | **Number of departures where special payments have been made** | Total number of exit packages |
| | **Whole numbers only** | **Whole numbers only** | **Whole numbers only** | **Whole numbers only** | Whole numbers only |
| less than £10,000 | 0 | 0 | 0 | 0 | 1 |
| £10,000 to £25,000 | 0 | 0 | 0 | 0 | 0 |
| £25,000 to £50,000 | 0 | 0 | 0 | 0 | 0 |
| £50,000 to £100,000 | 0 | 3 | 3 | 3 | 0 |
| £100,000 to £150,000 | 0 | 1 | 1 | 1 | 0 |
| £150,000 to £200,000 | 0 | 0 | 0 | 0 | 0 |
| more than £200,000 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 4 | 4 | 4 | 1 |

| | **2025-26** | **2025-26** | **2025-26** | **2025-26** | 2024-25 |
|---|---|---|---|---|---|
| **Exit packages cost band (including any special payment element)** | **Cost of compulsory redundancies** | **Cost of other departures** | **Total cost of exit packages** | **Cost of special element included in exit packages** | Total cost of exit packages |
| | **£** | **£** | **£** | **£** | £ |
| less than £10,000 | 0 | 0 | 0 | 0 | 7,500 |
| £10,000 to £25,000 | 0 | 0 | 0 | 0 | 0 |
| £25,000 to £50,000 | 0 | 0 | 0 | 0 | 0 |
| £50,000 to £100,000 | 0 | 204,086 | 204,086 | 204,086 | 0 |
| £100,000 to £150,000 | 0 | 108,975 | 108,975 | 108,975 | 0 |
| £150,000 to £200,000 | 0 | 0 | 0 | 0 | 0 |
| more than £200,000 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 313,061 | 313,061 | 313,061 | 7,500 |

| **Total Exit Costs Paid in Year** | **Total paid in year** | Total paid in year |
|---|---|---|
| | **2025-26** | 2024-25 |
| | **£** | £ |
| Exit costs paid in year | 204,086 | 7,500 |
| **Total** | 204,086 | 7,500 |

This disclosure reports the number and value of exit packages agreed in the year. Note: the expense associated with these departures may have been recognised in part or in full in a previous period.

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 figures above are consolidated amounts.

The Health Board has approved four VERS in 2025-26.

Additional requirement as per FreM

£0 exit costs were paid in 2025-26, relating to 2024-25 (the year of departure).

# Senedd Cymru / Welsh Parliamentary Accountability and Audit Report 2025/26

**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 2025/26. 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 £0.470m for the provision of the statutory audit by Audit Wales for the period 2025/26.

**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 2025/26 remote contingent liabilities consist of 1 medical negligence case and 1 GP Indemnity case (3 medical negligence cases and 1 personal injury case in 2024/25). 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 July 2026**

## 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 2026 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 2026 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 matters 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 £75.233 million over the amount that it was authorised to spend in the three-year period 2023-2024 to 2025-2026. This spend 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 twelve months from when the financial statements are authorised for issue.

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

The going concern basis of accounting for Aneurin Bevan University 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 Minsters' 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 Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and the other unaudited parts of the Accountability Report, or the 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 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 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 audited entity'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 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 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 and 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. 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
26 June 2026

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 2026 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 2025-26, 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 2023-24 to 2025-26.

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 £5,703.840 million by £75.233 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 20245-26 if it submitted a 2025-2028 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 2025-2028.

**Adrian Crompton**
**Auditor General for Wales**
**26 June 2026**

# 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 2025-26. 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 2026

| | Note | 2025-26 £000 | 2024-25 £000 |
|---|---|---|---|
| Expenditure on Primary Healthcare Services | 3.1 | **366,848** | 351,914 |
| Expenditure on healthcare from other providers | 3.2 | **574,590** | 527,203 |
| Expenditure on Hospital and Community Health Services | 3.3 | **1,253,030** | 1,177,190 |
| | | **2,194,468** | 2,056,307 |
| Less: Miscellaneous Income | 4 | **(151,708)** | (136,606) |
| **LHB net operating costs before interest and other gains and losses** | | **2,042,760** | 1,919,701 |
| Investment Revenue | 5 | **(16)** | (16) |
| Other (Gains) / Losses | 6 | **44** | (41) |
| Finance costs | 7 | **816** | 777 |
| **Net operating costs for the financial year** | | **2,043,604** | **1,920,421** |

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 28.

The notes on pages 8 to 79 form part of these accounts.

## Other Comprehensive Net Expenditure

| | 2025-26 £000 | 2024-25 £000 |
|---|---|---|
| Net (gain) / loss on revaluation of property, plant and equipment | **(56,727)** | (15,174) |
| Net (gain)/loss on revaluation of right of use assets | **0** | 0 |
| Net (gain) / loss on revaluation of intangible assets | **0** | (42) |
| Net (gain) loss on revaluation of financial assets | **0** | 0 |
| Net (gain)/ loss on revaluation of PPE & Intangible assets held for sale | **0** | 0 |
| Net (gain)/loss on revaluation of financial assets held for sale | **0** | 0 |
| Impairment and reversals | **0** | 0 |
| (Gain)/Loss on other reserve movements | **0** | 0 |
| Transfers between reserves | **0** | 0 |
| Release of reserves to SoCNE | **0** | 0 |
| Transfers (to) / from other NHS Wales bodies | **(36)** | 0 |
| Reclassification adjustment on disposal of available for sale financial assets | **0** | 0 |
| Other comprehensive net expenditure for the year | **(56,763)** | (15,216) |
| **Total comprehensive net expenditure for the year** | **1,986,841** | 1,905,205 |

The notes on pages 8 to 79 form part of these accounts.

## Statement of Financial Position as at 31 March 2026

| | Notes | 31 March 2026 £000 | 31 March 2025 £000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | 11 | **987,707** | 927,547 |
| Right of Use Assets | 11.3 | **15,890** | 18,121 |
| Intangible assets | 12 | **3,095** | 4,999 |
| Trade and other receivables | 15 | **142,398** | 105,883 |
| Other financial assets | 16 | **605** | 607 |
| **Total non-current assets** | | **1,149,695** | 1,057,157 |
| **Current assets** | | | |
| Inventories | 14 | **9,794** | 10,433 |
| Trade and other receivables | 15 | **174,870** | 167,160 |
| Other financial assets | 16 | **116** | 60 |
| Cash and cash equivalents | 17 | **5,551** | 4,823 |
| | | **190,331** | 182,476 |
| Non-current assets classified as "Held for Sale" | 11 | **0** | 0 |
| **Total current assets** | | **190,331** | 182,476 |
| **Total assets** | | **1,340,026** | 1,239,633 |
| **Current liabilities** | | | |
| Trade and other payables | 18 | **(217,347)** | (204,826) |
| Other financial liabilities | 19 | **0** | 0 |
| Provisions | 20 | **(100,292)** | (98,570) |
| **Total current liabilities** | | **(317,639)** | (303,396) |
| **Net current assets/ (liabilities)** | | **(127,308)** | (120,920) |
| **Non-current liabilities** | | | |
| Trade and other payables | 18 | **(15,050)** | (16,314) |
| Other financial liabilities | 19 | **0** | 0 |
| Provisions | 20 | **(145,467)** | (109,154) |
| **Total non-current liabilities** | | **(160,517)** | (125,468) |
| **Total assets employed** | | **861,870** | 810,769 |
| | | | |
| **Financed by :** | | | |
| **Taxpayers' equity** | | | |
| General Fund | | **612,644** | 610,494 |
| Revaluation reserve | | **249,226** | 200,275 |
| **Total taxpayers' equity** | | **861,870** | 810,769 |

The financial statements on pages 2 to 7 were approved by the Board on 24 June 2026 and signed on its behalf by:

Chief Executive and Accountable Officer ..... Date: 24 June 2026

The notes on pages 8 to 79 form part of these accounts.

## Statement of Changes in Taxpayers' Equity
## For the year ended 31 March 2026

| | General Fund £000 | Revaluation Reserve £000 | Total Reserves £000 |
|---|---|---|---|
| **Changes in taxpayers' equity for 2025-26** | | | |
| Balance as at 31 March 2025 | 610,494 | 200,275 | **810,769** |
| NHS Wales Transfer | 0 | 0 | **0** |
| RoU Asset Transitioning Adjustment | 0 | 0 | **0** |
| Impact of IFRS 16 on PPP/PFI Liability | 0 | 0 | **0** |
| **Balance at 1 April 2025** | 610,494 | 200,275 | **810,769** |
| Net operating cost for the year | (2,043,604) | | **(2,043,604)** |
| Net gain/(loss) on revaluation of property, plant and equipment | 0 | 56,727 | **56,727** |
| Net gain/(loss) on revaluation of right of use assets | 0 | 0 | **0** |
| Net gain/(loss) on revaluation of intangible assets | 0 | 0 | **0** |
| Net gain/(loss) on revaluation of financial assets | 0 | 0 | **0** |
| Net gain/(loss) on revaluation of PPE and Intangible assets held for sale | 0 | 0 | **0** |
| Net gain/(loss) on revaluation of financial assets held for sale | 0 | 0 | **0** |
| Impairments and reversals | 0 | 0 | **0** |
| Net gain/(loss) on other reserve movements | 0 | 0 | **0** |
| Transfers between reserves | 7,776 | (7,776) | **0** |
| Release of reserves to SoCNE | | 0 | **0** |
| Transfers (to) / from other NHS Wales bodies | 36 | 0 | **36** |
| Reclassification adjustment on disposal of available for sale financial assets | 0 | 0 | **0** |
| **Total recognised income and expense for 2025-26** | (2,035,792) | 48,951 | **(1,986,841)** |
| Net Welsh Government funding | 1,981,900 | | **1,981,900** |
| Notional Welsh Government Funding | 56,042 | | **56,042** |
| **Balance at 31 March 2026** | 612,644 | 249,226 | **861,870** |

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 2025-26. From 1 April 2024 an employer rate of 23.7% (23.78% inclusive of the administration charge) has applied. However, the NHS Business Services Authority 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 £56,007K
Pensions Annual Allowance Charge Compensation Scheme (PAACCS) £35K

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The notes on pages 8 to 79 form part of these accounts.

## Statement of Changes in Taxpayers' Equity
## For the year ended 31 March 2025

| | General Fund £000 | Revaluation Reserve £000 | Total Reserves £000 |
|---|---|---|---|
| **Changes in taxpayers' equity for 2024-25** | | | |
| **Balance 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** |
| **Balance at 1 April 2024** | 581,800 | 189,324 | **771,124** |
| 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 PPE and Intangible assets held for sale | 0 | 0 | **0** |
| Net gain/(loss) on revaluation of financial assets held for sale | 0 | 0 | **0** |
| Impairments and reversals | 0 | 0 | **0** |
| Net gain/(loss) on other reserve movements | 0 | 0 | **0** |
| Transfers between reserves | 4,265 | (4,265) | **0** |
| Release of reserves to SoCNE | 0 | 0 | **0** |
| Transfers (to) / from other NHS Wales bodies | 0 | 0 | **0** |
| Reclassification adjustment on disposal of available for sale financial assets | 0 | 0 | **0** |
| **Total recognised income and expense for 2024-25** | (1,916,156) | 10,951 | **(1,905,205)** |
| Net Welsh Government funding | 1,893,053 | | **1,893,053** |
| Notional Welsh Government Funding | 51,797 | | **51,797** |
| **Balance at 31 March 2025** | 610,494 | 200,275 | **810,769** |

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

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The notes on pages 8 to 79 form part of these accounts.

## Statement of Cash Flows for year ended 31 March 2026

| | Notes | 2025-26 £000 | 2024-25 £000 |
|---|---|---|---|
| **Cash Flows from operating activities** | | | |
| Net operating cost for the financial year | | **(2,043,604)** | (1,920,421) |
| Movements in Working Capital | 27 | **(31,754)** | 8,153 |
| Other cash flow adjustments | 28 | **175,515** | 110,857 |
| Provisions utilised | 20 | **(35,123)** | (22,996) |
| **Net cash outflow from operating activities** | | **(1,934,966)** | (1,824,407) |
| **Cash Flows from investing activities** | | | |
| Purchase of property, plant and equipment | | **(42,183)** | (61,328) |
| Proceeds from disposal of property, plant and equipment | | **193** | 116 |
| Purchase of intangible assets | | **(135)** | (2,271) |
| Proceeds from disposal of intangible assets | | **0** | 0 |
| Payment for other financial assets | | **0** | 0 |
| Proceeds from disposal of other financial assets | | **0** | 0 |
| Payment for other assets | | **0** | 0 |
| Proceeds from disposal of other assets | | **0** | 0 |
| **Net cash inflow/(outflow) from investing activities** | | **(42,125)** | (63,483) |
| **Net cash inflow/(outflow) before financing** | | **(1,977,091)** | (1,887,890) |
| **Cash Flows from financing activities** | | | |
| Welsh Government funding (including capital) | | **1,981,900** | 1,893,053 |
| 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 | | **(125)** | (639) |
| Capital element of payments in respect of Right of Use Assets | | **(3,956)** | (3,846) |
| Cash transferred (to)/ from other NHS bodies | | **0** | 0 |
| **Net financing** | | **1,977,819** | 1,888,568 |
| **Net increase/(decrease) in cash and cash equivalents** | | **728** | 678 |
| **Cash and cash equivalents (and bank overdrafts) at 1 April 2025** | | **4,823** | 4,145 |
| **Cash and cash equivalents (and bank overdrafts) at 31 March 2026** | | **5,551** | 4,823 |

The notes on pages 8 to 79 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 2025-26 Manual for Accounts. The accounting policies contained in that manual follow the 2025-26 Financial Reporting Manual (FReM) in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, to the extent that they are meaningful and appropriate to the NHS in Wales.

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

### 1.1. Accounting convention

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

### 1.2. Acquisitions and discontinued operations

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

### 1.3. Income and funding

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

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

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

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

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

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

### 1.4. Employee benefits

#### 1.4.1. Short-term employee benefits

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

#### 1.4.2. Retirement benefit costs

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

The 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 2025-26. From 1st 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 a 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

Subsequent expenditure that enhances an asset beyond its original specification is capitalised as directly attributable cost. Expenditure that restores an asset to its original specification is also capitalised; where identifiable, the carrying value of the component replaced is written out and charged to the Statement of Comprehensive Net Expenditure (SoCNE).

