

Agenda

0 min **1. PRELIMINARY MATTERS**

1.1. Welcome and Introductions

Oral Chair

1.2. Apologies for Absence for Noting

Oral Chair

1.3. Declarations of Interest for Noting

Oral Chair

0 min **2. ANNUAL REPORT AND ACCOUNTS 2023/24**

2.1. To RECEIVE Audit Wales' Audit of Accounts Report 2023/24

Attached Audit Wales

 2.1 4335A2024_Audit of Accounts Report_AB_23-24_final.pdf (26 pages)

2.2. To RECEIVE a recommendation from the Audit, Risk and Assurance Committee in respect of ABUHB's Annual Report and Accounts 2023/24

Attached Chair of the Audit, Risk and Assurance Committee

 2.2 Recommendation to the Board from ARAC_Annual Accounts 2023-24 v2 (003).pdf (3 pages)

2.3. To consider for APPROVAL and SIGNING ABUHB's Annual Report and Accounts 2023/24

Attached

 2.3 Cover Report Annual Report Board final accounts.pdf (8 pages)


2.3.1. Part One: Performance Report

Attached Director of Strategy, Planning and Partnerships

 2.3.1 Final DRAFT Performance Report 2024 v6.1 finance update.pdf (41 pages)

2.3.2. Part Two: Annual Accountability Report

Attached Director of Corporate Governance

 2.3.2 Final Draft Accountability Report 23.24 v2 post draft submission Audited.pdf (102 pages)


2.3.3. Part Three: Annual Financial Statements

Attached Director of Finance and Procurement

 2.3.3 ABUHB 2023-24 Final Annual Accounts with SOAA activated.pdf (76 pages)

2.4. To APPROVE for SIGNING the Letter of Representation, as included in Audit Wales' ISA260 2023/24

Attached *Audit Wales*

 2.4 ABUHB Letter of Representation 2023-24.pdf (3 pages)

0 min **3. OTHER MATTERS**

3.1. Date of the Next Meeting

17th July 2024

Audit of Accounts Report – Aneurin Bevan University Health Board

Audit year: 2023-24

Date issued: July 2024

Document reference: 4335A2024



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About Audit Wales

Our aims and ambitions

Assure



the people of
Wales that public
money is well
managed

Explain



how public
money is being
used to meet
people's needs

Inspire



and empower
the Welsh
public sector to
improve



Fully exploit
our unique
perspective,
expertise and
depth of insight



Strengthen our
position as an
authoritative,
trusted and
independent
voice



Increase our
visibility,
influence and
relevance



Be a model
organisation for
the public sector
in Wales and
beyond

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Introduction

I have now largely completed my audit in line with my Audit Plan 2024. There are a number of minor queries that remain outstanding at the time of writing as well as some final review processes to be undertaken by the Audit Manager and Engagement Lead. The audit team will provide the Audit, Risk and Assurance Committee with an update on any queries that remain outstanding.

This Audit of Accounts Report summarises the main findings from my audit of your 2023-24 Annual report and accounts. My team have already discussed these issues with the Director of Finance and Procurement and the Assistant Director of Finance (Financial Systems & Services).

I am very grateful to your officers for their support in undertaking this audit.



Adrian Crompton

Auditor General for
Wales

Your audit at a glance



Audit opinions

We are proposing to give an unqualified true and fair opinion and the regularity opinion will be qualified following the failure to meet its financial duty to break-even against its revenue resource limit over the 3 years 2021-22 to 2023-24.

We have nothing to report under the other sections of my report, ie those relating to going concern; other information; other matters; or matters I report by exception.

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 2023-26. The regularity opinion is not qualified for this.



Significant issues

There are no misstatements or significant issues to report.



Materiality

Materiality £19.4million

Reporting threshold ('trivial') £0.97million

Areas of specific interest:

- Remuneration report
- Related party disclosures

Financial statements' materiality



Materiality £19.4 million

My aim is to identify and correct material misstatements, ie those that might otherwise cause the user of the accounts to be misled.

Materiality is calculated using:

- 2023-24 gross expenditure of £1,940 million
- Materiality percentage of 1%

I apply the materiality percentage to gross expenditure to calculate materiality.

I will report to you any misstatements above £970,000, calculated as 5% of materiality (called the 'trivial level').



Areas of specific interest

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

- Remuneration report – £5k (or correct banding) for the “Salary and Pension entitlements of Senior Managers Remuneration” table; and
- Related party disclosures - £10k for individual interests.

Ethical compliance



Compliance with ethical standards

We believe 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.

Proposed audit opinion



Audit opinion

We intend to issue an unqualified true and fair opinion and a qualified regularity audit opinion on this year's accounts once you have provided us with a Letter of Representation (see below).

The regularity opinion will be qualified following the failure to meet its financial duty to break-even against its revenue resource limit over the 3 years 2021-22 to 2023-24.

Our proposed audit report is set out in **Appendix 1**, along with our proposed substantive report which explains the basis of the regularity qualification.

The substantive report also refers 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 2023-26. The regularity opinion is not qualified for this.



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 specified as being necessary by auditing standards; other information may relate specifically to your audit.

The letter we are requesting you to sign is included in **Appendix 2**.

Issues arising during the audit



Misstatements

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

Uncorrected misstatements

There are no uncorrected misstatements above our trivial level but lower than materiality.

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 3**.



Other significant issues

In the addition to misstatements identified during the audit we also report other significant issues to you.

There were no such issues identified during the audit.



Further considerations

We will continue to work with the Health Board, the wider Sector and Welsh Government to review our ambition to bring forward the audit deadline further as part of the 2024-25 accounts audit process. In order to meet these deadlines, it will be imperative that the accounts received are fully supported and all working papers are available at the commencement of the audit.

Whilst the majority of working papers were prepared by the Health Board in readiness for the start of the audit process this year, some were still being finalised and not available during the first week of the audit window. Audit Wales and the Finance department worked collaboratively to an agreed timescale for the delivery of working papers to manage the early stages of the audit and this did not cause us an issue in completing our work given the window available to us this year. However, we are conscious that when the accounts production and audit window reduce next year, this could be a potential issue in achieving the deadlines for future years.

We have not raised a recommendation in respect of this issue. We will pick this issue up as part of our audit post project learning with officers to assess the position and we would like to thank officers for their positive engagement with the audit team throughout the audit and providing us with good quality working papers to support the financial statements.

Appendix 1

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 Health Board for the year ended 31 March 2024 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 Health Board as at 31 March 2024 and of its net operating costs for the year then ended;
- **have been properly prepared in accordance with** UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual; **and**
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

Opinion on regularity

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

Basis for Qualified Opinion on regularity

I have qualified my opinion on the regularity of the Aneurin Bevan University Health Board's financial statements because the Health Board has breached its resource limit by spending £86.359 million over the amount that it was authorised to spend in the three-year period 2021-22 to 2023-24. 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 of Public Sector Entities in the United Kingdom'. My responsibilities under those standards

are further described in the auditor's responsibilities for the audit of the financial statements section of my certificate.

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

Conclusions relating to going concern

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

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

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

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

Other Information

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

I have nothing to report in this regard.

Opinion on other matters

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

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers' directions; and;
- the information given in the Performance and 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 Aneurin Bevan University Health Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and the other unaudited parts of the Accountability Report or the Annual Governance Statement.

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

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements and the audited part of the Accountability Report are not in agreement with the accounting records and returns;
- information specified by HM Treasury or Welsh Ministers regarding remuneration and other transactions is not disclosed;
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made or parts of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of Directors and the Chief Executive for the financial statements

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

- maintaining adequate accounting records
- the preparation of financial statements and annual report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the annual report and financial statements as a whole are fair, balanced and understandable;
- ensuring the regularity of financial transactions;
- internal controls as the Directors and Chief Executive determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- assessing the Health Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of

accounting unless the Directors and Chief Executive anticipate that the services provided by the Health Board will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

My procedures included the following:

- Enquiring of management, the Health Board's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Aneurin Bevan University Health Board policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals;
- Obtaining an understanding of Aneurin Bevan University Health Board's framework of authority as well as other legal and regulatory frameworks that the Health Board operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Health Board; and
- Obtaining an understanding of related party relationships.

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, those charged with governance and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board; and

- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. 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
12 July 2024

1 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

Report of the Auditor General to the Senedd

Introduction

Under the Public Audit Wales Act 2004, I am responsible for auditing, certifying and reporting on Aneurin Bevan University Health Board's (the Health Board's) financial statements. I am reporting on these financial statements for the year ended 31 March 2024 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 2023-24, the LHB 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 2021-22 to 2023-24.

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 £5,007.912 million by £86.359 million.

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

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 2023-24 if it submitted a 2023 to 2026 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 2023 to 2026.

Adrian Crompton

Auditor General for Wales

12 July 2024

Appendix 2

Letter of representation

Aneurin Bevan University Health Board's letter head

Auditor General for Wales

Audit Wales

1 Capital Quarter

Tyndall Street

Cardiff

CF10 4BZ

xx July 2024

Representations regarding the 2023-24 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 2024 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 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 **11 July 2024**.

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

Signed by:

Signed by:

Chief Executive

Chair of the Health Board

Date:

Date:

Appendix 3

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 areas	Explanation
£2,004k	Note 4 – Miscellaneous income	£2,004k of income had incorrectly been classified as “Welsh Government” rather than as “Education, training and research”.
£2,268k	Note 30 – Related Parties	Two boxes in the Welsh Government row were left blank. “Amounts owed” was corrected to show £22k and “Amounts due” to £2,246k.
£540k	Note 30 – Related Parties	Disclosure missing for Kaleidoscope Project, which is a related party and had transactions with the Health Board. Amounts added: Expenditure: £50k Income: £413k Amounts Owed: £26k Amounts Due: £51k
£12k	Remuneration Report	One Independent Member had been underpaid by £12k during the year. Their salary band was therefore amended from £0-5k to £10-15k. Expenditure was increased by the same amount which impacted the year end position within the SOCNE and other subsequent notes.
Various	Remuneration Report	2 errors in Executive and Independent Member salary disclosures were identified and subsequently amended.

Value of correction	Accounts areas	Explanation
Various amounts and narrative	Other	During the audit, we identified a number of trivial amendments and errors in the narrative which the Health Board has chosen to amend.
Various narrative	Performance Report and Accountability Report	A number of amendments to the performance and Accountability Report, including the Annual Governance Statement were requested to ensure full compliance with relevant guidance.

Audit quality

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

We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by QAD*, and our Chair acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2023](#).



Our People

The first line of assurance is formed by our staff and management who are individually and collectively responsible for achieving the standards of audit quality to which we aspire.

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



Arrangements for achieving audit quality

The second line of assurance is formed by the policies, tools, learning & development, guidance, and leadership we provide to our staff to support them in achieving those standards of audit quality.

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



Independent assurance

The third line of assurance is formed by those activities that provide independent assurance over the effectiveness of the first two lines of assurance.






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

* QAD is the quality monitoring arm of ICAEW.

Supporting you

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

Visit our website to find:

	our Good Practice work where we share emerging practice and insights from our audit work in support of our objectives to assure, to explain and to inspire.
	our newsletter which provides you with regular updates on our public service audit work, good practice, and events.
	our publications which cover our audit work completed at public bodies.
	information on our forward performance audit work programme 2023-2026 which is shaped by stakeholder engagement activity and our picture of public services analysis.
	various data tools and infographics to help you better understand public spending trends including a range of other insights into the scrutiny of public service delivery.

You can find out more about Audit Wales in our [Annual Plan 2024-25](#) and [Our Strategy 2022-27](#).