In line with national protocol set out in the capital accounting chapter of the Manual for Accounts (agreed with Audit Wales and the Welsh Government), and to mitigate limitations in identifying replaced components, NHS Wales organisations obtain valuation evidence to ensure asset carrying values are not materially overstated. This includes in-year good housekeeping revaluations (prior to being brought into use) for All Wales Capital Schemes and for Discretionary Building Schemes with spend greater than £0.5m. Any write-downs arising are charged to operating expenses.

In 2025-26, the valuation approach was updated to include a District Valuer (DV) desktop review for material schemes that include replacement or backlog maintenance but do not meet the criteria for a good housekeeping valuation (generally schemes costing over £500k and linked to a specific block or blocks). The DV desktop review classifies schemes as enhancing or non-enhancing. Non-enhancing schemes are impaired on transfer from assets under construction (AUC) to the relevant property, plant and equipment category.

## 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

### 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 the benefits from which 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

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 University LHB as lessee**

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

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

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

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

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

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

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

**1.11.2 Aneurin Bevan University LHB 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 2024-25 and 2025-26. The WRPS is hosted by

### 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 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 32.

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 and ABUHB- 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 and ABUHB - 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.

### 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;

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

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

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

The solicitor will estimate the case value including defence fees, using professional judgement and from obtaining counsel advice. Valuations are then discounted for the future loss elements using individual life expectancies and the Government Actuary's Department actuarial tables (Ogden tables) and Personal Injury Discount Rate of 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 £237m (£199m 2024/25) 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 £0.869m (£0.379m 2024/25) 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 2.95%.

### 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** - Not UK endorsed. Applies to first time adopters of IFRS after 1st January 2016. Therefore not applicable.

**IFRS 18 Presentation and Disclosure in Financial Statements -** Application required for accounting periods beginning on or after 1st 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 1st January 2027. Standard is not yet UK endorsed and not yet adopted by

### 1.30. Accounting standards issued that have been adopted early

During 2025-26 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

### 1.31. Charities

Following Treasury's agreement to apply IAS 27 to NHS Charities from 1 April 2013, the LHB has established that as it is the corporate trustee of the Aneurin Bevan University LHB NHS Charitable Fund, it is considered for accounting standards compliance to have control of the Aneurin Bevan University LHB NHS Charitable Fund as a subsidiary.

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 | | | |
|---|---|---|---|---|
| | 2023-24 | 2024-25 | 2025-26 | Total |
| | £000 | £000 | £000 | £000 |
| **Net operating costs for the year** | 1,818,468 | 1,920,421 | 2,043,604 | **5,782,493** |
| Less general ophthalmic services expenditure and other non-cash limited expenditure | 599 | (1,693) | (2,349) | **(3,443)** |
| Less unfunded revenue consequences of bringing PFI schemes onto SoFP | 29 | (29) | 23 | **23** |
| Less any non funded revenue consequences of IFRS 16 | 0 | 0 | 0 | **0** |
| Total operating expenses | 1,819,096 | 1,918,699 | 2,041,278 | **5,779,073** |
| Revenue Resource Allocation | 1,769,330 | 1,911,514 | 2,022,996 | **5,703,840** |
| **Under /(over) spend against Allocation** | **(49,766)** | **(7,185)** | **(18,282)** | **(75,233)** |

Aneurin Bevan University LHB has not met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2023-24 to 2025-26.

The Health Board received £18.3m cash-only support from Welsh Government during 2025-26 with the accumulated cash-only support for 2023-24 to 2025-26 as at 31 March 2026 being £75.6m. This support has been provided by Welsh Government to assist the Health Board with making payments and suppliers; there is no requirement for this funding to be repaid.

### 2.2 Capital Resource Performance

| | 2023-24 | 2024-25 | 2025-26 | Total |
|---|---|---|---|---|
| | £000 | £000 | £000 | £000 |
| **Gross capital expenditure** | 62,681 | 72,066 | 45,821 | **180,568** |
| Add: Losses on disposal of donated assets | 1 | 0 | 6 | **7** |
| Less NBV on disposal of property, plant and equipment, right of use and intangible assets | (5,845) | (1,534) | (366) | **(7,745)** |
| Adjustment for transfers (to)/from NHS Trusts | 0 | (45) | 0 | **(45)** |
| Less capital grants received | 0 | 0 | 0 | **0** |
| Less donations received | (136) | (78) | (203) | **(417)** |
| Less IFRS16 Peppercorn income | 0 | 0 | 0 | **0** |
| Less **initial recognition** of RoU Asset Dilapidations | 0 | 0 | 0 | **0** |
| Charge against Capital Resource Allocation | 56,701 | 70,409 | 45,258 | **172,368** |
| Capital Resource Allocation | 56,742 | 70,475 | 45,305 | **172,522** |
| **(Over) / Underspend against Capital Resource Allocation** | **41** | **66** | **47** | **154** |

Aneurin Bevan Univesrity LHB has met its financial duty to break-even against its Capital Resource Limit over the 3 years 2023-24 to 2025-26.

**2.3 Duty to prepare a 3 year integrated plan**

The NHS Wales Planning Framework for the period 2025-2028 issued to LHBs placed a requirement upon them to prepare and submit balanced Integrated Medium-Term Plans to the Welsh Government.

The LHB submitted a balanced IMTP for the period 2025-28, in accordance with the NHS Wales Planning Framework in March 2025. This plan was approved by Cabinet Secretary for Health and Social Care on 30th June 2025.

This approval was revoked in December 2025, due to the emerging financial deficit position of the Health Board reported during 2025/26. Therefore the Health Board did not have an approved financial plan for the period 2025/26.

The Minister for Health and Social Services extant approval

**Status**

**Date**

Aneurin Bevan University LHB has therefore not 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:

| | **2025-26** | 2024-25 |
|---|---|---|
| Total number of non-NHS bills paid | **302,142** | 301,118 |
| Total number of non-NHS bills paid within target | **293,413** | 294,215 |
| Percentage of non-NHS bills paid within target | 97.1% | 97.7% |

**The LHB has met the target.**

## 3. Analysis of gross operating costs

### 3.1 Expenditure on Primary Healthcare Services

| | Cash limited £000 | Non-cash limited £000 | 2025-26 Total £000 | 2024-25 Total £000 |
|---|---|---|---|---|
| General Medical Services | 140,047 | | 140,047 | 132,671 |
| Pharmaceutical Services | 37,718 | (8,322) | 29,396 | 29,224 |
| General Dental Services | 45,761 | | 45,761 | 44,444 |
| General Ophthalmic Services | 6,580 | 10,671 | 17,251 | 15,075 |
| Other Primary Health Care expenditure | 3,715 | | 3,715 | 4,729 |
| Prescribed drugs and appliances | 130,678 | | 130,678 | 125,771 |
| **Total** | **364,499** | **2,349** | **366,848** | 351,914 |

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 | (13,172) | (5,843) |
| **Overall total** | | **353,676** | 346,071 |

The General Medical Services expenditure includes £18,194k (2024/25 £11,699k) in relation to staff salaries, the General Dental Services expenditure includes £2,757k (2024/25 £2,155k) in relation to staff salaries, the Prescribed Drugs & Appliances expenditure includes £309k (2024/25 £352k) in relation to staff salaries, and the General Ophthalmic Services includes £156k (2024/25 £88k) in relation to staff salaries.

### 3.2 Expenditure on healthcare from other providers

| | 2025-26 £000 | 2024-25 £000 |
|---|---|---|
| Goods and services from other NHS Wales Health Boards | **66,288** | 64,362 |
| Goods and services from other NHS Wales Trusts | **60,101** | 54,658 |
| Goods and services from Welsh Special Health Authorities | **0** | 0 |
| Goods and services from other non Welsh NHS bodies | **13,560** | 14,400 |
| Goods and services from NHSW JCC | **232,273** | 218,320 |
| Local Authorities | **39,911** | 41,544 |
| Voluntary organisations | **11,777** | 10,849 |
| NHS Funded Nursing Care | **13,053** | 11,817 |
| Continuing Care | **110,957** | 99,904 |
| Private providers | **26,298** | 10,942 |
| Specific projects funded by the Welsh Government | **0** | 0 |
| Other | **372** | 407 |
| **Total** | **574,590** | 527,203 |

| **Local Authorities expenditure relates to the following bodies:** | 2025-26 £'000 | 2024-25 £'000 |
|---|---|---|
| Blaenau Gwenty County Borough Council | 3,381 | 3,644 |
| Caerphilly County Borough Council | 17,379 | 17,632 |
| Monmouthshire County Council | 4,753 | 4,947 |
| Newport City Council | 7,138 | 8,548 |
| Torfaen County Borough Council | 7,168 | 6,876 |
| Gloucestershire County Council | 92 | (103) |
| | **39911** | 41,544 |

### 3.3 Expenditure on Hospital and Community Health Services

| | 2025-26 | 2024-25 |
|---|---|---|
| | £000 | £000 |
| Directors' costs | 2,802 | 2,741 |
| Operational Staff costs | 910,435 | 843,137 |
| Single lead employer Staff Trainee Cost | 45,228 | 43,004 |
| Collaborative Bank Staff Cost | 0 | 0 |
| Supplies and services - clinical | 154,058 | 143,559 |
| Supplies and services - general | 18,199 | 20,917 |
| Consultancy Services | 649 | 481 |
| Establishment | 7,196 | 6,438 |
| Transport | 1,467 | 1,542 |
| Premises | 41,322 | 46,305 |
| External Contractors | 0 | 0 |
| Depreciation | 45,804 | 42,231 |
| Depreciation Right of Use assets (RoU) | 4,116 | 3,896 |
| Amortisation | 1,960 | 1,964 |
| Fixed asset impairments and reversals (Property, plant & equipment) | (5,687) | 1,817 |
| Fixed asset impairments and reversals (RoU Assets) | 0 | 0 |
| Fixed asset impairments and reversals (Intangible assets) | 0 | 0 |
| Impairments & reversals of financial assets | 0 | 0 |
| Impairments & reversals of non-current assets held for sale | 0 | 0 |
| Audit fees | 470 | 443 |
| Other auditors' remuneration | 0 | 0 |
| Losses, special payments and irrecoverable debts | 8,725 | 3,065 |
| Research and Development | 0 | 0 |
| Expense related to short-term leases | 168 | 367 |
| Expense related to low-value asset leases (excluding short-term leases) | 980 | 973 |
| Other operating expenses | 15,138 | 14,310 |
| **Total** | **1,253,030** | 1,177,190 |

The Health Board Spent £3.3m (£2.8m 2024-25) on Research and Development. The majority of this spend relates to staff £2.7m (£2.2m 2024-25) which along with the non-staff spend is reflected under the various headings within note 3.3. During 2025-26 Research and Development income received was £3.1m (£2.6m 2024-25).

### 3.4 Losses, special payments and irrecoverable debts: charges to operating expenses

| | 2025-26 | 2024-25 |
|---|---|---|
| **Increase/(decrease) in provision for future payments:** | £000 | £000 |
| Clinical negligence; | | |
| Secondary care | 63,373 | 2,814 |
| Primary care | 1,199 | 49 |
| Redress Secondary Care | 32 | 180 |
| Redress Primary Care | 0 | 0 |
| Personal injury | 639 | 547 |
| All other losses and special payments | 5,271 | 1,062 |
| Defence legal fees and other administrative costs | 2,284 | 1,414 |
| Gross increase/(decrease) in provision for future payments | 72,798 | 6,066 |
| Contribution to Welsh Risk Pool | 0 | 0 |
| Premium for other insurance arrangements | 0 | 0 |
| Irrecoverable debts | 594 | 73 |
| **Less:** income received/due from Welsh Risk Pool | (64,667) | (3,074) |
| **Total** | 8,725 | 3,065 |

| | 2025-26 | 2024-25 |
|---|---|---|
| | £ | £ |
| Permanent injury included within personal injury £: | (221,402) | (472,029) |

## 4. Miscellaneous Income

| | 2025-26 £000 | 2024-25 £000 |
|---|---|---|
| Local Health Boards | 25,547 | 24,380 |
| NHSW Joint Commissioning Committee | 15,082 | 14,774 |
| NHS Wales trusts | 19,921 | 17,702 |
| Welsh Special Health Authorities | 2,245 | 1,404 |
| Foundation Trusts | 45 | 97 |
| Other NHS England bodies | 2,487 | 2,975 |
| Other NHS Bodies | 49 | 21 |
| Local authorities | 21,283 | 21,289 |
| Welsh Government | 5,510 | 3,729 |
| Welsh Government Hosted bodies | 0 | 0 |
| Non NHS: | | |
| Prescription charge income | 3 | 3 |
| Dental fee income | 5,742 | 6,130 |
| Private patient income | 0 | 0 |
| Overseas patients (non-reciprocal) | 316 | 365 |
| Injury Costs Recovery (ICR) Scheme | 1,401 | 1,323 |
| Other income from activities | 2,777 | 2,528 |
| Patient transport services | 0 | 0 |
| Education, training and research | 21,848 | 19,086 |
| Charitable and other contributions to expenditure | 1,596 | 1,394 |
| Receipt of NWSSP Covid centrally purchased assets | 0 | 0 |
| Receipt of Covid centrally purchased assets from other organisations | 0 | 0 |
| Receipt of donated assets | 203 | 78 |
| Receipt of Government granted assets | 0 | 0 |
| Right of Use Grant (Peppercorn Lease) | 0 | 0 |
| Non-patient care income generation schemes | 144 | 155 |
| 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 | 477 | 467 |
| Other income: | | |
| Provision of laundry, pathology, payroll services | 96 | 82 |
| Accommodation and catering charges | 3,532 | 3,349 |
| Mortuary fees | 410 | 422 |
| Staff payments for use of cars | 674 | 673 |
| Business Unit | 0 | 0 |
| Scheme Pays Reimbursement Notional | 4 | 81 |
| Other | 20,316 | 14,099 |
| **Total** | **151,708** | 136,606 |

| | | |
|---|---|---|
| **Other income Includes;** | | |
| Salary Sacrifice Schemes & Fleet Vehicles | 9,603 | 7,772 |
| VAT recoveries re Business Activities and Contracted Out Services | 946 | 986 |
| Income from Managed Practices | 5,633 | 0 |
| Other | 4,134 | 5,341 |
| **Total** | **20,316** | 14,099 |

**Injury Cost Recovery (ICR) Scheme income**

| | 2025-26 % | 2024-25 % |
|---|---|---|
| To reflect expected rates of collection ICR income is subject to a provision for impairment of: | 24.62 | 24.45 |

## 5. Investment Revenue

| | 2025-26 £000 | 2024-25 £000 |
|---|---|---|
| **Rental revenue :** | | |
| PFI Finance lease income | | |
| planned | 0 | 0 |
| contingent | 0 | 0 |
| Other finance lease revenue | 0 | 0 |
| **Interest revenue :** | | |
| Bank accounts | 0 | 0 |
| Other loans and receivables | 0 | 0 |
| Impaired financial assets | 0 | 0 |
| Other financial assets | 16 | 16 |
| **Total** | **16** | 16 |

## 6. Other gains and losses

| | 2025-26 £000 | 2024-25 £000 |
|---|---|---|
| Gain/(loss) on disposal of property, plant and equipment | (45) | 41 |
| Gain/(loss) on disposal other than by sale of right of use assets | 1 | 0 |
| Gain/(loss) on disposal of intangible assets | 0 | 0 |
| Gain/(loss) on disposal of assets held for sale | 0 | 0 |
| Gain/(loss) on disposal of financial assets | 0 | 0 |
| Change on foreign exchange | 0 | 0 |
| Change in fair value of financial assets at fair value through SoCNE | 0 | 0 |
| Change in fair value of financial liabilities at fair value through SoCNE | 0 | 0 |
| Recycling of gain/(loss) from equity on disposal of financial assets held for sale | 0 | 0 |
| **Total** | (44) | 41 |

## 7. Finance costs

| | 2025-26 £000 | 2024-25 £000 |
|---|---|---|
| Interest on loans and overdrafts | 0 | 0 |
| Interest on obligations under finance leases | 0 | 0 |
| Interest on obligations under Right of Use Leases | 442 | 353 |
| Interest on obligations under PFI contracts; | | |
| main finance cost | 89 | 132 |
| contingent finance cost | 0 | 0 |
| Impact of IFRS 16 on PPP/PFI contracts | 107 | 147 |
| Interest on late payment of commercial debt | 0 | 0 |
| Other interest expense | 0 | 0 |
| **Total interest expense** | **638** | 632 |
| Provisions unwinding of discount | 178 | 145 |
| Other finance costs | 0 | 0 |
| **Total** | **816** | 777 |

## 8. Future charges to Statement of Comprehensive Net Expenditure (SoCNE)

**LHB as lessee**

As at 31st March 2026 the Health Board had 0 leases agreements in place for the leases of premises; 488 arrangements in respect of equipment and 265 in respect of vehicles, with 0 property, 100 equipment and 55 vehicle leases having expired in year.

| | 2025-26 Low Value & Short Term | 2025-26 Other | 2025-26 Total | 2024-25 Total |
|---|---|---|---|---|
| **Payments recognised as an expense** | | | | |
| | **£000** | **£000** | **£000** | £000 |
| Minimum lease payments | 1,186 | 0 | **1,186** | 1,363 |
| Contingent rents | 0 | 0 | **0** | 0 |
| Sub-lease payments | 0 | 0 | **0** | 0 |
| **Total** | **1,186** | **0** | **1,186** | 1,363 |

| | | | | |
|---|---|---|---|---|
| **Total future minimum lease payments** | | | | |
| **Payable** | **£000** | **£000** | **£000** | £000 |
| Not later than one year | 1,391 | 0 | **1,391** | 820 |
| Between one and five years | 963 | 0 | **963** | 803 |
| After 5 years | 0 | 0 | **0** | 0 |
| **Total** | **2,354** | **0** | **2,354** | 1,623 |

**LHB as lessor**

| | 2025-26 | 2024-25 |
|---|---|---|
| **Rental revenue** | **£000** | £000 |
| Rent | 477 | 467 |
| Contingent rents | 0 | 0 |
| **Total revenue rental** | **477** | 467 |

| | | |
|---|---|---|
| **Total future minimum lease payments** | | |
| **Receivable** | **£000** | £000 |
| Not later than one year | 306 | 290 |
| Between one and five years | 1,157 | 1,085 |
| After 5 years | 942 | 789 |
| **Total** | **2,405** | 2,164 |

## 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 | 2024-25 |
|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Salaries and wages | 684,814 | 1,358 | 22,042 | 34,909 | 0 | 2,841 | **745,964** | 702,130 |
| Social security costs | 88,244 | 0 | 0 | 4,873 | 0 | 0 | **93,117** | 70,709 |
| Employer contributions to NHS Pension Scheme | 136,161 | 0 | 0 | 5,446 | 0 | 0 | **141,607** | 130,925 |
| Other pension costs | 17 | 0 | 0 | 0 | 0 | 0 | **17** | 229 |
| Other employment benefits | 0 | 0 | 0 | 0 | 0 | 0 | **0** | 0 |
| Termination benefits | 0 | 0 | 0 | 0 | 0 | 0 | **0** | 0 |
| **Total** | **909,236** | **1,358** | **22,042** | **45,228** | **0** | **2,841** | **980,705** | 903,993 |

| | | |
|---|---|---|
| Charged to capital | **767** | 802 |
| Charged to revenue | **979,938** | 903,191 |
| | **980,705** | 903,993 |
| Net movement in accrued employee benefits (untaken staff leave) | **80** | (38) |

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 | 2024-25 |
|---|---|---|---|---|---|---|---|---|
| | Number | Number | Number | Number | Number | Number | Number | Number |
| Administrative, clerical and board members | 2,800 | 8 | 11 | 0 | 0 | 0 | **2,819** | 2,722 |
| Medical and dental | 890 | 5 | 39 | 447 | 0 | 13 | **1,394** | 1,339 |
| Nursing, midwifery registered | 4,180 | 0 | 111 | 0 | 0 | 0 | **4,291** | 4,121 |
| Professional, Scientific, and technical staff | 455 | 0 | 10 | 0 | 0 | 0 | **465** | 433 |
| Additional Clinical Services | 2,910 | 0 | 23 | 0 | 0 | 0 | **2,933** | 2,903 |
| Allied Health Professions | 981 | 5 | 14 | 0 | 0 | 0 | **1,000** | 982 |
| Healthcare Scientists | 258 | 0 | 2 | 0 | 0 | 0 | **260** | 257 |
| Estates and Ancilliary | 1,081 | 0 | 25 | 0 | 0 | 0 | **1,106** | 1,054 |
| Students | 3 | 0 | 0 | 0 | 0 | 0 | **3** | 6 |
| **Total** | **13,558** | **18** | **235** | **447** | **0** | **13** | **14,271** | 13,817 |

### 9.3. Retirements due to ill-health

| | 2025-26 | 2024-25 |
|---|---|---|
| Number | **15** | 16 |
| Estimated additional pension costs £ | **962,243** | 1,456,012 |

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

| Exit packages cost band (including any special payment element) | 2025-26 Number of compulsory redundancies | 2025-26 Number of other departures | 2025-26 Total number of exit packages | 2025-26 Number of departures where special payments have been made | 2024-25 Total number of exit packages |
|---|---|---|---|---|---|
| | Whole numbers only | Whole numbers only | Whole numbers only | Whole numbers only | Whole numbers only |
| less than £10,000 | 0 | 0 | 0 | 0 | 1 |
| £10,000 to £25,000 | 0 | 0 | 0 | 0 | 0 |
| £25,000 to £50,000 | 0 | 0 | 0 | 0 | 0 |
| £50,000 to £100,000 | 0 | 3 | 3 | 0 | 0 |
| £100,000 to £150,000 | 0 | 1 | 1 | 0 | 0 |
| £150,000 to £200,000 | 0 | 0 | 0 | 0 | 0 |
| more than £200,000 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 4 | 4 | 0 | 1 |

| Exit packages cost band (including any special payment element) | 2025-26 Cost of compulsory redundancies | 2025-26 Cost of other departures | 2025-26 Total cost of exit packages | 2025-26 Cost of special element included in exit packages | 2024-25 Total cost of exit packages |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| less than £10,000 | 0 | 0 | 0 | 0 | 7,500 |
| £10,000 to £25,000 | 0 | 0 | 0 | 0 | 0 |
| £25,000 to £50,000 | 0 | 0 | 0 | 0 | 0 |
| £50,000 to £100,000 | 0 | 204,086 | 204,086 | 204,086 | 0 |
| £100,000 to £150,000 | 0 | 108,975 | 108,975 | 108,975 | 0 |
| £150,000 to £200,000 | 0 | 0 | 0 | 0 | 0 |
| more than £200,000 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 313,061 | 313,061 | 313,061 | 7,500 |

| Total Exit Costs Paid in Year | Total paid in year 2025-26 | Total paid in year 2024-25 |
|---|---|---|
| | £ | £ |
| Exit costs paid in year | 204,086 | 7,500 |
| **Total** | 204,086 | 7,500 |

This disclosure reports the number and value of exit packages agreed in the year. Note: the expense associated with these departures may have been recognised in part or in full in a previous period.

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 figures above are consolidated amounts.

The Health Board has approved 4 VERS in 2025-26.

Additional requirement as per FReM
£0 exit costs were paid in 2025-26, relating to 2024-25 (the year of departure).

## 9.5 Reporting of other compensation schemes - exit packages continued

### 9.5.2 Analysis of other departures

| Type of other departures | 2025-26 Agreements Number | 2025-26 Total value of agreements £ |
|---|---|---|
| Voluntary redundancies including early retirement contractual costs | 4 | 313,061 |
| Contractual payments in lieu of notice* | 0 | 0 |
| Exit payments following Employment Tribunals or court orders | 0 | 0 |
| Non-contractual payments requiring Welsh Government Approval** | 0 | 0 |
| Other please specify | 0 | 0 |
| Total | **4** | **313,061** |

This disclosure provides detail for the number and value of exit packages agreed in the year.

The figures above are consolidated amounts.

### 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.

| | | | | | | |
|---|---|---|---|---|---|---|
| **Total Pay and benefits** | | | **£'000** | | | **£'000** |
| **Chief Executive Total pay and benefits range** | | | **245-250** | | | **240-245** |
| **Highest paid Director Total pay and benefits range** | | | **245-250** | | | **240-245** |

| | **2025-26** | **2025-26** | **2025-26** | 2024-25 | 2024-25 | 2024-25 |
|---|---|---|---|---|---|---|
| | **£** | **£** | | £ | £ | |
| **Total pay and benefits mid-point** | **Chief Executive** | **Employee** | **Ratio** | Chief Executive | Employee | Ratio |
| 25th percentile pay ratio | **247,500** | **29,758** | **8.3:1** | 247,500 | 29,484 | 8.2:1 |
| Median pay | **247,500** | **38,364** | **6.5:1** | 247,500 | 37,030 | 6.5:1 |
| 75th percentile pay ratio | **247,500** | **49,046** | **5.0:1** | 247,500 | 48,530 | 5.0:1 |
| **Salary component of total pay and benefits** | | | | | | |
| 25th percentile pay ratio | **247,500** | **29,758** | | 247,500 | 29,484 | |
| Median pay | **247,500** | **38,364** | | 247,500 | 37,030 | |
| 75th percentile pay ratio | **247,500** | **49,046** | | 247,500 | 48,530 | |

| | **Highest Paid** | | | Highest Paid | | |
|---|---|---|---|---|---|---|
| **Total pay and benefits mid-point** | **Director** | **Employee** | **Ratio** | Director | Employee | Ratio |
| 25th percentile pay ratio | **247,500** | **29,758** | **8.3:1** | 247,500 | 29,484 | 8.2:1 |
| Median pay | **247,500** | **38,364** | **6.5:1** | 247,500 | 37,030 | 6.5:1 |
| 75th percentile pay ratio | **247,500** | **49,046** | **5.0:1** | 247,500 | 48,530 | 5.0:1 |
| **Salary component of total pay and benefits** | | | | | | |
| 25th percentile pay ratio | **247,500** | **29,758** | | 247,500 | 29,484 | |
| Median pay | **247,500** | **38,364** | | 247,500 | 37,030 | |
| 75th percentile pay ratio | **247,500** | **49,046** | | 247,500 | 48,530 | |

In 2025-26 14 (2024-25, 15) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £17k to £371k (2024-25, £17k to £459k).

The all staff range includes directors with the exception of the highest paid CEO Director as appropriate and excludes the non-executive directors and excludes pension benefits of all employees

**Financial Year Summary**

The 2025-26 pay ratio is comparable with 2024-25 with minimal variation.