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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 2023/24 – July 2024

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 2023/24.

Summary

The Audit, Risk and Assurance (ARA) Committee confirms that, in accordance with its Terms of Reference, it met on 9th July 2024 to consider:

1. ABUHB’s Draft Annual Report and Accounts 2023/24, which includes:
 - The Performance Report (Part 1)
 - The Annual Accountability Report (Part 2)
 - The Financial Statements (Part 3)
2. The Audit of Accounts Report (2023/24) of External Audit (Audit Wales); and
3. ABUHB’s Letter of Representation for 2023/24

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 raised no queries or requested amendments to its content.

The Committee received the final Head of Internal Audit Opinion for 2023/24, which will be included within the final Annual Accountability Report 2023/24. The ARA Committee was pleased to note that for 2023/24, 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.

At its meeting, the Committee received the following Internal Audit Reports from the 2023/24 Internal Audit Plan which will also be reflected in the final Accountability Report:

AUDIT ASSIGNMENT	ASSURANCE RATING
Financial Controls	Substantial
LINC Programme	Reasonable
Directorate Review Theatres – Stock	Reasonable

Intra-site Patient Transfers	Reasonable
Financial Controls – RPB	Limited
Decarbonisation	Limited
Flexible Working	Advisory

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 2023/24, 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 financial position as at 31 March 2024 shows a year end deficit of £49.766m and combined with the outcomes for 2021-22 and 2022-23, a three-year deficit of £86.359m.

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 will be added to the final Accountability Report prior to signature.

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

Annual Accounts 2023/24

The Committee reviewed the Annual Accounts 2023/24 and raised no queries or requested amendments to its content.

The ARA Committee noted and agreed one small amendment to note 29 of the Accounts – Events after the reporting period, which related to the recently agreed medical pay award with the following note agreed by Welsh Government and Audit Wales and added to the final accounts.

Medical Pay Awards

NHS Wales bodies were notified on 28th June 2024 of the revised pay arrangements for employees covered by medical and dental terms and conditions of service in Wales, which will be funded by Welsh Government. The arrangements are confirmed in the following pay letters:

- *Pay Letter M&D(W) 04/24 applying to junior doctors. This confirms an overall 12.4% pay award backdated to 1 April 2023 and includes the 5% pay award already implemented and recognised in the accounts for 2023-24.*
- *Pay Letter M&D(W) 02/24 confirms the reform of the consultant (amended Welsh contract) pay scale from 1 January 2024.*
- *Pay Letter M&D(W) 03/24 confirms the pay scales applicable from 1 January 2024 for medical and dental consultants employed on national terms and conditions on the 2021 Specialty and Specialist contracts and the closed 2008 Associate Specialist contract in Wales.*

The additional 7.4% for junior doctors, and the increases for consultants and specialists have not been recognised in the 2023-24 financial statements because the

obligating event was the publication of the pay circular issued on 28 June 2024. These costs will be accounted for in the 2024-25 Annual Accounts.

Noting the addition outlined above 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 2023/24 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 (2023/24) of External Audit (Audit Wales)
- APPROVES the Annual Report and Accounts 2023/24, 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 Director of Finance and Procurement, to sign these documents where required.

DYDDIAD Y CYFARFOD: DATE OF MEETING:	11 July 2024
CYFARFOD O: MEETING OF:	Board
TEITL YR ADRODDIAD: TITLE OF REPORT:	Annual Report and Accounts 2023/24
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Rani Dash, Director of Corporate Governance
SWYDDOG ADRODD: 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 2023/24, 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 15th July 2024, in-line with HM Treasury Requirements.

Following presentation of the draft documents to the Audit, Risk and Assurance Committee on 21st May 2024 and 9th July 2024, the final draft versions incorporate comments and feedback received from Welsh Government; Audit Wales; and Board Members, including those comments made by the Audit, Risk and Assurance Committee when reviewing the drafts.

It should be noted that the versions appended to this report are those that have been shared with the Audit, Risk and Assurance Committee for final review on 9th July 2024. Any required amendments or additions arising from the Committee's meeting on 9th July 2024 will be outlined in a report from the Committee Chair for consideration by the Board at its meeting on 11th July 2024.

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 2023-24 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 2023/24

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

- The Performance Report, which must include:
 - An overview.
 - Performance analysis
- The Accountability Report, which must include:
 - A Corporate Governance Report.
 - A Remuneration and Staff Report.
 - Senedd Cymru/Welsh Parliament Accountability and Audit Report.
- The Financial Statements, including:
 - The Audited Annual Accounts 2023/24.

The detailed structure of the Annual Report and Accounts 2023/24, is set out at Annex A.

For the 2023-24 reporting period the deadlines for submission are:

Annual Reports 2023/24 - Key Dates	2024	
Draft Performance Report Overview, Accountability Report and Remuneration Report to WG	Fri	10-May
Draft Reports to ARA Committee Members	Tue	14 -May
ARA Committee meeting to Consider Draft Accounts and Draft Accountability Report	Tue	21-May
Final Accounts & Accountability Report to Audit Committee Members	Wed	3-July
ARA Committee meeting to Consider Final Accounts, and Accountability Report	Tues	9-July
Board meeting to approve Final Accounts and Accountability Report	Thurs	11-July
Certification by Auditor General	Mon	15-July
Final Annual Report Deadline for Submission to WG – Annual Report and Accounts as a single unified document	Mon	15-July
Annual General Meeting – to receive the Annual Report and Accounts	Wed	25-Sept

Part One – The Performance Report 2023/24

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 21st May 2024 and 9th July 2024. 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 2023/24

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

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

The Accountability Report is required to have three sections:

❖ **Corporate Governance Report**

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

As a minimum, the corporate governance report must include:

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

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

❖ **Remuneration and Staff Report**

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

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

The Parliamentary Accountability Report contains disclosure on the following:

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

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

The Draft Accountability Report was considered by the Audit, Risk and Assurance Committee (21st May 2024 and 9th July 2024). 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 2023/24

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 2023/24 (agenda item 2.1).

Argymhelliad / Recommendation

The Board is asked to APPROVE Aneurin Bevan University Health Board's Annual Report and Accounts 2023/24 in readiness for submission to the Auditor General for Wales and Welsh Government.

Provided in supporting information:

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

Amcanion: (rhaid cwblhau)

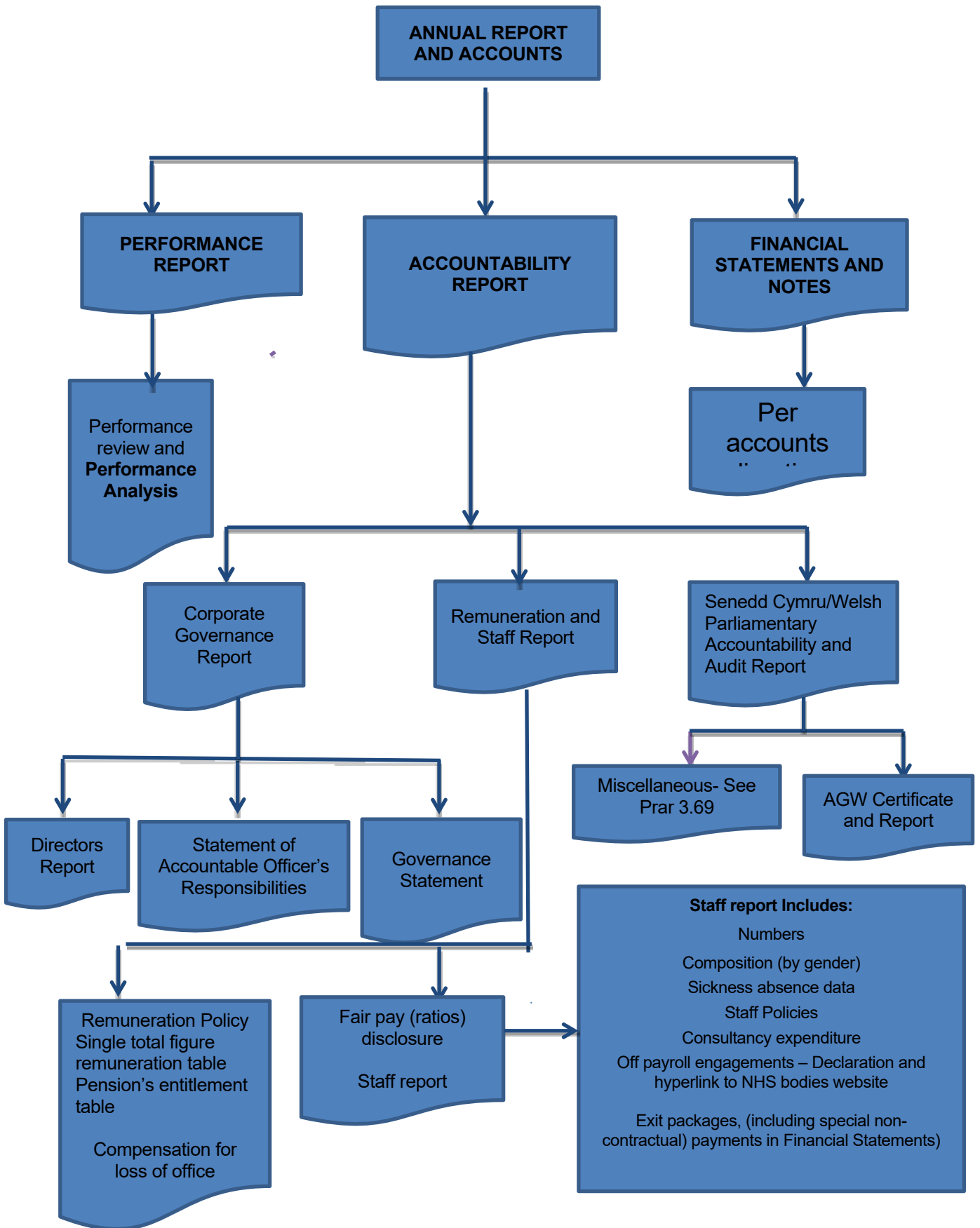
Objectives: (must be completed)

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

Galluogwyr allweddol o fewn y CTCI Key Enablers within the IMTP	Governance
Amcanion cydraddoldeb strategol Strategic Equality Objectives Strategic Equality Objectives 2020-24	Not Applicable Choose an item. Choose an item. Choose an item.

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

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



Aneurin Bevan University Health Board Annual Report and Annual Accounts 2023/24

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 2023/24, what we have achieved, how we plan to continue to improve next year and our plans for the future. This report also explains how important it is for us to work with you and listen to your views, to better deliver services that meet your needs, as close to your home as possible.

Our Annual Report for the period 1st April 2023 to 31st March 2024 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

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Telephone; 01633 436700 or email abhb.enquiries@wales.nhs.uk

<http://twitter.com/aneurinbevanhb>

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

Section One – The Performance Report	
1. Overview from the Chief Executive 2. Reporting Requirements 3. Aneurin Bevan University Health Board 4. Integrated Medium Term Plan 2023/24 – Life Course 5. Delivering the IMTP Priorities 2023/24 6. Integrated Medium Term Plan 2023/24– Priority Programmes 7. Integrated Medium Term Plan 2023/24 – Quality and Safety 8. Well Being of Future Generations 9. Equality, Diversity and Inclusion 10. Welsh Language Requirements 11. Financial Management and Performance 12. Conclusion and Forward Look	
Section Two – The Accountability Report	
Corporate Governance Report <ul style="list-style-type: none"> • Directors Report • Statement of Accountable Officer’s Responsibilities • Annual Governance Statement 	
Remuneration and Staff Report	
Parliamentary Accountability and Audit Report	
Section Three – The Financial Statements	
The Audited Annual Accounts 2023-24	

Performance Report

1. Overview from the Chief Executive

Over the past twelve months our organisation has remained under sustained operational pressure as evidenced through increased demand into our urgent and emergency care system, into scheduled (elective) care and an increased pressure on primary care and community services, as well as mental health services. These pressures are replicated in the services of our partners in social care.

Despite these challenges there have been many achievements and improvements in performance, across the breadth of our priorities. Much has been delivered over the past 12 months including:

- Opened a new Endoscopy unit and a new Breast unit with benefits already being seen through diagnostic and cancer waits,
- Progressing our approach to innovation as seen through our work on the use Artificial Intelligence to support the clinical prioritisation of radiology scans and positively impacting on cancer diagnosis times,
- Strengthened Six Goals Programme for Urgent and Emergency Care including enhanced focus on discharge with partners,
- Reduced very long waits for elective care from over 500 people waiting more than 3 years at March 2023 to 31 patients at the end of March 2024 and eliminated waits of over 4 years. 30 out of 36 specialties delivering the national standard of 104 weeks,
- Continued improvements in outpatient efficiencies, in particular "Patient Initiated Follow Ups" and "See on Symptoms" pathways,
- Opened the first phase of the Bevan Health and Wellbeing Centre in Tredegar with further progress on the Primary Care estate plan,
- 5 GP practices transferred from "managed practices" back to independent contractor status,
- Strengthened focus on quality, safety and patient experience.
- Development of a Patient Advice and Liaison (PALS) as a point of contact for patients, their families, and carers providing confidential advice, support and information on health-related matters.
- Reduced the use of agency workers to the value of £18m and increased the total number of substantive staff through innovative approaches to recruitment and retention.

This has been a year with new challenges including industrial action for the first time from our junior doctors. We are still recovering from the impact of the Covid-19 pandemic with many people waiting too long to receive care and treatment and our

urgent and emergency care system continues to experience too many delays at a number of points. Mental health services are also pressured and we have experienced significant demand increases for our services especially for children and adolescents. The rising demand is coupled with rising acuity demonstrated through the rate of working age adults reported in good health on a downward trend since Covid-19 and suspected cancer referrals have continued to exceed 3,500 referrals per month compared with pre-Covid-19 levels of 2,500.

Our plan for 2023/24 was set against our life course model, unpinned by some enabling actions and focus:



Reflections of 2023/24

Our delivery of change and improvements during 2023/24 is set against the backdrop of a change in demand for our services:

- Urgent primary care contacts increased from a weekly average of 1,622 to 1,994,
- People presenting to emergency departments and Minor Injury Units has increased from 170,113 to 173,671 attendances,
- A high number of emergency admissions has been sustained at an average of 1,883 per month,
- Emergency admissions average length of stay has improved but remains above pre-COVID levels at 11.3 days,

- Sustained high levels of demand at the Children’s Emergency Assessment Unit with an average of 2,396 attendances per month,
- Referrals for suspected cancers continued to exceed 3,500 referrals per month compared to pre-covid levels of 2,500,
- Increase in outpatient referrals by 9% from 251,164 to 274,685,
- Referrals for primary care and specialist mental health services (adults and older adults) are well above pre-Covid-19 rates with 14,858 received in 2023/24,

In spite of these demand challenges there have been a significant number of achievements over this last year including:

<p>Prevention and Population Health</p>	<p>Renewed understanding of our Population through the launch of the first Joint Strategic Assessment in Wales.</p> <p>A Gwent-wide partnership action to address inequity and the wider determinants of health as part of 'Building a Fairer Gwent.</p> <p>Sustained compliance with national standard of 95% of children receiving 3 doses of the hexavalent '6 in 1' vaccine by age 1.</p> <p>Integrated Wellbeing Networks have supported the development of connected communities. Strengthening community wellbeing and resilience through sustainable place-based care collaboratives, sharing wellbeing resources, prioritising equity and asset-based approaches.</p>
<p>Primary Care Services</p>	<p>Community Pharmacies have demonstrated continued success achieving a 46% increase in common ailment consultations over this year.</p> <p>Continuing to progress the level of service provided via NHS and Community Dental Services- over this year 325,904 patients have received dental care of which 24,182 were new patients.</p> <p>All Managed GP practices transferred to independent providers from 1st April 2024.</p>
<p>Urgent and Emergency Care System</p>	<p>Through our Six Goals Programme for Urgent and Emergency Care we have delivered a number of improvements including expanding our Acute Frailty Response Team and introduction of a new falls pathway to reduce ambulance conveyances.</p> <p>Embedding our Same Day Emergency Care service with a weekly average of 138 attendances at Grange University Hospital and 49 at Ysbyty Ystrad Fawr.</p>

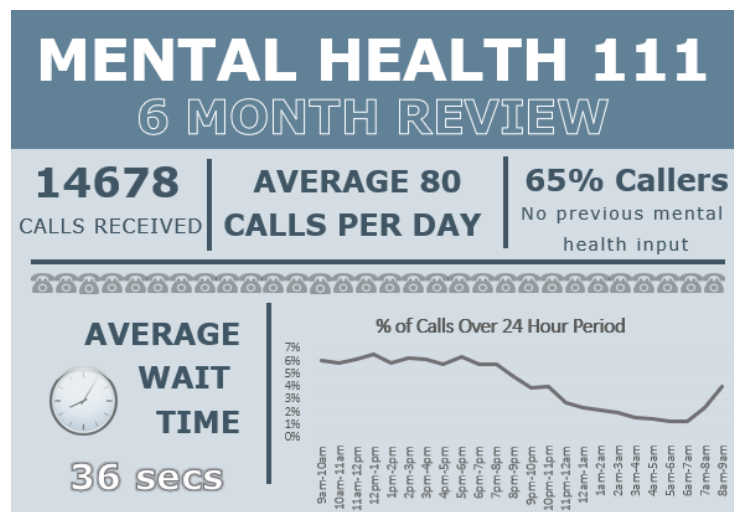
	<p>Despite the extreme pressures upon the urgent and emergency care system, the performance measures of patients waiting fewer than four hours in Emergency Departments has been maintained during the winter period 73.8% (March 24) against a standard of 73% and higher than the Welsh average of 68%.</p> <p>The number and rate of patients waiting over 60 minutes to be transferred to the Emergency Department from an Ambulance has reduced significantly during March 2024 (1,107 – 36.7%) to the lowest levels seen over the last two financial years</p> <p>A number of programmes to support discharge have been implemented over the last year including a series of Patient Safety Team events aimed at facilitating the safe and timely discharge of patients working in partnership with the five local authorities. Overnight Discharges in 2022/23 were 21,410 and for 2023/24 increased to 23,542.</p>
<p>Planned Care and Cancer Services</p>	<p>Good progress towards eliminating patients who have been waiting over 156 weeks for treatment, with 31 patients waiting at the end of March 2024 compared to the to the March 2023 position of 553.</p> <p>The number of Single Cancer Pathway treatments undertaken has increased by 5.5% over the last 12 months and is continuing to increase month by month.</p> <p>Opening of new Endoscopy suite at Royal Gwent Hospital at the start of November. The impact of this investment has resulted in the number of people waiting over 8 weeks at the end of March 2024 reducing to 1,368 compared to 1,890 (November 2023)</p> <p>Welcoming our first patients into the Breast Care Unit at Ysbyty Ystrad Fawr as a whole system service delivering the best for our population.</p> <p>Patients waiting over 8 weeks for a radiology diagnostic has decreased from 3,802 (November 2023) to 1,600 (March 2024).</p>
<p>Mental Health Services</p>	<p>Child and Adolescent Mental Health Services choice referrals have achieved 100% in March 2024 compared to 87.5% December 2023 exceeding the national standard.</p>

Embedding of mental health services in our Neighbourhood Care Networks remains a priority and continues to be piloted in areas with a view to expand across all boroughs.

Our new accommodation 'Acer House' for individuals with complex needs had its official opening on 24th October, in collaboration with United Welsh Housing Association. Three service users are currently being supported at Acer House and are thriving in their new environment.

Our new Hiraeth Service aims to offer a whole systems approach to developing a cohesive and consistent care pathway for individuals who present with complex mental health needs, ensuring the ability to engage in the delivery of shared care and promote partnership working.

Mental Health 111 press 2 has made significant achievements as summarised below:



Our Workforce

We employ 13,082 whole time equivalent (WTE) staff members as at 31st March 2024 and are the largest employer in Gwent. This is an increase from this period last year of 514 WTE. The main increases are within Additional Clinical Services (95wte), Administrative & Clerical (64.97wte) and Nursing and Midwifery Registered (123.42wte).

There are also 1,296 WTE colleagues working in independent GP practices in primary care across the region. Our general workforce demographic profile remains relatively unchanged, as illustrated in figure 5.5. However, 36% of staff are now over 50 years old, which is an increase of 3% and turnover has also reduced from 11.4% to 9.2%. The number of staff we employ will decrease from April 2024 by 135 people due to

transfer of staff (under TUPE arrangements) to the NHS Wales Executive of national hosted functions and managed GP practices reverting back to independent status.

The highest increase, based on our staff groups, have been in Allied Health Professions (17%) following the introduction of the Physiotherapy MSK services. Other staff groups which have increased include Medical and Dental (10%), mainly as a result of an increase in speciality registrar posts, and Administration and Clerical (5.7%). Clinical Services have increased by 7.5%, Nursing and Midwifery have increased by 4.5% as a result of recruitment campaigns locally and internationally.

Sickness has decreased from 6.9% to 6.2%. Stress, anxiety and depression remains our highest reason for absence and represents 27% of total absence.

Whilst we have made progress in reducing the number of vacancies over the last year, we continue to experience high levels of vacancies across medical specialities and within our registered nursing, pharmacy and therapy workforce as well as within specific medical specialities. Our priority continues to be recruiting, developing and retaining directly employed staff, recognising the positive impact that a substantive workforce will have in building and sustaining effective teams to provide a positive patient experience.

We are now in year 3 of our People Plan which was agreed and launched in 2022. The plan recognises the importance of a healthy, engaged workforce and aims to support our staff to have a meaningful and positive experience of work.

It is aligned to the commitments of 'Healthier Wales: Our Workforce Strategy for Health and Social Care (2020)'. It also supports the practical actions and enablers outlined in the National Workforce Implementation Plan (2023) underpinning strong inclusive and compassionate leadership and improving retention and recruitment.

In delivering the plan we continue to engage with our Trades Union partners and support ways to develop partnership working. This year we have re-launched divisional partnership forums to complement our corporate forum to build on our commitment to ensuring staff are provided with an opportunity to share views, concerns and to influence plans that affect them.

The Plan focuses on three priority objectives:

1. Staff Health and Wellbeing
2. Employer of Choice
3. Workforce Sustainability and Transformation

Finance

Aneurin Bevan University Health Board, like most health boards across Wales is experiencing significant financial challenges to meet its statutory duty to financially balance over a rolling 3-year period or on an annual basis. Historically the health board has delivered consistent financial balance, however, the Health Board was not successful in this aim in 2022/23 with a £37m deficit. The 2023/24 plan set out a plan

which resulted in a financial deficit of £112m. The final outturn, following significant additional central support of £88.3m, was a £49.8m deficit. This was delivered against a Welsh Government target of reducing to a maximum of £13m deficit.

As part of this final out turn it is important to acknowledge the material level of savings achieved in 2023/24 of £43m and this is thanks to the huge efforts of our staff and renewed focus on efficiency that has enabled us to achieve this level of savings.