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** | **2024-25 to 2025-26** | 2023-24 to 2024-25 |
|---|---|---|
| % Change from previous financial year in respect of Chief Executive | **%** | **%** |
| Salary and allowances | **2** | 7 |
| Performance pay and bonuses | **0** | 0 |
| % Change from previous financial year in respect of highest paid director | | |
| Salary and allowances | **2** | 7 |
| Performance pay and bonuses | **0** | 0 |
| Average % Change from previous financial year in respect of employees takes as a whole | | |
| Salary and allowances | **1** | 5 |
| 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. 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 2026, is based on valuation data as at 31 March 2024, updated to 31 March 2026 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

**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 2025-26 tax year (2024-25 £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.

| | **2025-26** | **2025-26** | 2024-25 | 2024-25 |
|---|---|---|---|---|
| **NHS** | **Number** | **£000** | Number | £000 |
| Total bills paid | 5,354 | 456,451 | 5,193 | 433,942 |
| Total bills paid within target | 4,994 | 450,167 | 4,770 | 425,567 |
| Percentage of bills paid within target | **93.3%** | **98.6%** | 91.9% | 98.1% |
| | | | | |
| **Non-NHS** | | | | |
| Total bills paid | 302,142 | 738,419 | 301,118 | 700,384 |
| Total bills paid within target | 293,413 | 715,779 | 294,215 | 676,799 |
| Percentage of bills paid within target | **97.1%** | **96.9%** | 97.7% | 96.6% |
| | | | | |
| **Total** | | | | |
| Total bills paid | **307,496** | **1,194,870** | 306,311 | 1,134,326 |
| Total bills paid within target | **298,407** | **1,165,946** | 298,985 | 1,102,366 |
| Percentage of bills paid within target | **97.0%** | **97.6%** | 97.6% | 97.2% |

### 10.2 The Late Payment of Commercial Debts (Interest) Act 1998

| | **2025-26** | 2024-25 |
|---|---|---|
| | **£** | £ |
| 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 | **207** | 114,172 |
| | | |
| **Total** | **207** | **114,172** |

## 11.1 Property, plant and equipment

**2025-26**

| | Land £000 | Buildings, excluding dwellings £000 | Dwellings £000 | Assets under construction & payments on account £000 | Plant and machinery £000 | Transport equipment £000 | Information technology £000 | Furniture & fittings £000 | Total £000 |
|---|---|---|---|---|---|---|---|---|---|
| **Cost or valuation at 1 April 2025** | 79,198 | 797,467 | 2,582 | 49,689 | 118,390 | 380 | 38,655 | 4,588 | 1,090,949 |
| Indexation | 2,105 | 59,514 | 168 | 0 | 0 | 0 | 0 | 0 | 61,787 |
| Additions | | | | | | | | | |
| - purchased | 0 | 9,484 | 56 | 16,981 | 10,363 | 0 | 6,514 | 67 | 43,465 |
| - donated | 0 | 13 | 0 | 0 | 190 | 0 | 0 | 0 | 203 |
| - government granted | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfer from/into other NHS bodies | 0 | 0 | 0 | 0 | 52 | 0 | 0 | 0 | 52 |
| Reclassifications | 0 | 54,142 | 0 | (54,142) | 0 | 0 | 0 | 0 | 0 |
| Revaluations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reversal of impairments | 396 | 39,287 | 152 | 0 | 0 | 0 | 0 | 0 | 39,835 |
| Impairments | 0 | (35,282) | 0 | (382) | 0 | 0 | 0 | 0 | (35,664) |
| Reclassified as held for sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals | 0 | (65) | 0 | 0 | (4,705) | (21) | (800) | (264) | (5,855) |
| **At 31 March 2026** | 81,699 | 924,560 | 2,958 | 12,146 | 124,290 | 359 | 44,369 | 4,391 | 1,194,772 |
| | | | | | | | | | |
| **Depreciation at 1 April 2025** | 0 | 63,141 | 488 | 0 | 73,408 | 374 | 24,087 | 1,904 | 163,402 |
| Indexation | 0 | 5,011 | 49 | 0 | 0 | 0 | 0 | 0 | 5,060 |
| Transfer from/into other NHS bodies | 0 | 0 | 0 | 0 | 16 | 0 | 0 | 0 | 16 |
| Reclassifications | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reversal of impairments | 0 | 2,812 | 11 | 0 | 0 | 0 | 0 | 0 | 2,823 |
| Impairments | 0 | (4,339) | 0 | 0 | 0 | 0 | 0 | 0 | (4,339) |
| Reclassified as held for sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals | 0 | (65) | 0 | 0 | (4,551) | (21) | (800) | (264) | (5,701) |
| Provided during the year | 0 | 27,266 | 102 | 0 | 12,636 | 6 | 5,337 | 457 | 45,804 |
| **At 31 March 2026** | 0 | 93,826 | 650 | 0 | 81,509 | 359 | 28,624 | 2,097 | 207,065 |
| | | | | | | | | | |
| **Net book value at 1 April 2025** | 79,198 | 734,326 | 2,094 | 49,689 | 44,982 | 6 | 14,568 | 2,684 | 927,547 |
| | | | | | | | | | |
| **Net book value at 31 March 2026** | 81,699 | 830,734 | 2,308 | 12,146 | 42,781 | 0 | 15,745 | 2,294 | 987,707 |
| | | | | | | | | | |
| **Net book value at 31 March 2026 comprises :** | | | | | | | | | |
| Purchased | 78,511 | 828,705 | 2,308 | 12,146 | 42,198 | 0 | 15,700 | 2,267 | 981,835 |
| Donated | 3,188 | 1,813 | 0 | 0 | 501 | 0 | 45 | 27 | 5,574 |
| Government Granted | 0 | 216 | 0 | 0 | 82 | 0 | 0 | 0 | 298 |
| **At 31 March 2026** | 81,699 | 830,734 | 2,308 | 12,146 | 42,781 | 0 | 15,745 | 2,294 | 987,707 |
| | | | | | | | | | |
| **Asset financing :** | | | | | | | | | |
| Owned | 81,699 | 826,498 | 2,308 | 12,146 | 42,781 | 0 | 15,745 | 2,294 | 983,471 |
| On-SoFP PPP/PFI contracts | 0 | 4,236 | 0 | 0 | 0 | 0 | 0 | 0 | 4,236 |
| PFI residual interests | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **At 31 March 2026** | 81,699 | 830,734 | 2,308 | 12,146 | 42,781 | 0 | 15,745 | 2,294 | 987,707 |

**The net book value of land, buildings and dwellings at 31 March 2026 comprises :**

| | £000 |
|---|---|
| Freehold | 909,975 |
| Long Leasehold | 4,762 |
| Short Leasehold | 4 |
| | 914,741 |

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

## 11.1 Property, plant and equipment

| 2024-25 | Land £000 | Buildings, excluding dwellings £000 | Dwellings £000 | Assets under construction & payments on account £000 | Plant and machinery £000 | Transport equipment £000 | Information technology £000 | Furniture & fittings £000 | Total £000 |
|---|---|---|---|---|---|---|---|---|---|
| **Cost or valuation at 1 April 2024** | 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 |
| Additions | | | | | | | | | |
| - 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) |
| **At 31 March 2025** | **79,198** | **797,467** | **2,582** | **49,689** | **118,390** | **380** | **38,655** | **4,588** | **1,090,949** |
| | | | | | | | | | |
| **Depreciation at 1 April 2024** | 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** |
| **At 31 March 2025** | **0** | **63,141** | **488** | **0** | **73,408** | **374** | **24,087** | **1,904** | **163,402** |
| | | | | | | | | | |
| **Net book value at 1 April 2024** | **75,111** | **707,756** | **1,995** | **40,777** | **49,787** | **12** | **14,950** | **2,429** | **892,817** |
| | | | | | | | | | |
| **Net book value at 31 March 2025** | **79,198** | **734,326** | **2,094** | **49,689** | **44,982** | **6** | **14,568** | **2,684** | **927,547** |
| | | | | | | | | | |
| **Net book value at 31 March 2025 comprises :** | | | | | | | | | |
| | | | | | | | | | |
| 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** |
| **At 31 March 2025** | **79,198** | **734,326** | **2,094** | **49,689** | **44,982** | **6** | **14,568** | **2,684** | **927,547** |
| | | | | | | | | | |
| **Asset financing :** | | | | | | | | | |
| Owned | **79,198** | **730,440** | **2,094** | **49,689** | **44,982** | **6** | **14,568** | **2,684** | **923,661** |
| On-SoFP PPP/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** |
| **At 31 March 2025** | **79,198** | **734,326** | **2,094** | **49,689** | **44,982** | **6** | **14,568** | **2,684** | **927,547** |

**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 |
| | 815,618 |

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

**11. Property, plant and equipment (continued)**

**Disclosures:**

**(i) Donated Assets**

Assets totalling £203k 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 2025-26, 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 01 issued by Welsh Government on 24th September 2025. No indexation has been applied to equipment.

In addition, in 2025-26 there have been separate revaluations for seven assets under construction coming into use. These include Nevill Hall Satellite Radiotherapy Unit, the ward D7E upgrade, pharmacy robot installation and new decontamination unit at Royal Gwent Hospital, the Emergency Department extension and 2nd MRI installation at the Grange University Hospital and boiler replacement upgrade at St Cadoc's Hospital.

Further to these revaluations, an exercise was undertaken by the Valuation Office Agency to assess the TEF and REFIT estates programmes for enhancing and non-enhancing expenditure in 2025-26. Any non-enhancing expenditure has been impaired from the asset values as at 31st March 2026. This assessment covers work to take place in 2026-27 when a similar impairment impact will be expected.

**(iii) Asset Lives**

Property, plant and equipment is depreciated using the following asset lives:

- Land is not depreciated.
- Buildings as determined by the Valuation Office Agency.
- Equipment between 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 in the period.

**(vi) Open Market Value**

The Health Board 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**

## 11. Property, plant and equipment

### 11.2 Non-current assets held for sale

| | Land | Buildings, including dwelling | Other property, plant and equipment | Intangible assets | Other assets | Total |
|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| **Balance brought forward 1 April 2025** | 0 | 0 | 0 | 0 | 0 | **0** |
| Plus assets classified as held for sale in the year | 0 | 0 | 0 | 0 | 0 | **0** |
| Revaluation | 0 | 0 | 0 | 0 | 0 | **0** |
| Less assets sold in the year | 0 | 0 | 0 | 0 | 0 | **0** |
| Add reversal of impairment of assets held for sale | 0 | 0 | 0 | 0 | 0 | **0** |
| Less impairment of assets held for sale | 0 | 0 | 0 | 0 | 0 | **0** |
| Less assets no longer classified as held for sale, for reasons other than disposal by sale | 0 | 0 | 0 | 0 | 0 | **0** |
| **Balance carried forward 31 March 2026** | 0 | 0 | 0 | 0 | 0 | **0** |
| | | | | | | |
| **Balance brought forward 1 April 2024** | 0 | 0 | 0 | 0 | 0 | **0** |
| Plus assets classified as held for sale in the year | 0 | 0 | 0 | 0 | 0 | **0** |
| Revaluation | 0 | 0 | 0 | 0 | 0 | **0** |
| Less assets sold in the year | 0 | 0 | 0 | 0 | 0 | **0** |
| Add reversal of impairment of assets held for sale | 0 | 0 | 0 | 0 | 0 | **0** |
| Less impairment of assets held for sale | 0 | 0 | 0 | 0 | 0 | **0** |
| Less assets no longer classified as held for sale, for reasons other than disposal by sale | 0 | 0 | 0 | 0 | 0 | **0** |
| **Balance carried forward 31 March 2025** | 0 | 0 | 0 | 0 | 0 | **0** |

### 11.3 Right of Use Assets

The organisation's right of use asset leases are disclosed across the relevant headings within the note. Most leases are individually insignificant, however, four are significant in their own right (>£1m):

- Blaenavon Primary Care Resource Centre (LHB lease) held under Land & Buildings NBV at 31 March 2026: £1,086k
- Brynmawr Primary Care Resource Centre (LHB lease) held under Land & Buildings NBV at 31 March 2026: £1,956k
- Rhymney Integrated H&SC Resource Centre (LHB lease) held under Land & Buildings NBV at 31 March 2026: £1,840k
- Biochemistry Managed Service Contract held under Plant & Machinery NBV at 31 March 2026: £1,903k

| 2025-26 | Land £000 | Land & buildings £000 | Buildings £000 | Dwellings £000 | Plant and machinery £000 | Transport equipment £000 | Information technology £000 | Furniture & fittings £000 | Total £000 |
|---|---|---|---|---|---|---|---|---|---|
| **Cost or valuation at 1 April 2025** | **658** | **15,466** | **0** | **0** | **9,029** | **944** | **1,822** | **0** | **27,919** |
| Additions | 0 | 700 | 0 | 0 | 1,058 | 338 | 0 | 0 | **2,096** |
| Transfer from/into other NHS bodies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Disposals other than by sale | 0 | (345) | 0 | 0 | (453) | (134) | 0 | 0 | **(932)** |
| 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 | (128) | 0 | 0 | 0 | 0 | 0 | 0 | **(128)** |
| **At 31 March 2026** | **658** | **15,693** | **0** | **0** | **9,634** | **1,148** | **1,822** | **0** | **28,955** |
| **Depreciation at 1 April 2025** | **132** | **3,885** | **0** | **0** | **4,181** | **532** | **1,068** | **0** | **9,798** |
| 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 | (345) | 0 | 0 | (370) | (134) | 0 | 0 | **(849)** |
| 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 | 44 | 1,881 | 0 | 0 | 1,535 | 318 | 338 | 0 | **4,116** |
| **At 31 March 2026** | **176** | **5,421** | **0** | **0** | **5,346** | **716** | **1,406** | **0** | **13,065** |
| **Net book value at 1 April 2025** | **526** | **11,581** | **0** | **0** | **4,848** | **412** | **754** | **0** | **18,121** |
| **Net book value at 31 March 2026** | **482** | **10,272** | **0** | **0** | **4,288** | **432** | **416** | **0** | **15,890** |

| RoU Asset Total Value Split by Lessor | Land £000 | Land & buildings £000 | Buildings £000 | Dwellings £000 | Plant and machinery £000 | Transport equipment £000 | Information technology £000 | Furniture & fittings £000 | Total £000 |
|---|---|---|---|---|---|---|---|---|---|
| NHS Wales Peppercorn Leases | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| NHS Wales Market Value Leases | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Other Public Sector Peppercorn Leases | 472 | 258 | 0 | 0 | 0 | 0 | 0 | 0 | **730** |
| Other Public Sector Market Value Leases | 10 | 1,155 | 0 | 0 | 0 | 0 | 0 | 0 | **1,165** |
| Private Sector Peppercorn Leases | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Private Sector Market Value Leases | 0 | 8,859 | 0 | 0 | 4,288 | 432 | 416 | 0 | **13,995** |
| **Total** | **482** | **10,272** | **0** | **0** | **4,288** | **432** | **416** | **0** | **15,890** |

### 11.3 Right of Use Assets

The organisation's right of use asset leases are disclosed across the relevant headings below. Most leases are individually insignificant, however, six are significant in their own right (>£1m):

- 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
- Rhymney 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

| 2024-25 | Land £000 | Land & buildings £000 | Buildings £000 | Dwellings £000 | Plant and machinery £000 | Transport equipment £000 | Information technology £000 | Furniture & fittings £000 | Total £000 |
|---|---|---|---|---|---|---|---|---|---|
| **Cost or valuation at 1 April 2024** | **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** |
| **At 31 March 2025** | **658** | **15,466** | **0** | **0** | **9,029** | **944** | **1,822** | **0** | **27,919** |
| **Depreciation at 1 April 2024** | **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** |
| **At 31 March 2025** | **132** | **3,885** | **0** | **0** | **4,181** | **532** | **1,068** | **0** | **9,798** |
| **Net book value at 1 April 2024** | **617** | **9,212** | **0** | **0** | **5,920** | **521** | **1,100** | **0** | **17,370** |
| **Net book value at 31 March 2025** | **526** | **11,581** | **0** | **0** | **4,848** | **412** | **754** | **0** | **18,121** |

| RoU Asset Total Value Split by Lessor | Land £000 | Land & buildings £000 | Buildings £000 | Dwellings £000 | Plant and machinery £000 | Transport equipment £000 | Information technology £000 | Furniture & fittings £000 | Total £000 |
|---|---|---|---|---|---|---|---|---|---|
| NHS Wales Peppercorn Leases | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| NHS Wales Market Value Leases | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Other Public Sector Peppercorn Leases | 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** |
| **Total** | **526** | **11,581** | **0** | **0** | **4,848** | **412** | **754** | **0** | **18,121** |