Moving forward into 2024/25 a deficit is forecast of £48.9m. These levels of deficit, driven by exceptional operational demand pressures and underlying financial challenges, mean the Board is aiming to show an intention to recover to a recurrent financial balance over the next 3-year period.

Despite our continued efforts and wide-reaching achievements, following the reissue of the Welsh Government Oversight and Escalation Framework – NHS Wales Organisations in January 2024, in February 2024, the Health Board’s escalation levels were increased from Enhanced Monitoring (level 3) to Targeted intervention (level 4) for planning and finance and from Routine Arrangements (level 1) to Enhanced monitoring (level 3) for performance and outcomes related to urgent and emergency care at The Grange Hospital.

2. Reporting Requirements

The purpose of the Performance section of this Annual Report 2023/24, as set out in the guidance provided in the NHS Wales 2023/24 Manual for Accounts, is to provide information on Aneurin Bevan University Health Board, its main objectives and strategies and the principal risks that it faces. The requirements are based on the matters required to be dealt with as set out in Chapter 4A of Part 15 of the Companies Act 2006, as adapted in the Financial Reporting Manual and NHS Wales Guidance Manual.

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

It should be noted that the duty of quality came into legal force in April 2023 in line with the Health and Social Care (Quality and Engagement) (Wales) Act 2020. 2023/24 is therefore the first year for the requirement of a Duty of Quality and Duty of Candour report. These reports will be prepared and published separately to this Performance Report. Further information is available in the Annual Accountability Report, Page XX.

3. Aneurin Bevan University Health Board

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

role, we are required to work with our partners and stakeholders in the best interests of the population we serve.

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

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

The Health Board employs 13,082 WTE as at the end of March 2024 and are the largest employer in Gwent. Our workforce is ageing, as is the demographic profile of our population and the health inequalities of our population are also found within our workforce and 80% of our staff live within our communities. Therefore, it is essential that staff health and wellbeing is a key priority and a feature of our preventative plans.

The Health Board has an annual budget from the Welsh Government of just over £1.7 billion per year from which we plan and deliver services for the population of Gwent. The Health Board, as well as providing services locally, works in partnership to seek to improve health and well-being in the area, particularly through our partnership arrangements to respond to the Social Services and Well-Being (Wales) Act 2014 and the Well Being of Future Generations (Wales) Act 2015.

Detail on how the Health Board is governed is set out within the Accountability Report (Section 2 of the Annual Report and Accounts 2023/24).

4. Integrated Medium Term Plan 2023/24 – Life Course

The vision set out in the IMTP 2023-2026 was to:

Improve population health and reduce the health inequalities experienced by our communities.

In order to achieve this vision, the IMTP focused on five life course priorities.



The Outcomes Framework is updated quarterly and, depending on data availability, the latest data is reported for each indicator. It comprises of metrics which should be captured over a longer time period than other routine performance indicators. For the 2023/26 IMTP, the Outcomes Framework was reviewed and aligned, where appropriate, with the newly published [Public Health Outcomes Framework](#). The timescales for indicators vary according to the data source. Indicators are classed as 'Similar' if the percentage change is between -2 and +2 and either 'Improved' or 'Deteriorated' if not. Some of the outcome indicators are reported on an annual basis for the previous year, we have provided the latest position available even those which state 2021 or 2022.

Of the 41 indicators, 27 have either improved or are statistically similar and 14 indicators have deteriorated over the past 12 months.




Type of change	P1 - Every child has the best start in life	P2 - Getting it right for children and young adults	P3 - Adults living healthily and aging well	P4 - Older adults are supported to live well and independently	P5 - Dying well as part of life	Total
Improved	4	2	8	4	1	19
Similar	2	1	1	1	3	8
Deteriorated	2	2	7	2	1	14
Total indicators	8	5	16	7	5	41

Delivering the IMTP Priorities 2023/24

Priority 1

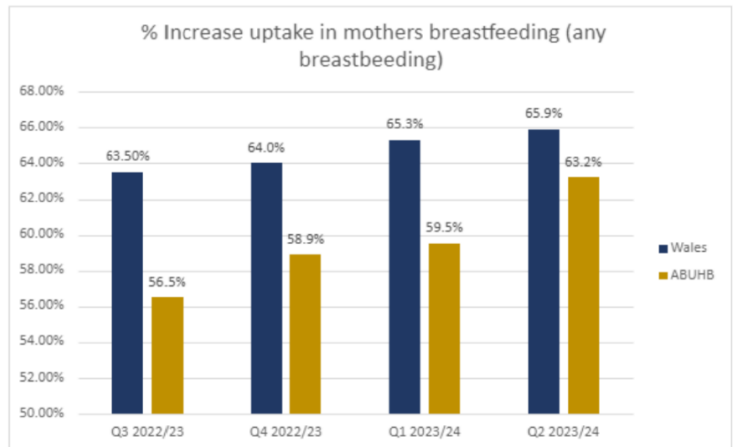
Every child has the best start in life

Early childhood experiences, including before birth, are key to ensuring improved health outcomes. The Health Board's IMTP committed to working with partners to take forward actions and activities that have a positive impact on the first 1,000 days of life. The table below sets out three core outcomes to be achieved in this area. Alongside identified measures, this information is used to target actions and identify priorities for the organisation.

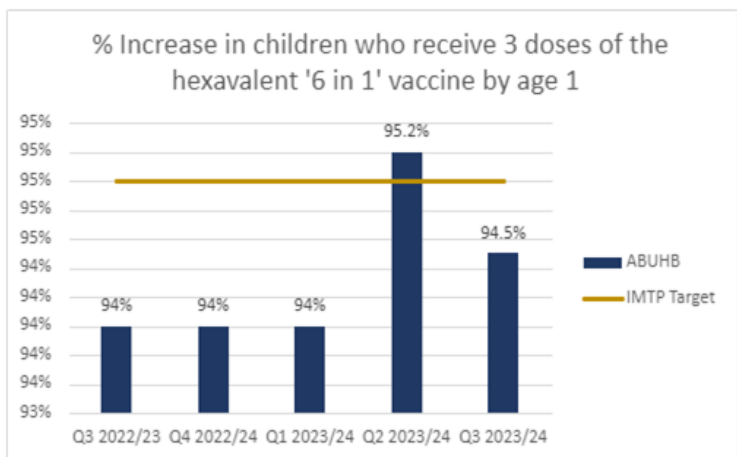
Our Commitments	Our Measures	Indicator Value	Our Performance
Improving Good Health in Pregnancy 	Decrease Low Birth Rates	6.1%	Increase in indicator between 2021 (5.1%) and 2022 (6.1%). In line with the All-Wales average.
	Decrease smoking rates @ birth	13.1%	Decrease from 13.7% in 2021 to 13.1% in 2022 and remains above the all-Wales average.
	Decrease still births	4.5 per 1,000	Increase in stillbirth rates between 2021 (3.9 per 1,000) and 2022 (4.5 per 1,000), however a 10% decrease in stillbirths have been observed over the last 5 years.
Optimising a child's long term potential 	Increase uptake of women breastfeeding	63.2%	Indicator value has improved by 11.6% between Q2 22/23 and Q2 23/24.
	Increase of eligible children with contact at 10-14 days	89.8%	Significant improvement in indicator during the last 12 months (baseline 29.3%).
	Increase of eligible children with contact at 6 months	82.7%	Significant improvement in indicator during the last 12 months (baseline 42.1%).
Increasing childhood immunisation 	% Children who received 2 doses of MMR by age 5	89.3%	Indicator value has remained stable (baseline 90%)
	% Children who receive 3 doses of hexavalent '6in1' vaccine by age 1	94.5%	Indicator value has remained stable (baseline 94%)

There has been mixed progress in the outcome '**Improving good health in pregnancy**', with both the low birth rates and still birth rates increasing between 2021 and 2022. Whilst there has been a reduction in the indicator over the previous 3 reporting periods, the rate has increased between 2021 (5.1%) and 2022 (6.1%), which is in line with the all-Wales average. Additionally, still birth rates have increased from 3.9 per 1,000 in 2021 to 4.5 per 1,000 in 2022. Good progress has been made in decreasing smoking rates at birth. The current reported position is 13.1%, which is a decrease from 13.7% in 2021.

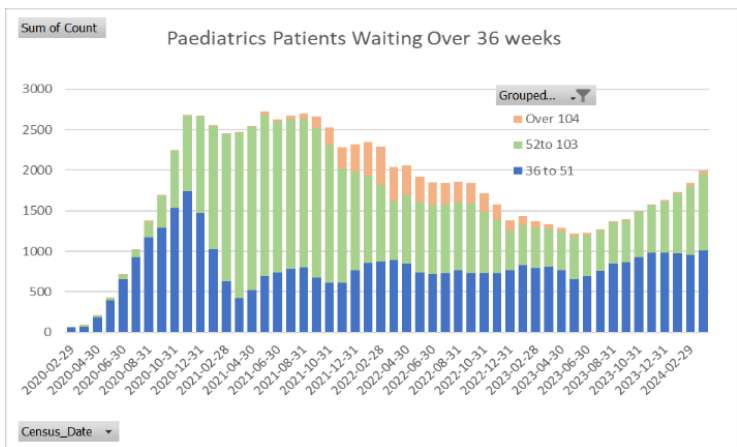
There has been an improvement in all three indicators of the outcome **'Optimising a child's long term potential'** with an increase over the last 12 months from 56.6% to 63.2% (Q2 23/24) in breastfeeding rates. As part of the Healthy Wales Child programme, there has been a significant increase over the last 4 quarters in the number of eligible children with contact between 10-14 days at 89.9% (baseline 29.3%) and eligible children with contact at 6 months at 82.7% (baseline 42.1%).



The position in the reported indicators in the outcome **'Increasing childhood immunisation and preventing outbreaks'** has remained broadly stable. Uptake of the complete three-dose course of the hexavalent '6 in 1' vaccination by age 1 is reported at just below 95%, demonstrating strong sustained performance levels and is consistent with national levels. Torfaen and Monmouthshire have the lowest uptake within Gwent with an uptake rate of 90.9%. Blaenau Gwent had the highest uptake rate of 95.1%.



The MMR vaccine protects against three infections – measles, mumps and rubella. The uptake rate in Gwent of the MMR 2 dose vaccine (age 5 years) was below the uptake for Wales between 2019 and 2021. From 2022 the uptake rate in Gwent and Wales have fallen, with Gwent now sharing the same uptake rate of 89.3% as Wales in quarter 4. Newport has the lowest uptake within Gwent, with a rate of 86.7%. Caerphilly had the highest uptake rate of 92.5%.






The number of children on the Health Board's waiting lists who have been waiting over 36 weeks increased during the pandemic and peaked during the summer of 2021. As of March 2023, there were 663 children waiting over 52 weeks for a new outpatient appointment and this reduced to 495 by March 2024. There continues to be focused efforts to reduce paediatric waiting times and consequently, intensive plans have been developed to reduce and maintain the waiting time for first outpatient appointments across all specialities.

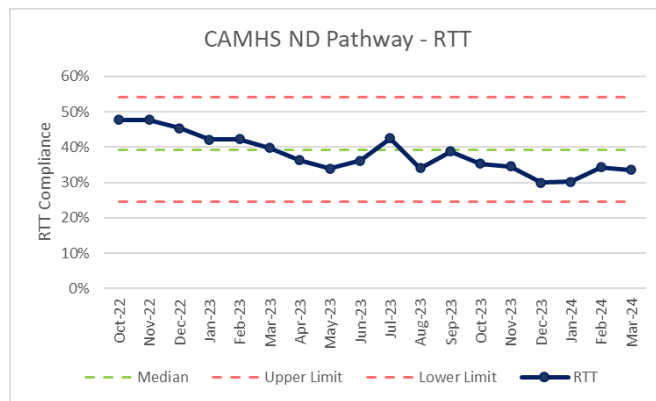
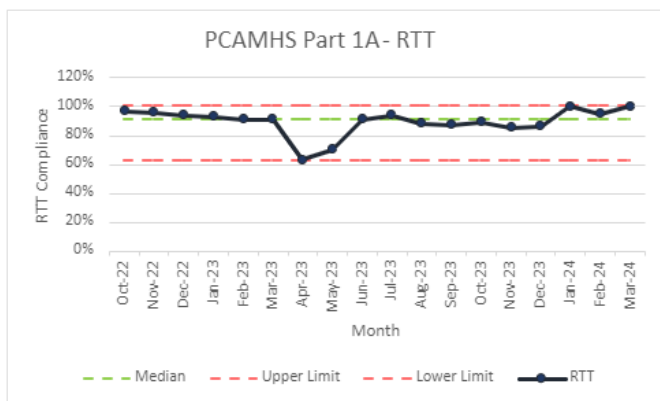
Priority 2

Getting it right
for children and
young adults

Nurturing future generations is essential for our communities. There is strong evidence that healthy behaviours in childhood impact throughout life; therefore, targeting actions to improve outcomes in these areas has a long-lasting impact on delivery. Young adult mental health is a Ministerial Priority area with CAMHS a focus in the national performance framework.

Our Commitments	Our Measures	Indicator Value	Our Performance
Improve mental health resilience 	Decrease in 4-week CAMHS waiting lists	100.0%	Indicator improved significantly since last reporting period. National standard of 80% remains achieved at 100% compliance.
	Increased compliance in neurodevelopmental (SCAN) waiting list	33.5%	Indicator deteriorated over the last 12 months (baseline, 39.7%)
Support being a healthy weight 	Increase in physical activity (for at least 60 minutes a day) in adolescents	15.1%	Indicator is lower than the Welsh average of 16.2% and has decreased over the last 12 months (baseline, 15.9%).
Improve healthy lifestyle behaviours 	Decrease in adolescents using alcohol	40.9%	Similar to Mar 23 baseline (40.7%), however indicator is higher than the Welsh average of 40.2%.
	Decrease in adolescents drinking sugary drinks once a day or more	18.5%	Indicator has improved from 19.4% (Mar 23 baseline) to 18.5%.

Progress within the **'Improve Mental health Resilience in Children and Young Adults'** outcome remains mixed. The CAMHS Neuro-developmental (ND) Service remains committed to achieving the 80% standard of completing ND assessments within 26 weeks. 2023/24 has seen a continued demand of referrals requesting consideration of an ND assessment. There are on average 220 new referrals a month which is a 200% increase on the monthly average for 2019/20 and this challenge has resulted in an RTT compliance for the end of March 2024 of 33.5%. A recovery plan was implemented in April 2023 to be able to support the current waiting lists across the 0-18 years pathway by separating the cohorts of 0-5 years and the 5-18 years.



PCAMHS 1a performance against the ministerial target of 80% compliance has remained steady since 2022. As at March 2024, the reported position increased significantly to 100%, surpassing the ministerial target. However, Part 1b remains significantly off track at 7.5% compliance (March 2024). Despite workforce constraints, the waiting list is reducing. CAMHS Part 2 RTT has seen increased compliance since April 2023, however there is a slight decrease in the reported March 2024 position at 72.4%.





Within Gwent, the percentage of adolescents participating in at least 60 minutes of exercise a day is reported at 15.1%, a reduction from 15.6% the previous year. Physical activity diminishes with age, from 20.7% (age 11) to 12.4% (16) and by gender with 20.7% reported amongst males and 11.9% amongst females. Additionally, there is a reported variation based on deprivation, with those living in a more affluent area more likely to engage in exercise (18%) compared to those in the least affluent areas (14%).

Within the **'Improving healthy lifestyle behaviours'** outcome the indicators of 'percentage of adolescents using alcohol' and 'drinking sugary drinks once a day or more' have both reported higher rates than all Wales average. The average percentage of adolescents drinking sugary drinks once a day or more is currently 18.5% compared to the all Wales average of 16.4%.

People who begin drinking early in life run the risk of developing serious alcohol problems, including alcoholism, later in life. They are also at greater risk for a variety of adverse consequences and poor performance in school. The average percentage of adolescents using alcohol is currently 40.9% compared to the all Wales average of 40.2% and this rate rapidly increases by age, increasing from 15.2% at the age of 11 to 71.8% by the age of 16.



Our ambition is for citizens to enjoy a high quality of life and to be empowered to take responsibility for their own health and care. A significant number of measures fall within this area, particularly in relation to maximising an individual's time. The outcomes and performance set out below underpin the work of the priority programmes and in particular the work of the Six Goals for Urgent and Emergency Care, Planned Care and Mental Health.

Our Commitments	Our Measures	Indicator Value	Our Performance
<p>Maximise an individuals time</p> 	Reduction in the number of patients waiting more than 36 weeks for treatment	42,980	Indicator value has increased over the last 12 months (baseline, 32,202)
	Reduction in the number of patients waiting for a follow-up outpatient appointment	134,784	Indicator value has increased by 11.6% between Mar 23 and Mar 24.
	Increase in Urgent Primary Care Contacts	9,916	Significant increase in monthly contacts over the last 12 months (baseline, 5,456)
	Reduction of ambulance handovers over 1 hour	691	Significant reduction (Mar 23, 1,497) and improving trend.
	Reduction in patients never waiting in ED over 16 hours	399	Decrease in the indicator value for the last year (Mar 23, 498)
	Reduction in time for patients to be seen by first clinician	2.0 hours	Improving trend observed during 23/24 (March 23, 2.3 hours)
	Reduction in time for bed allocation from request	12.3 hours	Improvement in metric from 13.9 hrs (March 23) to 12.3 hrs (March 24)
<p>Adults living healthily and aging well</p> 	Increase in adults meeting physical activity guidelines	49.9%	Since Covid-19, there has been a decrease in physical activity. Reduction from 52% (20/21 baseline) to 49.9% (22/23)
	Decrease in the % of adults smoking	13.6%	IMTP ambition met, however there is an observed increase in the percentage of adults smoking between 21/22 (12.9% and 22/23 (13.6%).
	Increase in working age adults of healthy weight	33.4%	For the first time since Covid-19, there has been a 14% increase. However, remains below the all-Wales average of 36.1%.
	Increase in working age adults in good or very good health	69.5%	Both the ABUHB and All Wales average have seen a decreasing trend over since Covid-19 (baseline 76.9%)
	Increase uptake of National Screening Programmes	70.2%	Improvements in indicator value observed (baseline, 64.2%)
<p>Improve mental health resilience</p> 	Increase in life satisfaction among working age adults	79.2%	Indicator has improved between 21/22 (76.4%) and 22/23 (79.2%)
	Increase in percentage of Health Board residents in receipt of secondary mental health services who have a valid care and treatment plan (18 years and over)	68.1%	Measure has deteriorated during the last 12 months (baseline, 75%)
<p>Maximise cancer outcomes</p> 	Increased compliance of the number of patients starting their first definitive cancer treatment within 62 days from point of suspicion	60.8%	Improvement in indicator since March 23 (56%) and March 24 (60.8%).
	Increase in 5 year cancer survival	58.6%	Significant improvement in indicator between reporting periods from 54% (2015-19) to 58.6% (2016-20)

Maximising an Individual's Time-Planned Care

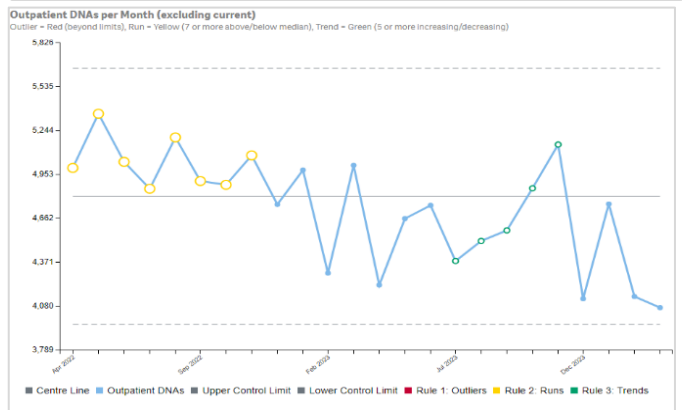
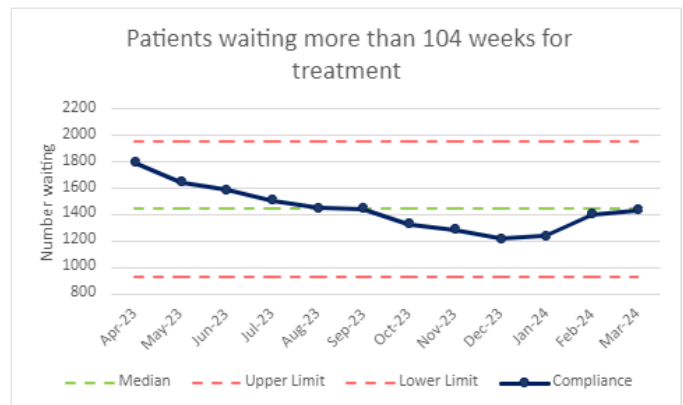
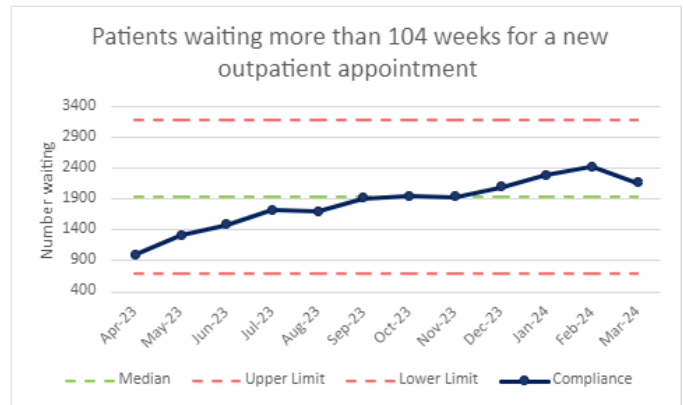
Maximising an individual's time is a core element of planned care. During the Junior Doctor Industrial Action in Quarter 4, a total of 3,298 outpatient appointments and 508 treatments were cancelled and this loss of capacity has had an impact upon performance levels. The Health Board has made good progress towards eliminating waits of over 156 weeks, with 31 patients waiting at the end of March 2024 compared to the April 2023 position of 642.

Improvements have also been made with 104 week waits for treatment which has reduced from 1,935 in March 2023 to 1,430 at the end of March 2024.

There is a particular challenge within the surgical specialty of ENT where demand has outstripped capacity, along with reduced outpatient capacity. A 'GP gatekeeper model' has been introduced and is being piloted to review demand with the purpose of managing demand in the most appropriate way, and early indicators show that the additions to the waiting list have reduced. Ophthalmology have launched a new technician diagnostic hub to address the backlog of Glaucoma patients on the follow-up waiting list, with a particular focus on those waiting over 100% past their follow-up target date.