**11.3 Right of Use Assets continued**

**Quantitative disclosures**

| Maturity analysis<br>Contractual undiscounted cash flows relating to lease liabilities | 2025-26<br>Land<br>£000 | 2025-26<br>Buildings<br>£000 | 2025-26<br>Other<br>£000 | 2025-26<br>Total<br>£000 | 2024-25<br>Total<br>£000 |
|---|---|---|---|---|---|
| Less than 1 year | 0 | 1,831 | 1,398 | 3,229 | 4,091 |
| 2-5 years | 1 | 4,957 | 2,551 | 7,509 | 7,633 |
| > 5 years | 11 | 4,999 | 1,225 | 6,235 | 7,291 |
| Less finance charges allocated to future periods | (2) | (1,390) | (387) | (1,779) | (1,878) |
| **Total** | **10** | **10,397** | **4,787** | **15,194** | **17,137** |

| Lease Liabilities (net of irrecoverable VAT) | 2025-26 | 2024-25 |
|---|---|---|
| Current | 2,865 | 3,708 |
| Non-Current | 12,329 | 13,429 |
| **Total** | **15,194** | **17,137** |

| Amounts Recognised in Statement of Comprehensive Net Expenditure | 2025-26 | 2024-25 |
|---|---|---|
| Depreciation | 4,116 | 3,896 |
| Impairment | 0 | 0 |
| Variable lease payments not included in lease liabilities - Interest expense | 442 | 353 |
| Sub-leasing income | (3) | (2) |
| Expense related to short-term leases | 168 | 367 |
| Expense related to low-value asset leases (excluding short-term leases) | 980 | 973 |

| Amounts Recognised in Statement of Cashflows (net of irrecoverable VAT ) | | |
|---|---|---|
| Interest expense | (442) | (353) |
| Repayments of principal on leases | (3,956) | (3,846) |
| **Total** | **(4,398)** | **(4,199)** |

## 12. Intangible non-current assets

**2025-26**

| | Software (purchased) | Software (internally generated) | Licences and trademarks | Patents | Development expenditure- internally generated | Assets under Construction | Total |
|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Cost or valuation at 1 April 2025 | 3,118 | 0 | 5,086 | 0 | 0 | 1,041 | 9,245 |
| Revaluation | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reclassifications | 318 | 0 | 901 | 0 | 0 | (1,219) | 0 |
| Reversal of impairments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Additions- purchased | 159 | 0 | (281) | 0 | 0 | 178 | 56 |
| 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 | (45) | 0 | (1,390) | 0 | 0 | 0 | (1,435) |
| **Gross cost at 31 March 2026** | 3,550 | 0 | 4,316 | 0 | 0 | 0 | 7,866 |
| Amortisation at 1 April 2025 | 2,052 | 0 | 2,194 | 0 | 0 | 0 | 4,246 |
| Revaluation | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reclassifications | (142) | 0 | 142 | 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 | 540 | 0 | 1,420 | 0 | 0 | 0 | 1,960 |
| 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 | (45) | 0 | (1,390) | 0 | 0 | 0 | (1,435) |
| **Amortisation at 31 March 2026** | 2,405 | 0 | 2,366 | 0 | 0 | 0 | 4,771 |
| **Net book value at 1 April 2025** | 1,066 | 0 | 2,892 | 0 | 0 | 1,041 | 4,999 |
| **Net book value at 31 March 2026** | 1,145 | 0 | 1,950 | 0 | 0 | 0 | 3,095 |
| **NBV at 31 March 2026** | | | | | | | |
| Purchased | 1,145 | 0 | 1,950 | 0 | 0 | 0 | 3,095 |
| Donated | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Government Granted | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Internally generated | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total at 31 March 2026** | 1,145 | 0 | 1,950 | 0 | 0 | 0 | 3,095 |

## 12. Intangible non-current assets
### 2024-25

| | Software (purchased) | Software (internally generated) | Licences and trademarks | Patents | Development expenditure- internally generated | Assets under Construction | Total |
|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| **Cost or valuation at 1 April 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)** |
| **Gross cost at 31 March 2025** | **3,118** | **0** | **5,086** | **0** | **0** | **1,041** | **9,245** |
| **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)** |
| **Amortisation at 31 March 2025** | **2,052** | **0** | **2,194** | **0** | **0** | **0** | **4,246** |
| **Net book value at 1 April 2024** | **1,731** | **0** | **1,891** | **0** | **0** | **1,063** | **4,685** |
| **Net book value at 31 March 2025** | **1,066** | **0** | **2,892** | **0** | **0** | **1,041** | **4,999** |
| **NBV at 31 March 2025** | | | | | | | |
| 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** |
| **Total at 31 March 2025** | **1,066** | **0** | **2,892** | **0** | **0** | **1,041** | **4,999** |

**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 Lives (UEL) of intangible non-current assets are assigned on an individual asset basis. Software is generally assigned a 5 year UELunless known to differ, with the UEL of any internally generated software being based on the professional judgement of Health Board professionals and finance staff.

**(iv) Additions during the period**
Intangible assets acquired during the period amounted to £0.056m; this primarily related to software renewals offset by the release of a VAT provision in relation to software licences purchased in 2024/25.

**(v) Disposals during the period**
Fully amortised software and licences with a GBV of £1.435m were disposed of as no longer in use, during the year.

**vi) Transfers into other NHS Bodies**
Aneurin Bevan University LHB has not received any intangible assets transferred from another NHS body.

## 13 . Impairments

| | 2025-26 Property, plant & equipment £000 | 2025-26 Right of Use Assets £000 | 2025-26 Intangible assets £000 | 2025-26 Held for sale assets £000 | 2025-26 Financial Assets £000 | 2025-26 Total Asset Impairment £000 |
|---|---|---|---|---|---|---|
| Impairments arising from : | | | | | | |
| Loss or damage from normal operations | 0 | 0 | 0 | 0 | 0 | 0 |
| Abandonment in the course of construction | 382 | 0 | 0 | 0 | 0 | 382 |
| 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) | 30,943 | 0 | 0 | 0 | 0 | 30,943 |
| Reversal of Impairments | (37,012) | 0 | 0 | 0 | 0 | (37,012) |
| **Total of all impairments** | (5,687) | 0 | 0 | 0 | 0 | (5,687) |
| **Analysis of impairments charged to reserves in year :** | | | | | | |
| Impairments charged to the Statement of Comprehensive Net Expenditure | (5,687) | 0 | 0 | 0 | 0 | (5,687) |
| 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 |
| **Total** | (5,687) | 0 | 0 | 0 | 0 | (5,687) |

| | 2024-25 Property, plant & equipment £000 | 2024-25 Right of Use Assets £000 | 2024-25 Intangible assets £000 | 2024-25 Held for sale assets £000 | 2024-25 Financial Assets £000 | 2024-25 Total Asset Impairment £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) |
| **Total of all impairments** | 1,817 | 0 | 0 | 0 | 0 | 1,817 |
| **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 |
| **Total** | 1,817 | 0 | 0 | 0 | 0 | 1,817 |

| 2025-26 | Impairment amount | Reason for impairment | Nature of Asset | Valuation basis | Charge to SoCNE | Charge to reserve |
|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Nevill Hall Satellite Radiotherapy Unit | 13,325 | Assets Valued on Coming Into Use | Operational | Fair Value | 13,325 | 0 |
| ED Extension, GUH | 8,685 | Assets Valued on Coming Into Use | Operational | Fair Value | 8,685 | 0 |
| Decontamination Unit, RGH | 2,788 | Assets Valued on Coming Into Use | Operational | Fair Value | 2,788 | 0 |
| St Woolos Hospital | 2,780 | Building Closures | Operational Non | Fair Value | 2,780 | 0 |
| Targeted Estates Fund Non-Enhancing | 1,009 | Valuer Desktop Review of TEF complete schemes | Operational | Fair Value | 1,009 | 0 |
| 2nd MRI Suite, GUH | 975 | Assets Valued on Coming Into Use | Operational | Fair Value | 975 | 0 |
| Pharmacy Robot, RGH | 392 | Assets Valued on Coming Into Use | Operational | Fair Value | 392 | 0 |
| Boiler Replacement Works, SCH | 378 | Assets Valued on Coming Into Use | Operational | Fair Value | 378 | 0 |
| REFIT Non-Enhancing Works, HB Wic | 327 | Valuer Desktop Review of REFIT complete schemes | Operational | Fair Value | 327 | 0 |
| D7E Ward Refurb, RGH | 284 | Assets Valued on Coming Into Use | Operational | Fair Value | 284 | 0 |
| NHH Cancer Centre AUC | 382 | Abandonment in the course of construction | Under Constructio n | Fair Value | 382 | 0 |
| **Total Impairment** | 31,325 | | | | 31,325 | 0 |
| | | | | | | |
| **Reversal of Impairments** | | | | | | |
| Grange University Hospital | (19,067) | | Operational | Indexation | (19,067) | 0 |
| Royal Gwent Hospital | (5,725) | | Operational | Indexation | (5,725) | 0 |
| Ysbytty Aneurin Bevan | (3,712) | | Operational | Indexation | (3,712) | 0 |
| Nevill Hall Hospital | (2,795) | | Operational | Indexation | (2,795) | 0 |
| 19 Hills HWBC | (1,794) | Indexation - reversal of impairment in previous years | Operational | Indexation | (1,794) | 0 |
| St Cadocs Hospital | (1,270) | | Operational | Indexation | (1,270) | 0 |
| Bevan HWBC | (1,072) | | Operational | Indexation | (1,072) | 0 |
| Ysbyty Ystrad Fawr | (671) | | Operational | Indexation | (671) | 0 |
| Llanfrechfa Grange | (432) | | Operational | Indexation | (432) | 0 |
| Various Community | (78) | | Operational | Indexation | (78) | 0 |
| Indexation - Land | (396) | | Operational | Indexation | (396) | 0 |
| Total Reversal of Impairments | (37,012) | | | | (37,012) | 0 |
| | | | | | | |
| Net credit to SoCNE | (5,687) | | | | (5,687) | 0 |

## 14.1 Inventories

| | 31 March 2026 | 31 March 2025 |
|---|---|---|
| | £000 | £000 |
| Drugs | 3,203 | 3,753 |
| Consumables | 6,332 | 6,430 |
| Energy | 259 | 250 |
| Work in progress | 0 | 0 |
| Other | 0 | 0 |
| **Total** | **9,794** | 10,433 |
| Of which held at realisable value | **0** | 0 |

## 14.2 Inventories recognised in expenses

| | 31 March 2026 | 31 March 2025 |
|---|---|---|
| | £000 | £000 |
| Inventories recognised as an expense in the period | 0 | 0 |
| Write-down of inventories (including losses) | 0 | 0 |
| Reversal of write-downs that reduced the expense | 0 | 0 |
| **Total** | **0** | **0** |

The Health Board does not purchase any stock or assets with the intention to sell, and as such the above is a nil return.

## 15. Trade and other Receivables

| Current | 31 March 2026 £000 | 31 March 2025 £000 |
|---|---|---|
| Welsh Government | 2,654 | 2,406 |
| NHSW JCC Joint Commissioning Committee | 458 | 478 |
| Welsh Health Boards | 3,501 | 3,753 |
| Welsh NHS Trusts | 9,407 | 7,109 |
| Welsh Special Health Authorities | 913 | 1,037 |
| Non - Welsh Trusts | 0 | 0 |
| Other NHS | 577 | 1,426 |
| 2019-20 Scheme Pays - Welsh Government Reimbursement | 690 | 686 |
| **Welsh Risk Pool Claim reimbursement** | | |
| NHS Wales Secondary Health Sector | 128,261 | 125,057 |
| NHS Wales Primary Sector FLS Reimbursement | 1,785 | 883 |
| NHS Wales Redress | 268 | 422 |
| Other | 269 | 412 |
| Local Authorities | 4,426 | 5,617 |
| Other receivables | 12,149 | 10,929 |
| Provision for irrecoverable debts | (2,448) | (2,015) |
| Pension Prepayments NHS Pensions | 0 | 0 |
| Pension Prepayments NEST | 0 | 0 |
| Other prepayments | 11,821 | 8,960 |
| Other accrued income | 0 | 0 |
| Right of Use capital receivables | 0 | 0 |
| **Capital Receivables** | | |
| Tangibles capital receivables | 0 | 0 |
| Intangibles capital receivables | 0 | 0 |
| Other capital prepayments | 139 | 0 |
| **Sub total** | **174,870** | 167,160 |
| | | |
| **Non-current** | | |
| Welsh Government | 0 | 0 |
| NHSW JCC Joint Commissioning Committee | 0 | 0 |
| Welsh Health Boards | 0 | 0 |
| Welsh NHS Trusts | 0 | 0 |
| Welsh Special Health Authorities | 0 | 0 |
| Non - Welsh Trusts | 0 | 0 |
| Other NHS | 0 | 0 |
| 2019-20 Scheme Pays - Welsh Government Reimbursement | 0 | 0 |
| **Welsh Risk Pool Claim reimbursement;** | | |
| NHS Wales Secondary Health Sector | 140,418 | 104,507 |
| NHS Wales Primary Sector FLS Reimbursement | 405 | 10 |
| NHS Wales Redress | 0 | 0 |
| Other | 0 | 0 |
| Local Authorities | 0 | 0 |
| Other receivables | 1,575 | 1,366 |
| 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 |
| Right of Use capital receivables | 0 | 0 |
| **Capital Receivables** | | |
| Tangibles capital receivables | 0 | 0 |
| Intangibles capital receivables | 0 | 0 |
| Other capital prepayments | 0 | 0 |
| **Sub total** | **142,398** | 105,883 |
| **Total** | **317,268** | 273,043 |

The great majority of trade undertaken by the Health Board 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 £3.420m (£3.286m in 2024-25).