Improvement in outpatient performance remains essential to make the most of an individual's time and is a core focus of the Planned Care Programme. At the end of March 2024, there were 2,169 patients waiting over 104 weeks for a first outpatient appointment. There is mixed progress across specialities with ENT, Orthopaedics and Ophthalmology ending the year behind trajectory. There are extensive recovery plans in place across ENT and Urology including a clinical review of patients on the waiting list along with other solutions (e.g. audiology) supporting ENT and a focus on improving treat in turn prioritisation across all specialities.

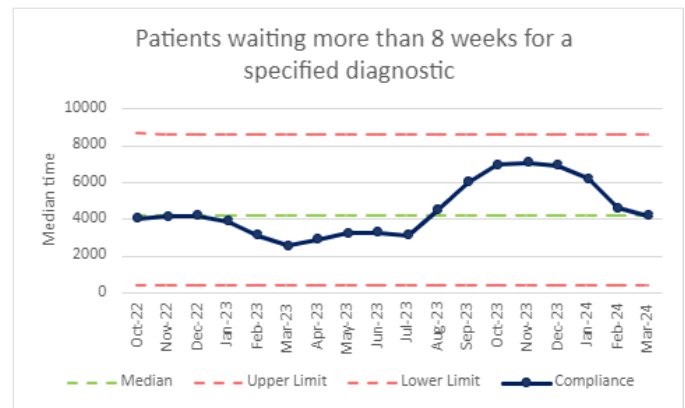
Part of the outpatient transformation programme is focussing on the outpatient Did Not Attend (DNA) plan, of which the current rate for new outpatient appointments has been sustained at 6.1% (4,070) in March 2024.



Maximising an Individual's Time - Diagnostics

There has been a steady reduction in the number of patients waiting over eight weeks for a diagnostic since November 2023. Key issues in diagnostics include:

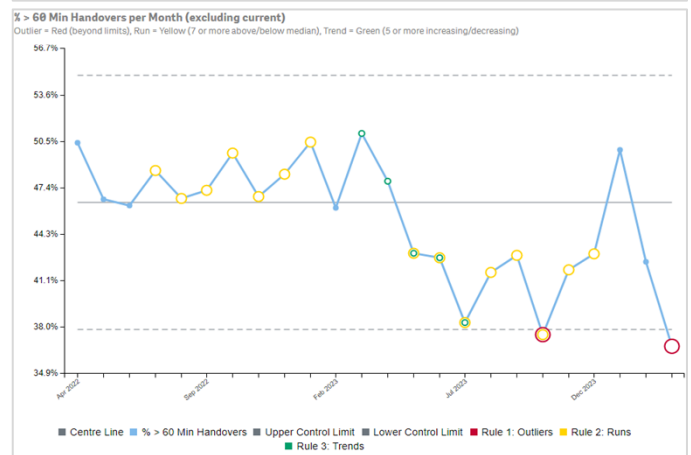
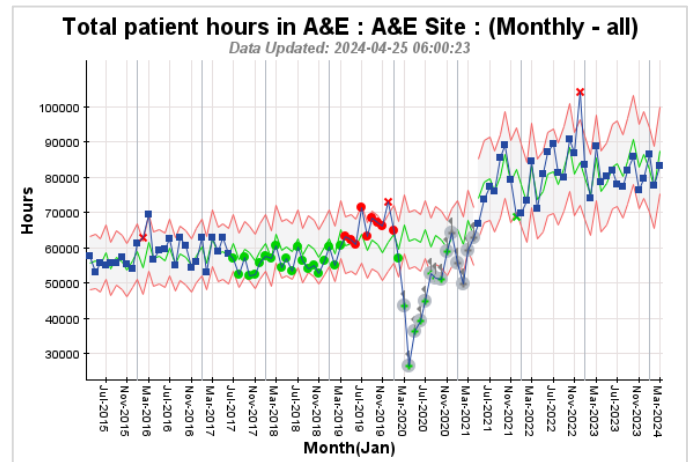
- Royal Gwent Hospital endoscopy unit opened in November 2023, with the purpose to sustain services and reduce backlog of those waiting. The impact of this investments has resulted in the number of people waiting at the end of March 2024 reducing to 1,368, compared to 2,061 (March 23),
- Radiology diagnostics patients waiting over 8 weeks has increased from 321 (March 23) to 1,155 (March 2024),
- Cardiology position has been maintained at 206 breaches in March 2024.



Maximising an Individual's Time- Urgent Care

Urgent Care services continue to be under significant pressure both nationally, regionally and locally, making delivering timely care challenging. There has been increasing demand for urgent primary care, increased ambulance call demand, increasing numbers of self-presenters at Emergency Departments and Minor Injury Units, increased acuity, increased bed occupancy for emergency care and high levels of delayed discharges linked with significant social care workforce challenges.

Over the last 12 months, there have been on average 516 daily attendances to the Emergency Department or a Minor Injury Unit, compared to 505 during the previous year, and the pressure on the urgent care system has resulted in patients staying in hospital for longer. The average time from arrival to departure in the GUH Emergency Department continues to be above the standard, with the total number of patient hours spent in A&E increasing significantly above pre-covid levels as the chart above demonstrates. The number and rate of patients waiting over 60 minutes to be transferred to the Emergency Department from an ambulance has decreased significantly from 1,597 in March 2023 to 691 in March 2024 and is the lowest level seen over the last two financial years. Whilst this remains high, as a result of poor flow through the system, there has been a concerted effort to decrease the number of



delayed ambulance handovers.

Despite the extreme pressures upon the urgent and emergency care system, the performance indicators for patients waiting fewer than four hours in ED has been maintained during the winter period and is currently reported at 73.8% (March 24) against a trajectory of 73%. The most recent national performance data reports that the Health Board's performance is higher than the Welsh average of 68%. Patients waiting over 12 hours in Emergency Departments was 1,477 in March 2024, compared to 1,606 in March 2023.

Maximising cancer outcomes

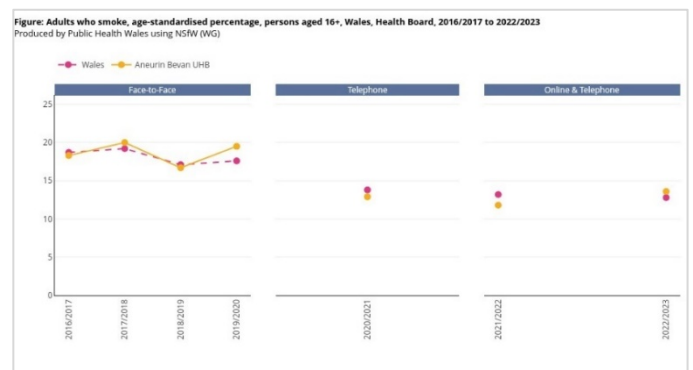
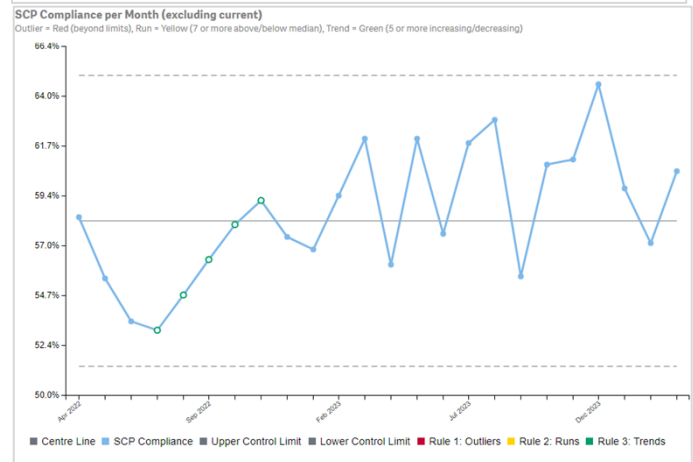
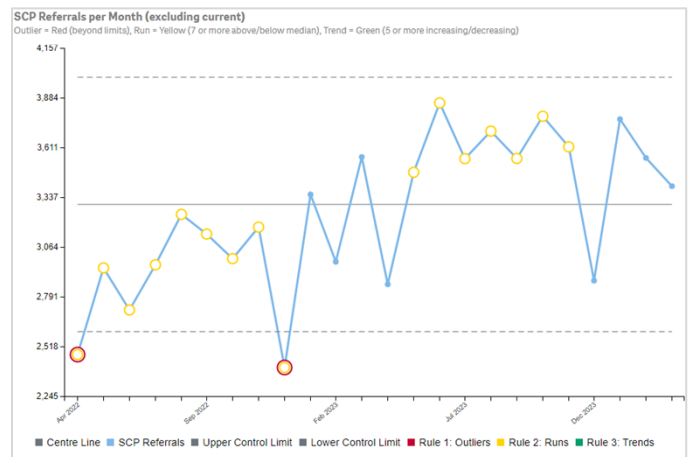
Overall, there has been significant improvement in the rate of five-year cancer survival reported over the last 10 years. However, whilst statistically similar, a slight decrease of 0.8% has been observed and cancer survival remains below the Welsh average for the third consecutive year.

Compliance against the 62-day standard for definitive cancer treatment has increased during 2023/24 from 58.2% at the end of March 2023, to 60.8% in March 2024. This is behind the performance ambition set in the IMTP. Drivers for this include the significant increase in demand alongside the focus on reducing the over 62 day waits, which will affect compliance. Significant increases in demand relating to the suspected cancer referrals have continued to exceed 3,500 referrals per month compared to pre-covid levels of 2,500.

The number of cancer treatments undertaken has increased by 5.5% over the last 12 months and is continuing to increase month by month. Despite the pressures of increased demand and capacity challenges, there has been an improving position in the number of patients waiting over 62 days over the last 6 months, reducing to 346 at the end of March 2024.

Adults living healthily and aging well.

Lifestyle factors such as diet and physical activity are closely associated with chronic health conditions such as cancer, diabetes, obesity and cardiovascular disease. The outcome 'Adults living healthily and aging

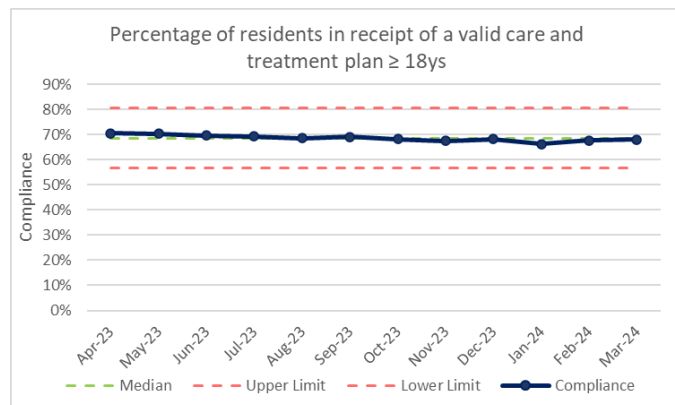


well' has seen a deterioration in the measure of the percentage of adults smoking. The rate has increased to 13.6% in 2022/23 compared to 11.8% in 2021/22 and is higher than the national average.

Over the next year the Health Board will be developing a cardiovascular disease risk assessment programme to tackle preventable cardiovascular disease focusing on behavioural risk factors including smoking which is the second highest risk factor following hypertension. This will be a holistic assessment and support model deployed across the neighbour care networks in Gwent.

Mental Health in Working Adults




Mental wellbeing and life satisfaction results in better subsequent health outcomes on some physical health indicators, health behaviours and psychosocial indications, including depressive symptoms. Mental wellbeing remains a key priority for the organisation and sustained performance levels have been observed in the 'improved mental health resilience in adults' outcome. As of March 2024, 68% of Health Board residents over 18 in receipt of secondary mental health services have a valid care and treatment plan.



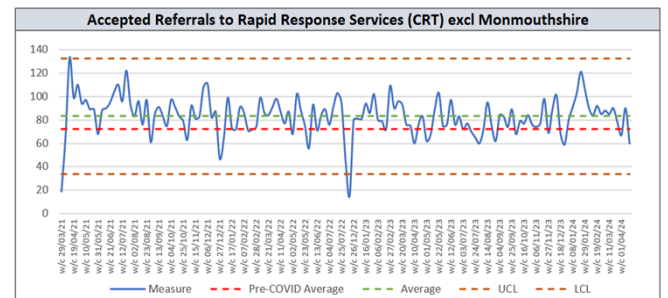
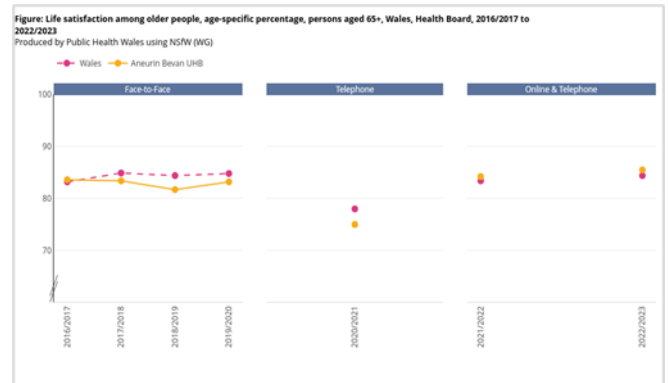
There are concerns on the provision of assessment by mental health service within 28 days from referral which is currently at 17.6% (March 24) and interventions less than 28 days from assessment which is currently 7.3% both areas are being addressed in a 90-day action plan monitored by Executive Committee to ensure targeted improvement.

Priority 4
Older adults are supported to

Supporting older adults to live well and independently is a core component of the Health Boards' plan for a sustainable health and care system. We know we need to deliver improvement for this section of our population in our service offer. Within the Urgent and Emergency Care 6 Goals programme there is prioritisation in Goals 1 and 2 for redesigning services for older people.

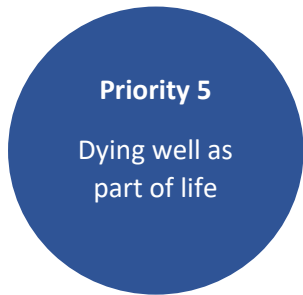
Our Commitments	Our Measures	Indicator Value	Our Performance
Prevention and keeping older adults well 	Increase in older people free from limiting long term illness	45.1%	Improvement in indicator from 43.3% (20/21) to 45.1% (22/23).
	Increase in life satisfaction among older people	85.5%	Increase in indicator over the last 3 financial years and remains above the all Wales average of 84.4%
	Increase in older people of healthy weight	41.2%	Increase in indicator from 38.7% (20/21) to 41.2% (22/23), surpassing the all Wales average of 39.6%.
Delivering care closer to home 	Increase in accepted referrals to Rapid Response Services (CRT)	377	Improvement in indicator over the last 12 months (baseline 326)
	Increase in accepted referrals to Reablement & Falls Services (CRT)	76	Deterioration in referrals over the financial year (Mar 23, 214)
Reducing admissions and time spent in hospital 	Reduction in the number of Emergency Admissions >65 years of age	1738	Significant increase in the number of emergency admissions from 1,427 (Mar 23) to 1,738 (Mar 24)
	Decrease (from 65 - 55%) in LOS over 21 days	55%	Statistically similar to last reported position (56% Mar 23)

Good progress has been made in the **'Prevention and keeping older adults well'** outcome with an improvement in all 3 indicator values. Firstly, there has been an increase observed in life satisfaction reported amongst older people from 84.2% (2021/22) to 85.5% (2022/23) and this remains above the all-Wales average of 84.4%. Additionally, there has been a significant increase in the percentage of older people of healthy weight. This has increased from 38.7% (20/21) to 41.2% (2022/23) and has also surpassed the all-Wales average of 39.6%. Finally, there has been an observed improvement in the percentage of older people free from limiting long term illness, increasing from 43.3% (20/22) to 45.1% (22/23).





The indicator values for **'Delivering Care Closer to Home'** outcome are mixed. As of March 2024, there were 377 accepted referrals to the Rapid Response Services and 76 to the Reablement & Falls Services. Goal 1 of the Urgent & Emergency Care Transformation programme has progressed the development of redesign of frailty services, including a Nurse-led Acute Frailty Response team at the Grange University Hospital (GUH) front door and the expansion and capacity build across Community Resource Teams to enable people to remain at (or close to) home, where this is safe and appropriate.

The outcome **'Reducing admissions and time spent in hospital'** has also seen mixed progress, with the number of emergency admissions for over 65 years of age increasing, throughout the year and particularly during Quarter 4 and is currently reported at 1,738 at the end of March 2024. The indicator 'decrease in the length of stay over 21 days' has remained statistically similar to the previous reported position of 55% in March 2024, which has resulted in the IMTP performance ambition of 55% being met.

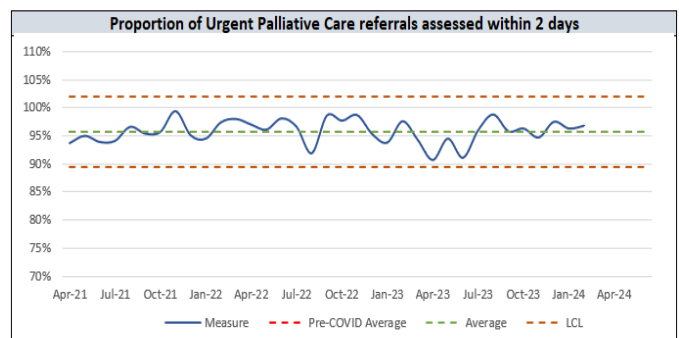


The IMTP sets out the commitment to continuously improve how we meet the needs of people of all ages who are at the end of life. The measures represent indicators to support the organisation's understanding of how it is delivering in this area to support the population to die in their place of choice and have access to good care at the end of life.

Our Commitments	Our Measures	Indicator Value	Our Performance
Improved end of life care experience 	Decrease in inpatient mortality rate	2.1%	Measure remains statistically similar (Mar 23, 2.1%)
	Reduction in End-of-Life Care complaints	21	Deterioration in indicator from 11 complaints received during 2021/22 to 21 during 2022/23.
Improved planning and provision of end of life care 	Increase in referrals to Palliative Care Services	183	Indicator has increased by 17% between reporting periods (baseline, 171)
	Increase in proportion of Urgent Palliative Care referrals assessed within 2 days	97%	Despite significant increase in referrals, the proportion of Urgent Palliative Care referrals assessed within 2 days has been sustain and compliance with target remains (baseline, 99%)

For the outcome measure **'Improve care at the end of life'**, it is recognised that the relationship between mortality rates and the quality of patient care is a complex one. For this reason, the indicator 'decrease inpatient mortality rate' is used as a measure and trigger for further investigation, understanding that it may not indicate any deficiency in the quality of care. The rate in inpatient mortality has remained statistically similar and is reported at 2.1% at the end of March 24.

Good progress has been made within the outcome **'Improved planning and provision of end-of-life care'**, with the number of referrals to palliative care services increasing from 171 (Mar 2023) to 183 (Feb 2024). Despite this increase, the proportion of urgent palliative care referrals assessed within 2 days has been sustained



at 97% and the IMTP target remains met. Over the next year we will implement the National Bereavement Pathway for Wales, including the development of a single point of contact for death and offer surveys to bereaved people to obtain feedback on the quality of support received.

5. Integrated Medium Term Plan 2023/24 – Priority Programmes

This chapter of the report updates on delivery against the Clinical Futures programmes including those which deliver the key priorities set by the Minister for Health and Social Care. There is a high degree of synergy between the Ministerial Priorities for 2023/24 that are designed to support a swift recovery of business as usual and to reduce growing waiting lists and waiting times. All priorities are underpinned by a focus on quality, safety and prevention as a part of the planned activity, with good medical outcomes at the heart of NHS services

Planned Care & Diagnostics

- 6 Goals for Planned Care

Cancer Recovery

- Optimising Cancer Outcomes Programme

Mental Health

- Mental Health Transformation Programme

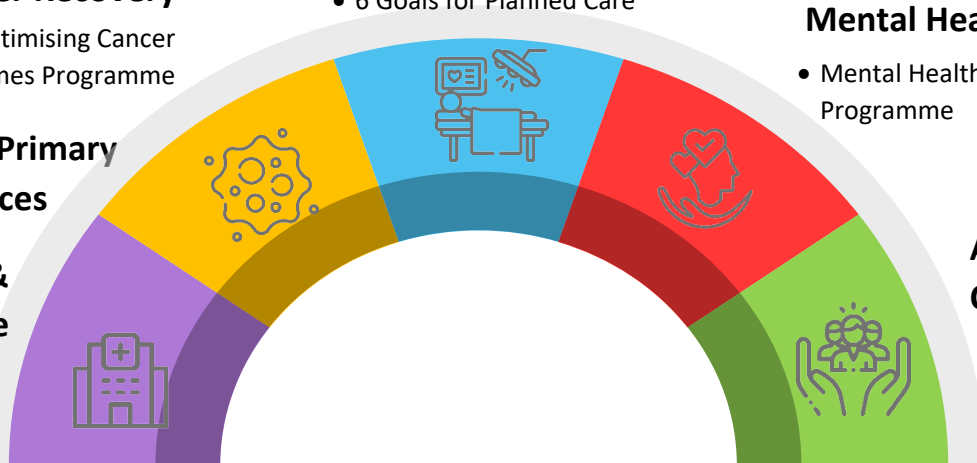
Access to Primary Care Services

Access to Primary Care Services

- Placed Based Care

Urgent & Emergency Care

- Urgent Care Transformation Programme
- eLGH Network Programme



Urgent and Emergency Care

Prior to the pandemic, the pressures in Emergency Departments (ED) were becoming increasingly difficult, with demand soaring and the percentage of people being seen within the four-hour standard reaching an all-time low over the 2019/20 winter. Since the start of the pandemic, ED attendances decreased significantly which led to performance improvements. Since lockdown eased, demand has steadily risen, and a greater number of people with serious problems are presenting themselves in our urgent and emergency care system.

Some areas of progress include:

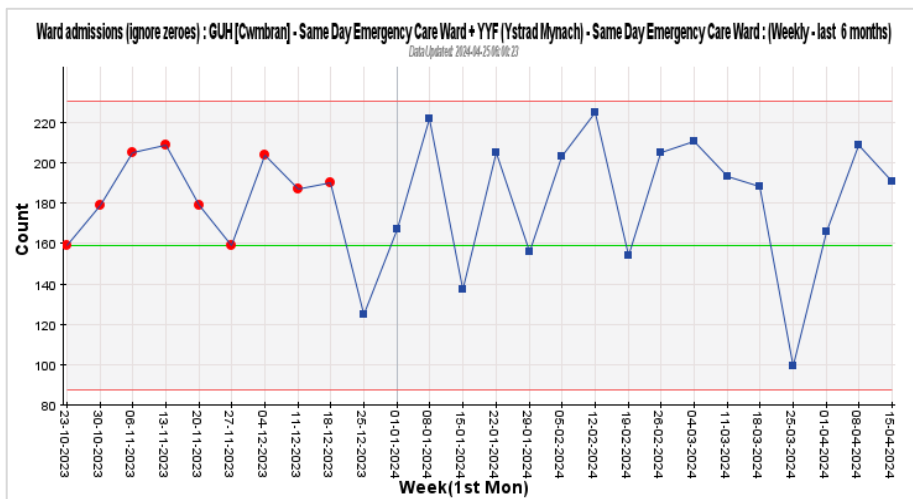
Goal 1:

- **Acute Frailty Response (AFR)** Team launched and substantive staff recruitment progressed.