## 15. Trade and other Receivables (continued)

### Receivables past their due date but not impaired

| | 31 March 2026 £000 | 31 March 2025 £000 |
|---|---|---|
| By up to three months | 1,109 | 1,420 |
| By three to six months | 561 | 142 |
| By more than six months | 1,750 | 1,724 |
| | 3,420 | 3,286 |

### Expected Credit Losses (ECL) / Provision for impairment of receivables

| | | |
|---|---|---|
| Balance at 1 April | (2,015) | (1,942) |
| Transfer to other NHS Wales body | 0 | 0 |
| Amount written off during the year | (68) | 0 |
| Amount recovered during the year | 0 | 0 |
| (Increase) / decrease in receivables impaired | (318) | (58) |
| Bad debts recovered during year | (47) | (15) |
| Balance at 31 March | (2,448) | (2,015) |

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 | 1,558 | 1,295 |
| Other | 120 | 137 |
| Total | 1,678 | 1,432 |

## 16. Other Financial Assets

| | Current | | Non-current | |
|---|---|---|---|---|
| | **31 March 2026** | 31 March 2025 | **31 March 2026** | 31 March 2025 |
| | **£000** | £000 | **£000** | £000 |
| **Financial assets** | | | | |
| Shares and equity type investments | | | | |
| Held to maturity investments at amortised costs | **0** | 0 | **0** | 0 |
| At fair value through SOCNE | **0** | 0 | **0** | 0 |
| Available for sale at FV | **0** | 0 | **0** | 0 |
| Deposits | **0** | 0 | **0** | 0 |
| Loans at amortised cost | **0** | 0 | **0** | 0 |
| Derivatives | **0** | 0 | **0** | 0 |
| Other (Specify) | | | | |
| Held to maturity investments at amortised costs | **0** | 0 | **0** | 0 |
| At fair value through SOCNE | **0** | 0 | **0** | 0 |
| Available for sale at FV | **0** | 0 | **0** | 0 |
| **Capital Financial Assets** | | | | |
| Loans at amortised cost | **37** | 36 | **380** | 417 |
| Right of Use Asset Finance Sublease | **79** | 24 | **225** | 190 |
| **Total** | **116** | **60** | **605** | **607** |

| **RoU Sub-leasing income Recognised in Statement of Comprehensive Net Expenditure** | **2025-26** | **2024-25** |
|---|---|---|
| RoU Sub-leasing income | **(3)** | (2) |

## 17. Cash and cash equivalents

| | **2025-26** | 2024-25 |
|---|---|---|
| | **£000** | £000 |
| Balance at 1 April | **4,823** | 4,145 |
| Net change in cash and cash equivalent balances | **728** | 678 |
| Balance at 31 March | **5,551** | 4,823 |
| | | |
| Made up of: | | |
| Cash held at GBS | **5,530** | 4,801 |
| Commercial banks | **0** | 0 |
| Cash in hand | **21** | 22 |
| **Cash and cash equivalents as in Statement of Financial Position** | **5,551** | 4,823 |
| Bank overdraft - GBS | **0** | 0 |
| Bank overdraft - Commercial banks | **0** | 0 |
| **Cash and cash equivalents as in Statement of Cash Flows** | **5,551** | 4,823 |

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

Lease Liabilities (ROUA) -£1.943m
Lease Liabilities (short-term and low value leases) £0.731m
PFI liabilities: -£0.148m

The movement relates to cash, no comparative information is required by IAS 7 in 2025-26.

## 18. Trade and other payables

| **Current** | **31 March 2026** | 31 March 2025 |
|---|---|---|
| | **£000** | £000 |
| Welsh Government | **0** | 12 |
| NHSW Joint Commissioning Committee | **6,253** | 3,785 |
| Welsh Health Boards | **5,952** | 5,590 |
| Welsh NHS Trusts | **3,446** | 3,954 |
| Welsh Special Health Authorities | **28** | 61 |
| Other NHS | **7,092** | 7,336 |
| Taxation and social security payable / refunds | **19,585** | 17,338 |
| 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 | **67,697** | 59,008 |
| Local Authorities | **16,472** | 16,397 |
| Overdraft | **0** | 0 |
| Rentals due under operating leases | **0** | 0 |
| Pensions: staff | **13,243** | 11,571 |
| Non NHS Accruals | **74,918** | 77,652 |
| Deferred Income: | | |
| Deferred Income brought forward | **0** | 0 |
| Deferred Income Additions | **18** | 0 |
| Transfer to / from current/non current deferred income | **0** | 0 |
| Released to SoCNE | **0** | 0 |
| Other creditors | **0** | 0 |
| Payments on account | **(10,705)** | (10,711) |
| Impact of IFRS 16 on SoFP PFI contracts | **134** | 122 |
| Right of Use asset payables | **2,865** | 3,708 |
| **Capital asset payables** | | |
| Tangibles - Payables | **10,187** | 8,766 |
| Intangibles - Payables | **33** | 112 |
| Obligations under finance leases, HP contracts | **0** | 0 |
| Imputed finance lease element of on SoFP PFI contracts | **129** | 125 |
| PFI assets – deferred credits | **0** | 0 |
| Capital Payments on account | **0** | 0 |
| **Sub Total** | **217,347** | 204,826 |
| | | |
| **Non-current** | | |
| Welsh Government | **0** | 0 |
| NHSW Joint Commissioning Committee | **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 |
| Overdraft | **0** | 0 |
| Rentals due under operating leases | **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 |
| Impact of IFRS 16 on SoFP PFI contracts | **1,386** | 1,421 |
| Right of Use asset payables | **12,329** | 13,429 |
| **Capital asset payables** | | |
| Capital Creditors - Tangibles | **0** | 0 |
| Capital Creditors - Intangibles | **0** | 0 |
| Obligations under finance leases, HP contracts | **0** | 0 |
| Imputed finance lease element of on SoFP PFI contracts | **1,335** | 1,464 |
| PFI assets – deferred credits | **0** | 0 |
| Capital Payments on account | **0** | 0 |
| **Sub Total** | **15,050** | 16,314 |
| **Total** | **232,397** | 221,140 |

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 £25k (2024-25, £52K).

## 18. Trade and other payables (continued).

| Amounts falling due more than one year are expected to be settled as follows: | 31 March 2026 £000 | 31 March 2025 £000 |
|---|---|---|
| Between one and two years | 2,091 | 2,601 |
| Between two and five years | 5,576 | 5,136 |
| In five years or more | 7,383 | 8,577 |
| Sub-total | 15,050 | 16,314 |

## 19. Other financial liabilities

| | Current | | Non-current | |
|---|---|---|---|---|
| Financial liabilities | 31 March 2026 £000 | 31 March 2025 £000 | 31 March 2026 £000 | 31 March 2025 £000 |
| Financial Guarantees: | | | | |
| At amortised cost | 0 | 0 | 0 | 0 |
| At fair value through SoCNE | 0 | 0 | 0 | 0 |
| Derivatives at fair value through SoCNE | 0 | 0 | 0 | 0 |
| Other: | | | | |
| At amortised cost | 0 | 0 | 0 | 0 |
| At fair value through SoCNE | 0 | 0 | 0 | 0 |
| **Total** | 0 | 0 | 0 | 0 |

## 20. Provisions

| | At 1 April 2025 | 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 2026 |
|---|---|---|---|---|---|---|---|---|---|
| **Current** | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Clinical negligence:- | | | | | | | | | |
| Secondary care | 90,650 | (28,931) | 1,170 | 31,556 | 37,291 | (26,555) | (13,942) | 0 | 91,239 |
| Primary care | 746 | 0 | (40) | 0 | 892 | (54) | (63) | 0 | 1,481 |
| Redress Secondary care | 159 | 0 | 78 | 0 | 123 | (198) | (91) | 0 | 71 |
| Redress Primary care | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Personal injury | 49 | 0 | 0 | 0 | 523 | (287) | (12) | 0 | 273 |
| All other losses and special payments | 915 | 0 | 0 | 0 | 5,271 | (5,271) | 0 | 0 | 915 |
| Defence legal fees and other administration | 1,445 | 0 | 0 | 426 | 1,842 | (1,356) | (552) | | 1,805 |
| Pensions relating to former directors | 0 | | | 0 | 0 | 0 | 0 | 0 | 0 |
| Pensions relating to other staff | 400 | | | 261 | 205 | (381) | (188) | 85 | 382 |
| 2019-20 Scheme Pays - Reimbursement | 33 | | | 0 | 24 | (36) | 0 | 0 | 21 |
| Restructuring | 0 | | | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 3,102 | | 0 | 0 | 580 | (3) | (319) | 0 | 3,360 |
| **Capital provisions** | | | | | | | | | |
| RoU Asset Dilapidations CAME | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Capital Provisions | 1,071 | | 0 | 0 | 745 | (778) | (293) | 0 | 745 |
| **Total** | 98,570 | (28,931) | 1,208 | 32,243 | 47,496 | (34,919) | (15,460) | 85 | 100,292 |
| **Non Current** | | | | | | | | | |
| Clinical negligence:- | | | | | | | | | |
| Secondary care | 100,721 | 0 | (1,620) | (31,556) | 73,729 | (233) | (4,774) | 0 | 136,267 |
| Primary care | 0 | 0 | 0 | 0 | 370 | 0 | 0 | 0 | 370 |
| 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 | 3,169 | 0 | 0 | 0 | 128 | (316) | 0 | 93 | 3,074 |
| All other losses and special payments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Defence legal fees and other administration | 1,754 | 0 | 0 | (426) | 1,121 | (321) | (127) | | 2,001 |
| Pensions relating to former directors | 0 | | | 0 | 0 | 0 | 0 | 0 | 0 |
| Pensions relating to other staff | 2,479 | | | (261) | 0 | 0 | 0 | 0 | 2,218 |
| 2019-20 Scheme Pays - Reimbursement | 652 | | | 0 | 16 | 0 | 0 | 0 | 668 |
| Restructuring | 0 | | | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 379 | | 0 | 0 | 775 | (112) | (173) | 0 | 869 |
| **Capital provisions** | | | | | | | | | |
| RoU Asset Dilapidations CAME | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Capital Provisions | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | 109,154 | 0 | (1,620) | (32,243) | 76,139 | (982) | (5,074) | 93 | 145,467 |
| **TOTAL** | | | | | | | | | |
| Clinical negligence:- | | | | | | | | | |
| Secondary care | 191,371 | (28,931) | (450) | 0 | 111,020 | (26,788) | (18,716) | 0 | 227,506 |
| Primary care | 746 | 0 | (40) | 0 | 1,262 | (54) | (63) | 0 | 1,851 |
| Redress Secondary care | 159 | 0 | 78 | 0 | 123 | (198) | (91) | 0 | 71 |
| Redress Primary care | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Personal injury | 3,218 | 0 | 0 | 0 | 651 | (603) | (12) | 93 | 3,347 |
| All other losses and special payments | 915 | 0 | 0 | 0 | 5,271 | (5,271) | 0 | 0 | 915 |
| Defence legal fees and other administration | 3,199 | 0 | 0 | 0 | 2,963 | (1,677) | (679) | | 3,806 |
| Pensions relating to former directors | 0 | | | 0 | 0 | 0 | 0 | 0 | 0 |
| Pensions relating to other staff | 2,879 | | | 0 | 205 | (381) | (188) | 85 | 2,600 |
| 2019-20 Scheme Pays - Reimbursement | 685 | | | 0 | 40 | (36) | 0 | 0 | 689 |
| Restructuring | 0 | | | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 3,481 | | 0 | 0 | 1,355 | (115) | (492) | 0 | 4,229 |
| **Capital provisions** | | | | | | | | | |
| RoU Asset Dilapidations CAME | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Capital Provisions | 1,071 | | 0 | 0 | 745 | (778) | (293) | 0 | 745 |
| **Total** | 207,724 | (28,931) | (412) | 0 | 123,635 | (35,901) | (20,534) | 178 | 245,759 |

**Expected timing of cash flows:**

| | In year to 31 March 2027 | Between 1 April 2027 31 March 2031 | Thereafter | Total |
|---|---|---|---|---|
| | | | | £000 |
| Clinical negligence:- | | | | |
| Secondary care | 91,239 | 136,267 | 0 | 227,506 |
| Primary care | 1,481 | 370 | 0 | 1,851 |
| Redress Secondary care | 71 | 0 | 0 | 71 |
| Redress Primary care | 0 | 0 | 0 | 0 |
| Personal injury | 273 | 3,074 | 0 | 3,347 |
| All other losses and special payments | 915 | 0 | 0 | 915 |
| Defence legal fees and other administration | 1,805 | 2,001 | 0 | 3,806 |
| Pensions relating to former directors | 0 | 0 | 0 | 0 |
| Pensions relating to other staff | 382 | 2,218 | 0 | 2,600 |
| 2019-20 Scheme Pays - Reimbursement | 21 | 668 | 0 | 689 |
| Restructuring | 0 | 0 | 0 | 0 |
| Other | 3,360 | 869 | 0 | 4,229 |
| **Capital provisions** | | | | |
| RoU Asset Dilapidations CAME | 0 | 0 | 0 | 0 |
| Other Capital Provisions | 745 | 0 | 0 | 745 |
| **Total** | 100,292 | 145,467 | 0 | 245,759 |

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 2026/27 it will receive £92,619k and in 2027/28 and beyond £137,742k 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 £869K. The estimation method used to calculate the provision for 2025/26 is consistent with the methodology used in 2024/25. 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 have also been made for Ancillary Staff Banked Annual Leave Payments, GP Annual Leave, Dental Contractors Overachievement, PACS Onerous Contract and Scheme Pays.

## 20. Provisions (continued)

| | 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** |
| Other | 2,511 | | 0 | 0 | 1,699 | 0 | (1,108) | 0 | **3,102** |
| **Capital provisions** | | | | | | | | | |
| RoU Asset Dilapidations CAME | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Other Capital Provisions | 1,727 | | 0 | 0 | 524 | (1,115) | (65) | 0 | **1,071** |
| **Total** | **71,827** | **(3,887)** | **1,589** | **34,317** | **33,871** | **(21,613)** | **(17,606)** | **72** | **98,570** |
| **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** |
| Other | 393 | | 0 | 0 | 249 | (100) | (163) | 0 | **379** |
| **Capital provisions** | | | | | | | | | |
| RoU Asset Dilapidations CAME | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Other Capital Provisions | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| **Total** | **149,647** | **0** | **0** | **(34,317)** | **22,048** | **(1,383)** | **(26,914)** | **73** | **109,154** |
| **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** |
| Other | 2,904 | | 0 | 0 | 1,948 | (100) | (1,271) | 0 | **3,481** |
| **Capital provisions** | | | | | | | | | |
| RoU Asset Dilapidations CAME | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Other Capital Provisions | 1,727 | | 0 | 0 | 524 | (1,115) | (65) | 0 | **1,071** |
| **Total** | **221,474** | **(3,887)** | **1,589** | **0** | **55,919** | **(22,996)** | **(44,520)** | **145** | **207,724** |

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

**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 had 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 provsion of £689,932 (£685,920, 2024-25) as notified by Welsh Government within these accounts.

## 21. Contingencies

### 21.1 Contingent liabilities

| Provisions have not been made in these accounts for the following amounts : | **2025-26 £'000** | 2024-25 £'000 |
|---|---|---|
| Legal claims for alleged medical or employer negligence:- | | |
| Secondary care | **294,957** | 305,930 |
| Primary care | **3,371** | 1,470 |
| Redress Secondary care | **0** | 63 |
| Redress Primary care | **0** | 0 |
| Doubtful debts | | 0 |
| Equal Pay costs | **0** | 0 |
| Defence costs | **3,744** | 4,364 |
| Continuing Health Care costs | **1,368** | 1,388 |
| Other | **0** | 0 |
| Total value of disputed claims | **303,440** | 313,215 |
| Less amounts recoverable in the event of claims being successful | **(298,507)** | (307,921) |
| **Net contingent liability** | **4,933** | 5,294 |

Other litigation claims could arise in the future due to known incidents. The expenditure which may arise from such claims cannot be determined and no provision has been made for them. The value of legal claims has decreased by £9.8m from the value of legal claims in 2024-25, while the number of claims has also decreased from 252 in 2024-25 to 248 in 2025-26.

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 £0.869m provision made for probable continuing care costs relating to 80 outstanding phase 9, 10 and 11 claims received by 31st March 2026. This compares with the 2024/25 provision of £0.379m and 69 outstanding phase 9 and 10 claims.

Note 21.1 also sets out the £1.368m contingent liability for possible additional continuing care costs relating to those claims if they are all settled and in full, a slight reduction to the £1.388m reported for 2024/25.

There are 13 new claims (4 - Phase 10, 9 - Phase 11), 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 Health Board 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

### 21.2 Remote Contingent liabilities

| | 2025-26 £000 | 2024-25 £000 |
|---|---|---|
| Guarantees | 0 | 0 |
| Indemnities | 148 | 428 |
| Letters of Comfort | 0 | 0 |
| **Total** | **148** | **428** |

The 2025-26 remote contingent liabilities consist of 1 medical negligence case and 1 GP Indemnity case (3 medical negligence cases and 1 personal injury case in 2024-25). 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

| | 2025-26 £000 | 2024-25 £000 |
|---|---|---|
| | 0 | 0 |
| **Total** | **0** | 0 |

## 22. Capital commitments

**Contracted capital commitments at 31 March**

The disclosure of future capital commitments not already disclosed as liabilities in the accounts.

| | 2025-26 £000 | 2024-25 £000 |
|---|---|---|
| Property, plant and equipment | 12,498 | 12,365 |
| Right of Use Assets | 0 | 0 |
| Intangible assets | 0 | 14 |
| **Total** | **12,498** | 12,379 |

## 23. Losses and special payments

Losses and special payments are charged to the Statement of Comprehensive Net Expenditure in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore, the payments in this note for settlement and claimant costs are prepared on a cash basis.

**Gross loss to the Exchequer**

**23.1 Number of cases and associated amounts paid out during the financial year**

| | Amounts paid out during period to 31 March 2026 | |
|---|---|---|
| | Number of cases | £ |
| Clinical negligence:- | | |
| Secondary Care | 109 | 26,787,957 |
| Primary Care | 4 | 53,848 |
| Redress Secondary Care | 16 | 197,628 |
| Redress Primary Care | 0 | 0 |
| Personal injury | 37 | 602,422 |
| All other losses and special payments | 53 | 5,271,499 |
| **Total** | 219 | 32,913,354 |

**23.2 Analysis of number of cases and associated amounts paid out during the financial year**

| Case Type | In year cases in excess of £300,000 | | Cumulative amount |
|---|---|---|---|
| | L&R Case reference number | £ | £ |
| **Cases in excess of £300,000:** | | | |
| Medical Negligence | SSPLR141196 | 537,000 | 647,000 |
| Medical Negligence | SSPLR132790 | 391,844 | 1,276,844 |
| Medical Negligence | SSPLR144801 | 4,000,000 | 4,300,000 |
| Medical Negligence | SSPLR144158 | 7,368,254 | 7,664,500 |
| Medical Negligence | SSPLR120834 | 700,000 | 1,150,000 |
| Medical Negligence | SSPLR142702 | 454,296 | 454,296 |
| Medical Negligence | SSPLR145803 | 332,301 | 332,301 |
| Medical Negligence | SSPLR149401 | 325,000 | 325,000 |
| Medical Negligence | SSPLR144378 | 5,203,000 | 5,538,000 |
| Medical Negligence | SSPLR136706 | 865,585 | 925,585 |
| Medical Negligence | SSPLR147877 | 360,000 | 360,000 |
| | **Number of cases** | **£** | **£** |
| **Sub-total** | **11** | **20,537,280** | **22,973,526** |
| **All other cases paid in year** | 208 | 12,376,074 | 23,360,488 |
| **Total cases paid in year** | **219** | **32,913,354** | **46,334,014** |

**23.3 Analysis of number of cases and associated amounts where no payments were made in financial year**

| | Number of cases | £ |
|---|---|---|
| **Cumulative amount up to £300k** | 101 | 4,769,316 |
| **Cumulative amount greater than £300k** | 13 | 19,146,807 |
| **Total** | **114** | **23,916,123** |

## 24. Right of Use lease obligations

### 24.1 Obligations (as lessee)

**Amounts payable under right of use asset leases:**

**2025-26**

| | LAND | BUILDINGS | OTHER | TOTAL |
|---|---|---|---|---|
| | 31 March 2026 | 31 March 2026 | 31 March 2026 | 31 March 2026 |
| **Minimum lease payments** | £000 | £000 | £000 | £000 |
| Within one year | 0 | 1,831 | 1,398 | **3,229** |
| Between one and five years | 1 | 4,957 | 2,551 | **7,509** |
| After five years | 11 | 4,999 | 1,225 | **6,235** |
| Less finance charges allocated to future periods | (2) | (1,390) | (387) | **(1,779)** |
| Minimum lease payments | **10** | **10,397** | **4,787** | **15,194** |
| | | | | |
| Included in: | | | | |
| Current borrowings | 0 | 1,566 | 1,299 | **2,865** |
| Non-current borrowings | 10 | 8,831 | 3,488 | **12,329** |
| | **10** | **10,397** | **4,787** | **15,194** |
| | | | | |
| **Present value of minimum lease payments** | | | | |
| Within one year | 0 | 1,566 | 1,299 | **2,865** |
| Between one and five years | 1 | 4,212 | 2,328 | **6,541** |
| After five years | 9 | 4,619 | 1,160 | **5,788** |
| **Present value of minimum lease payments** | **10** | **10,397** | **4,787** | **15,194** |
| | | | | |
| Included in: | | | | |
| Current borrowings | 0 | 1,566 | 1,299 | **2,865** |
| Non-current borrowings | 10 | 8,831 | 3,488 | **12,329** |
| | **10** | **10,397** | **4,787** | **15,194** |

**2024-25**

| | LAND | BUILDINGS | OTHER | TOTAL |
|---|---|---|---|---|
| | 31 March 2025 | 31 March 2025 | 31 March 2025 | 31 March 2025 |
| **Minimum lease payments** | £000 | £000 | £000 | £000 |
| 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) |
| Minimum lease payments | **10** | **11,433** | **5,694** | **17,137** |
| | | | | |
| Included in: | | | | |
| Current borrowings | 0 | 1,567 | 2,141 | **3,708** |
| Non-current borrowings | 10 | 9,866 | 3,553 | **13,429** |
| | **10** | **11,433** | **5,694** | **17,137** |
| | | | | |
| **Present value of minimum lease payments** | | | | |
| 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 |
| **Present value of minimum lease payments** | **10** | **11,433** | **5,694** | **17,137** |
| | | | | |
| Included in: | | | | |
| Current borrowings | 0 | 1,567 | 2,141 | **3,708** |
| Non-current borrowings | 10 | 9,866 | 3,553 | **13,429** |
| | **10** | **11,433** | **5,694** | **17,137** |

## 24.2 Right of Use Assets receivables (as lessor)

The Health Board has two Right of Use Assets lease receivables, as a lessor, at the balance sheet date.

**Amounts receivable under right of use assets :**

| | 31 March 2026 | 31 March 2025 |
|---|---|---|
| **Gross Investment in leases** | **£000** | £000 |
| Within one year | **87** | 26 |
| Between one and five years | **166** | 106 |
| After five years | **65** | 92 |
| Less finance charges allocated to future periods | **(12)** | (9) |
| Minimum lease payments | **306** | 215 |
| Included in: | | |
| Current financial assets | **81** | 25 |
| Non-current financial assets | **225** | 190 |
| | **306** | 215 |
| | | |
| **Present value of minimum lease payments** | | |
| Within one year | **81** | 25 |
| Between one and five years | **161** | 100 |
| After five years | **64** | 90 |
| Less finance charges allocated to future periods | **0** | 0 |
| Present value of minimum lease payments | **306** | 215 |
| Included in: | | |
| Current financial assets | **81** | 25 |
| Non-current financial assets | **225** | 190 |
| | **306** | 215 |

## 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 2026** | 31 March 2025 |
| | **£000** | £000 |
| Total payments due within one year | **0** | 0 |
| Total payments due between 1 and 5 years | **0** | 0 |
| Total payments due thereafter | **0** | 0 |
| Total future payments in relation to PFI contracts | **0** | 0 |
| Total estimated capital value of off-SoFP PFI contracts | **0** | 0 |

### 25.2 PFI schemes on-Statement of Financial Position

| **Capital value of scheme included in Fixed Assets Note 11** | **£000** |
|---|---|
| | **4,236** |
| **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 £2,984k. In 2025/26, the liability for the scheme was increased by £107k due to the IFRS16 requirement to reflect the impact of RPI increases within the scheme obligation.

**Total obligations for on-Statement of Financial Position PFI contracts due:**

| **2025-26** | **On SoFP PFI Capital element** | **On SoFP PFI IFRS 16 impact** | **On SoFP PFI Imputed interest** | **On SoFP PFI Service charges** |
|---|---|---|---|---|
| | **31 March 2026** | **31 March 2026** | **31 March 2026** | **31 March 2026** |
| | **£000** | **£000** | **£000** | **£000** |
| Total payments due within one year | **129** | **134** | **82** | **761** |
| Total payments due between 1 and 5 years | **553** | **573** | **253** | **3,042** |
| Total payments due thereafter | **782** | **813** | **128** | **3,803** |
| Total future payments in relation to PFI contracts | **1,464** | **1,520** | **463** | **7,606** |

| **2024-25** | On SoFP PFI Capital element | On SoFP PFI IFRS 16 impact | On SoFP PFI Imputed interest | On SoFP PFI Service charges |
|---|---|---|---|---|
| | 31 March 2025 | 31 March 2025 | 31 March 2025 | 31 March 2025 |
| | £000 | £000 | £000 | £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 | 1,589 | 1,543 | 534 | 8,080 |

| | **31/03/2026** |
|---|---|
| | **£000** |
| Total present value of obligations for on-SoFP PFI contracts | 11,053 |

### 25.3 Charges to expenditure

| | 2025-26 | 2024-25 |
|---|---|---|
| | £000 | £000 |
| Service charges for On Statement of Financial Position PFI contracts (excl interest costs) | 722 | 2,764 |
| Total expense for Off Statement of Financial Position PFI contracts | 0 | 0 |
| The total charged in the year to expenditure in respect of PFI contracts | 722 | 2,764 |

The LHB is committed to the following annual charges

| PFI scheme expiry date: | £000 | £000 |
|---|---|---|
| Not later than one year | 0 | 0 |
| Later than one year, not later than five years | 0 | 0 |
| Later than five years | 761 | 735 |
| **Total** | 761 | 735 |

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

| | Number of on SoFP PFI contracts | Number of off SoFP PFI contracts |
|---|---|---|
| Number of PFI contracts | 1 | 0 |
| Number of PFI contracts which individually have a total commitment > £500m | 0 | 0 |

The LHB has one on-going PFI contract as at 31/03/26. As detailed in note 25.2, two of the LHB's PFI contracts concluded durin

### 25.5 Public Private Partnerships

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 it's 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

| | 2025-26 £000 | 2024-25 £000 |
|---|---|---|
| (Increase)/decrease in inventories | 639 | (589) |
| (Increase)/decrease in trade and other receivables - non-current | (36,513) | 38,243 |
| (Increase)/decrease in trade and other receivables - current | (7,766) | (30,588) |
| Increase/(decrease) in trade and other payables - non-current | (1,264) | 426 |
| Increase/(decrease) in trade and other payables - current | 12,521 | 2,664 |
| **Total** | (32,383) | 10,156 |
| Adjustment for accrual movements in fixed assets - creditors | (1,217) | (1,599) |
| Adjustment for accrual movements in fixed assets - debtors | 103 | (34) |
| Adjustment for accrual movements in right of use assets - creditors | 1,943 | (800) |
| Adjustment for accrual movements in right of use assets - debtors | 90 | (25) |
| Other adjustments | (290) | 455 |
| | (31,754) | 8,153 |

Other Adjustments include:
-£778K - Arising Capital Provisions Not Included Elsewhere
£452K - Utilised Capital Provisions Not Included Elsewhere
£36k - Movement in Fixed Asset Debtors

## 28. Other cash flow adjustments

| | 2025-26 £000 | 2024-25 £000 |
|---|---|---|
| Depreciation | 49,920 | 46,127 |
| Amortisation | 1,960 | 1,964 |
| (Gains)/Loss on Disposal | 44 | (41) |
| Impairments and reversals | (5,687) | 1,817 |
| 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 | (203) | (78) |
| 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 | (45) | 25 |
| Non-cash movements in provisions | 73,484 | 9,246 |
| Other movements | 56,042 | 51,797 |
| **Total** | 175,515 | 110,857 |

Other movements of £56,042K (2024-25 £51,797K) is made up of notional funding received for:

- LHB notional 9.4% Staff Employer Pension Contribution: £56,007K
- the 2019-20 Pensions Annual Allowance Charge Compensation Scheme (PAACCS): £35K

which are both 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 24 June 2026; post the date the financial statements were certified by the Auditor General for Wales.

Subsequent to the reporting date, the Health Board received confirmation from the Welsh Government of changes to remuneration rates for NHS Wales public appointees, approved prior to 31 March 2026 and effective from 1 January 2026. The financial impact has been recognised in these financial statements.

## 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:

| Related Parties | 2025-26 Expenditure to related party | 2025-26 Income from related party | As at 31st March 2026 Amounts owed to related party | As at 31st March 2026 Amounts due from related party |
|---|---|---|---|---|
| | £000 | £000 | £000 | £000 |
| Welsh Government | 7 | 7,434 | 0 | 2,654 |
| Betsi Cadwaladr University Health Board | 110 | 25 | 17 | 2 |
| Cardiff & Vale University Health Board | 46,700 | 3,639 | 3,654 | 1,167 |
| Cwm Taf University Health Board | 19,304 | 4,188 | 1,836 | 907 |
| Hywel Dda University Health Board | 549 | 425 | 8 | 32 |
| Powys Teaching Health Board | 231 | 16,015 | 0 | 1,189 |
| Swansea Bay University Health Board | 2,508 | 1,254 | 438 | 204 |
| Public Health Wales NHS Trust | 883 | 6,231 | 149 | 929 |
| Velindre NHS Trust | 121,499 | 14,684 | 3,036 | 8,312 |
| Welsh Ambulance Services NHS Trust | 691 | 387 | 287 | 166 |
| NHS Wales Joint Commissioning Committee (WHSSC) | 232,406 | 15,082 | 6,253 | 458 |
| Digital Health and Care Wales (DHCW) | 8,485 | 2,085 | 1 | 261 |
| Health Education and Improvement Wales (HEIW) | 142 | 19,022 | 27 | 651 |
| | **433,515** | **90,471** | **15,706** | **16,932** |

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 | 2025-26 Expenditure to related party | 2025-26 Income from related party | As at 31st March 2026 Amounts owed to related party | As at 31st March 2026 Amounts due from related party |
|---|---|---|---|---|
| | £000 | £000 | £000 | £000 |
| Blaenau Gwent County Borough Council | 4,622 | 1,116 | 2,326 | 66 |
| Caerphilly County Borough Council | 19,096 | 14,673 | 5,063 | 3,461 |
| Monmouthshire County Council | 6,865 | 1,866 | 2,244 | 511 |
| Newport City Council | 10,440 | 2,335 | 3,106 | 173 |
| Torfaen County Borough Council | 10,734 | 1,447 | 3,269 | 154 |
| | **51,757** | **21,437** | **16,008** | **4,365** |

The LHB has also had significant material transactions with the following:

| | 2025-26 Expenditure to related party | 2025-26 Income from related party | As at 31st March 2026 Amounts owed to related party | As at 31st March 2026 Amounts due from related party |
|---|---|---|---|---|
| | £000 | £000 | £000 | £000 |
| **Aneurin Bevan Local Health Board Charitable Fund** | 16 | 1,596 | 16 | 209 |

A number of the LHB's Board members have interests in related parties as follows:

| Member | Related Organisation | Relationship with Related Party | 2025-26 Expenditure to related party | 2025-26 Income from related party | As at 31st March 2026 Amounts owed to related party | As at 31st March 2026 Amounts due from related party |
|---|---|---|---|---|---|---|
| | | | £000 | £000 | £000 | £000 |
| Helen Cunningham | Blaenau Gwent County Borough Council | Elected Member | 4,622 | 1,116 | 2,326 | 66 |
| Penny Jones | Monmouthshire County Council | Councillor | 6,865 | 1,866 | 2,244 | 511 |
| | Welsh Government | Daughter is a Member of the Senedd | 7 | 7,434 | 0 | 2,654 |
| Peter Carr | Digital Health & Care Wales | Chair of National LIMS 2.0 Programme Board | 8,485 | 2,085 | 1 | 261 |
| Richard Clark | Torfaen County Borough Council | Elected Member, Deputy Leader and Executive Member for Children, Families and Education | 10,734 | 1,447 | 3,269 | 154 |
| | Torfaen Voluntary Alliance | Company Secretary and Trustee | 361 | 0 | 1 | 0 |

## 31. Third Party assets

The LHB held £41,184 cash at bank and in hand at 31 March 2026 (31st March 2025, £33,690) which relates to monies held by the LHB on behalf of patients. Cash held in patient Investment Accounts amounted to £0 at 31st March 2026 (31st March 2025, £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 2026 amounted to £3.7m (£3.5m as at 31st March 2025).

## 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 **£5,883K** 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 | Own Contribution | Grants | 2025/26 | 2024/25 |
|---|---|---|---|---|---|
| **Pooled Budget contributions** | | | | **£000** | £000 |
| Aneurin Bevan University Health Board | - | 3,127 | - | **3,127** | 2,965 |
| Monmouthshire County Council | 454 | 981 | - | **1,435** | 1,382 |
| **Total Pooled Budget contributions for the year** | **454** | **4,108** | **-** | **4,562** | **4,347** |
| **Expenditure** | | | | | |
| Aneurin Bevan Health Board | - | 3,401 | | **3,401** | 3,271 |
| Monmouthshire County Council | 644 | 898 | | **1,542** | 1,501 |
| **Total Expenditure for the year** | **644** | **4,299** | **0** | **4,943** | **4,772** |
| **Net Surplus/(Deficit) on the Pooled Budget for the Year** | **(190)** | **(191)** | **0** | **(381)** | (425) |

**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 **£1,323K** for 2025/26 (£1,289K in 2024/25).

| | 2025/26 | 2024/25 |
|---|---|---|
| **Pooled Budget contributions** | **£000** | **£000** |
| Blaenau Gwent County Borough Council | 424 | 379 |
| Caerphilly County Borough Council | 730 | 635 |
| Monmouthshire County Borough Council | 581 | 518 |
| Newport City Council | 619 | 537 |
| Torfaen County Borough Council | 1072 | 989 |
| Aneurin Bevan University Health Board | 1323 | 1,264 |
| CRT | 224 | 161 |
| Contribution to Lead Commisioner - LAs | 151 | 123 |
| Contribution to Lead Commisioner - UHB | 30 | 25 |
| Reserve | 8 | 155 |
| **Total Pooled Budget contributions for the year** | **5,161** | **4,787** |
| **Expenditure** | | |
| Staff Costs | 181 | 149 |
| Non Staff Expenditure | 4980 | 4,638 |
| **Total Expenditure for the year** | **5,161** | **4,787** |
| **Net Surplus/(Deficit) on the Pooled Budget for the Year** | **0** | **0** |

**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 **£283K** for 2025/26 (£278K in 2024/25).

| | 2025/26 | 2024/25 |
|---|---|---|
| **Pooled Budget contributions** | **£000** | **£000** |
| Monmouthshire County Borough Council | 375 | 368 |
| Aneurin Bevan University Health Board | 283 | 278 |
| **Total Pooled Budget contributions for the year** | **658** | **646** |
| **Expenditure** | | |
| Staff Costs | 453 | 421 |
| Premises | 112 | 92 |
| Transport | - | 6 |
| Supplies & Services | 26 | 32 |
| Other Expenditure | 35 | 45 |
| **Total Expenditure for the year** | **626** | **596** |
| **Net Surplus/(Deficit) on the Pooled Budget for the Year** | **32** | **50** |

## 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 **£10,677K** for 2025/26 (£10,320K in 2024/25).

| | 2025/26 | 2024/25 |
|---|---|---|
| **Pooled Budget contributions** | **£000** | **£000** |
| Blaenau Gwent County Borough Council | 756 | 689 |
| Caerphilly County Borough Council | 2,372 | 2,349 |
| Monmouthshire County Borough Council | 1,794 | 1,628 |
| Newport City Council | 2,080 | 2,148 |
| Torfaen County Borough Council | 881 | 833 |
| Aneurin Bevan University Health Board | 10,677 | 10,320 |
| **Total Pooled Budget contributions for the year** | **18,560** | **17,967** |
| **Expenditure** | | |
| Reimbursements to Local Authorities from Pooled Fund: | | |
| Blaenau Gwent County Borough Council | 180 | 159 |
| Caerphilly County Borough Council | 1,886 | 1,940 |
| Monmouthshire County Borough Council | 1,492 | 1,442 |
| Newport City Council | 2,091 | 2,131 |
| Torfaen County Borough Council | 759 | 680 |
| Reimbursements to ABUHB from Pooled Fund | 11,414 | 11,006 |
| Central Costs | 812 | 777 |
| **Total Expenditure for the year** | **18,634** | **18,135** |
| **Net Surplus/(Deficit) on the Pooled Budget for the Year** | **(74)** | **(168)** |

**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 **£46,803K** for 2025/26 (£43,955K in 2024/25).

| | 2025/26 | 2024/25 |
|---|---|---|
| **Pooled Budget contributions** | **£000** | **£000** |
| Blaenau Gwent County Borough Council | 12,573 | 11,303 |
| Caerphilly County Borough Council | 37,498 | 34,641 |
| Monmouthshire County Borough Council | 17,677 | 15,255 |
| Newport City Council | 31,264 | 29,117 |
| Torfaen County Borough Council | 16,754 | 15,983 |
| Aneurin Bevan University Health Board | 46,803 | 43,955 |
| **Total Pooled Budget contributions for the year** | **162,569** | **150,254** |
| **Expenditure** | | |
| Gwent Local Auhtority Residential Homes | 21,382 | 20,193 |
| Other Elderly Frail Residential Care | 15,484 | 14,817 |
| Other EMI Residential Care | 32,874 | 29,968 |
| Elderly Frail Funded Nursing Care | 35,003 | 32,863 |
| EMI Funded Nursing Care | 24,732 | 21,264 |
| Elderly frail Continuing Health Care | 9,778 | 8,908 |
| EMI Conituining Health Care | 23,016 | 21,942 |
| Step Up/ Step Down | 238 | 237 |
| Lead Commissioner Costs | 62 | 62 |
| **Total Expenditure for the year** | **162,569** | **150,254** |
| **Net Surplus/(Deficit) on the Pooled Budget for the Year** | **0** | **0** |

## 33. Operating segments

Accounting standard IFRS 8 defines an operating segment as a component of an entity:

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 2025 to 31st March 2026. This has been calculated from actual Welsh Government expenditure for the 9.4% staff employer pension contributions between April 2025 and February 2026 alongside Health Board data for March 2026.

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:

| | 2025-26 | 2024-25 |
|---|---|---|
| **Statement of Comprehensive Net Expenditure for the year ended 31 March 2026** | **£000** | **£000** |
| Expenditure on Primary Healthcare Services | **1,220** | 780 |
| Expenditure on healthcare from other providers | **0** | 0 |
| Expenditure on Hospital and Community Health Services | **54,787** | 51,004 |
| **Statement of Changes in Taxpayers' Equity for the year ended 31 March 2026** | | |
| Net operating cost for the year | **56,007** | 51,784 |
| Notional Welsh Government Funding | **56,007** | 51,784 |
| **Statement of Cash Flows for year ended 31 March 2026** | | |
| Net operating cost for the financial year | **56,007** | 51,784 |
| Other cash flow adjustments | **56,007** | 51,784 |
| **2.1 Revenue Resource Performance** | | |
| Revenue Resource Allocation | **56,007** | 51,784 |
| **3. Analysis of gross operating costs** | | |
| **3.1 Expenditure on Primary Healthcare Services** | | |
| General Medical Services | **1,111** | 684 |
| Pharmaceutical Services | **0** | 0 |
| General Dental Services | **99** | 85 |
| Other Primary Health Care expenditure | **10** | 11 |
| **3.2 Expenditure on healthcare from other providers** | | |
| | **0** | 0 |
| | **0** | 0 |
| **3.3 Expenditure on Hospital and Community Health Services** | | |
| Directors' costs | **190** | 166 |
| Staff costs | **52,444** | 50,838 |
| Single Lead Employer staff trainee costs | **2,153** | 0 |
| **9.1 Employee costs** | | |
| **Permanent Staff** | | |
| Employer contributions to NHS Pension Scheme | **56,007** | 51,784 |
| Charged to capital | **0** | 0 |
| Charged to revenue | **56,007** | 51,784 |
| **18. Trade and other payables** | | |
| **Current** | | |
| Pensions: staff | **0** | 0 |
| **28. Other cash flow adjustments** | | |
| Other movements | **56,007** | 51,784 |

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 a 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 2025 | 0 |
| Liability for remaining payments @ 31 March 2026 | 0 |
| | 0 |
| | |
| Arising during year | 0 |
| Utilised | 0 |
| Reversed unused | 0 |
| Movement in Discount Rates | 0 |
| | 0 |

**STATEMENT OF COMPREHENSIVE NET EXPENDITURE**

| (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)[1], in the form specified in paragraphs [2] to [7] below.

### BASIS OF PREPARATION

2. The account of the LHB shall comply with:

(a) the accounting guidance of the Government Financial Reporting Manual (FReM), which is in force for the financial year in which the accounts are being prepared, and has been applied by the Welsh Government and detailed in the NHS Wales LHB Manual for Accounts;

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

### FORM AND CONTENT

3. The account of the LHB for the year ended 31 March 2011 and subsequent years shall comprise a statement of comprehensive net expenditure, a statement of financial position, a statement of cash flows and a statement of changes in taxpayers' equity as long as these statements are required by the FReM and applied by the Welsh Assembly Government, including such notes as are necessary to ensure a proper understanding of the accounts.

4. For the financial year ended 31 March 2011 and subsequent years, the account of the LHB shall give a true and fair view of the state of affairs as at the end of the financial year and the operating costs, changes in taxpayers' equity and cash flows during the year.

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

### MISCELLANEOUS

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

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

Signed by the authority of Welsh Ministers

Signed : Chris Hurst Dated :

[1] Please see regulation 3 of the 2009 No.1559 (W.154); NATIONAL HEALTH SERVICE, WALES; The Local Health Boards (Transfer of Staff, Property, Rights and Liabilities) (Wales) Order 2009.

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

24 June 2026

**Representations regarding the 2025/26 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 2026 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**
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Ffôn: 01633 436700
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South Wales NP18 3XQ
Tel No: 01633 436700
Email: abhb.enquiries@wales.nhs.uk

  - 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 24 June 2026.

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
24 June 2026

Signed by:
Andrew Morgan OBE
Chair of the Health Board
24 June 2026