- **Community Response Team (CRT)** Work in train to bring together GUH front door teams including service delivery and evaluation (AFR, CAATT, Home First, AMU SAS Dr).
- **Care Home** workstream established and Luscii technology pilot in care homes agreed (pending start date).

Goals 2, 3 and 4:

- **Same Day Emergency Care** patient volume sustained at an average of 138 weekly attendances at GUH and 49 at YYF.
- **Reducing Conveyance** Collaborative established with the Welsh Ambulance Trust (WAST) to develop joint solutions including strengthening falls response in community and a 111 first pathway.



- **Urgent Primary Care Demand:** Analysis completed to understand the increase in demand from Primary Care at start of 2024. Single phone number for Urgent Care launched February 2024.
- **Flow Centre** Transitioned to a Nurse led maker model releasing Medical resources where they are needed most into the Emergency Department.
- **Fracture Liaison Service** received development funding to recruit two specialist nurses with the aim of identifying patients at-risk of fragility fractures.

Goals 5 & 6:

- **Step Down Improvement** Optimising Hospital Flow Framework Refresher training being delivered as part of a development programme. Patient Safety Events across the hospital network including at GUH with a specific focus on patients planned for step down.
- **Hospital 2 Home** team now fully appointed, working with Monmouthshire and Newport Localities.
- **Discharge/Transfer Lounges** Royal Gwent Hospital (RGH) Discharge Lounge development to support an improved model of care. NHH Discharge Lounge now operating under new pull model. Modelling undertaken for options for the GUH Discharge Lounge.
- **Optimising Patient Flow** Discharge to Assess digital solution piloted across three wards, wider roll out now underway. Two Future Flow Design workshops delivered, and two areas of work identified – bed allocation and workforce model.

Enhanced Local General Hospitals:

- Relocation of two wards and repurpose of one ward at St Woolos Hospital (SWH) to RGH, at end of February 2024.



Cancer Recovery

Reducing prevalence of cancer and improving Cancer has remained an organisational priority. The Single Cancer Pathway, supported by Optimal Cancer Pathways for individual tumour sites, provides the roadmap to shorten diagnostic and treatment pathways once a person is suspected as having cancer. The Cancer Strategy, Delivering a Vision 2022-25, sets out the broader context with prevention, early detection, patient experience, living and dying with cancer, cancer research and access to novel therapies also key components to transforming cancer services for our population.

Some areas of progress over the last 12 months include:

- **YYF Breast Centre** in February 2024, the brand-new Breast Care Unit at Ysbyty Ystrad Fawr welcomed Gwent patients for the very first time,
- **Acute Oncology Service** - A Bevan Commission project between Velindre Cancer Centre treatment helpline, the Health Board Acute Oncology Service and SDEC teams has been completed and with a positive evaluation on patient experience,
- **Public Health Inequalities** - An Inequalities Action Plan has been developed following wider engagement to prioritise the actions required to reduce inequalities in cancer care provision and prevalence.
- **SACT Outreach Partnership** The launch of a programme of work with Velindre Cancer centre on expanding the provision of Systemic Anti-Cancer Therapy (SACT) outreach in Gwent and agreeing joint priorities with respect to improving the provision of care closer to home.
- **Enhanced Psychological Programme for those living with and beyond cancer/person** successfully recruited a Clinical Psychology Lead in March 2024.
- **Radiotherapy Satellite Centre** Positive progress of the new development via a joint project with Velindre Trust due to open in March 2025.



Planned Care & Diagnostics

During the pandemic services had to be paused to respond to the immediate demands and challenges of COVID-19 and capacity was reduced due to infection prevention and control requirements. As a result, the number of people waiting – and the time people are waiting – for planned care services are now longer than ever. This position is further exacerbated by those who did not access health care during the pandemic and in addition to the backlog of patients known to the services there is a potentially significant cohort of 'unreferred demand'.

Some areas of progress include:

- **Health Pathways** project which is targeted at improving management of demand through an improved communication between primary and secondary care via the "Health Pathways" website launched in April 2024 with the first 50 pathways. Phase 2 pathways allocated, to be reviewed against national and local priorities.
- **Outpatients** Further progress in the roll out of See on Symptoms (SoS) and Patient Initiated Follow up (PIFU) pathways to address lengthy follow up waiting lists has been progressed. An Outpatient Treatment Unit has been established which supports the move of patients receiving treatment in theatre setting into an

ambulatory setting, Digital enablers to support outpatient provision continue to be developed including Automated Clinical Booking System, roll out of e-advice system and promoting the use of consultant connect .

- **Diagnostics** The development of the new endoscopy unit in RGH which has supported an increase in capacity and reduction in waiting times.
- **Theatres** Introduction of High Volume Low Complexity Lists (HVLC) in general surgery to improve productivity, development of timely benchmarking and operational data to support improvements in utilisation.
- **Planned Care Academy** to support, develop and promote the skills associated with good waiting list management for operational managers. Training modules developed and engagement with operational teams. 3 workstreams are progressing objectives.



**Mental Health
Transformation**

The detrimental impact of COVID-19 on the mental health and wellbeing of our population has been significant. Demand is likely to exceed capacity threefold over the next three to five years. Demand for mental health and CAMHs services is sharply increasing, and we need to find ways of supporting people earlier to better support crisis prevention and recovery.

Some areas of progress include:

- A new housing scheme on the site of the former Brynmawr Clinic in Blaenau Gwent opened. **Acer House** provides homes and individual and specialist support for people to learn and develop their skills, experience, and confidence to thrive independently. It is a unique, collaborative service model by the housing and health sectors that puts residents at the core.
- **Implementation of 111 press 2** which provides support for urgent mental health care that is not life threatening.
- **Pathway Panel** established, providing MDT approach to reviewing all patients to ensure best possible outcomes for patients. This has resulted in significant savings and better life opportunities in the first few months of commencement.
- £1.2m of external funding targeted towards **Housing Projects**. MH&LD Division worked collaboratively with Housing Providers, including United Welsh, Melin, Newport City Homes and Bron Afon.
- Adults **ADHD Service** established
- CAMHs have surpassed 80% compliance for **CHOICE (New referrals) to assessment within 28 days** for Quarter 4 at 100% compliance. Monthly demand and capacity review undertaken to ensure that job plans have sufficient capacity to meet CHOICE demand. Continued implementation of workforce plans including efficient recruitment into vacancies.
- PCAMHS is continuing to flex capacity to meet the **Initial Assessment Part 1A 80% target** with March 2024 position of 78.12% despite significant vacancies and workforce deficits.
- **Under 18s Initial Assessment Part 1B recovery plan** continues to be implemented making reasonable progress.



Access to Primary Care Services

The Primary Care Model for Wales set out how primary and community health services will work within the whole public sector system to deliver Place-Based Care. Collaborative work is at the core of this bringing together local health and care services to ensure care is better coordinated to provide care closest to home and promote the wellbeing of people and communities.

Some areas of progress include:

- **Professional Collaboratives** formalised governance arrangements for professional collaborative leads and agreed priorities for each professional collaborative for example; Pharmacy, Dentistry, Optometry and Therapists.
- **Access Standard** – 100% of GP practices have submitted data on a quarterly basis that allows us to measure the accessibility and quality of their services for example, opening hours, how to make contact and methods of communication.
- **Community Pharmacies** have demonstrated continued success achieving a 46% increase in common ailment consultations over this year.
- Continuing to progress the units and levels of patients accessing NHS and **Community Dental Services**- over this year 325,904 patients have received dental care of which 24,182 were new Patients. Development of new dental contract as part of Bevan Health and Well Being Centre in Tredegar opened in April 2024.
- Development of a **Palliative Care** Medical Champions Programme
- **Pharmacy** career pathways defined and scheduling of phase 1 undergraduate MPharm student placement scheme
- **Urgent Primary Care** contacts increased by 22% from 2022-23 to 2023-24
- All Managed **GP practices** transferred to independent providers from 1st April 2024
- Wellbeing collaboratives continues to be developed alongside Neighbourhood Care Networks (**NCNs**).

Sustainability and Carbon Reduction Plans

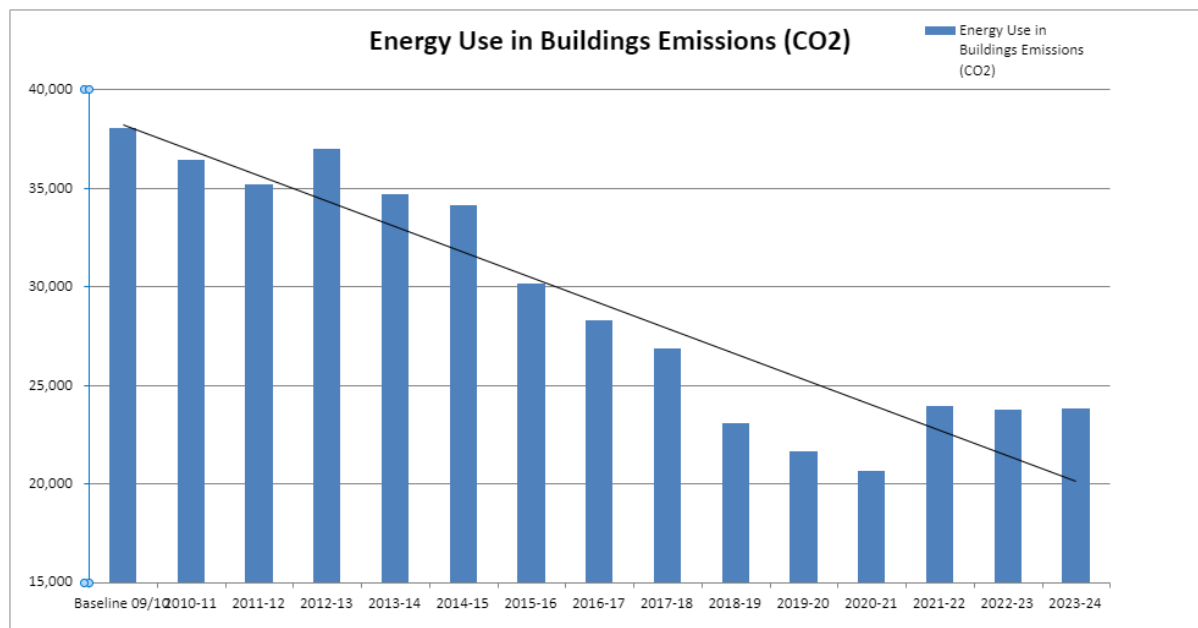


Decarbonisation

The Health Board continues to align its activities to complement and make progress towards the objectives and targets set out in the NHS Wales Decarbonisation Strategic Delivery Plan, published by Welsh Government in 2021. The Plan responds to the declaration of the climate emergency in 2019 and the ambition of Welsh Ministers for the Welsh public sector to be net zero by 2030.

During 2022/23 the Health Board established its Decarbonisation Programme Board, chaired by the Executive Director for Finance and Procurement. Four working groups are now well established, each working group having a suite of the national initiatives assigned to them to take forward and develop associated projects. In 2023/24, several workshops were held with the working groups to inform the development of the future 24/25 decarbonisation work plan.

Since 2010, the Health Board has made consistent reductions in carbon emissions from its building's portfolio. Up to this year (2023/24) the emissions from energy use in buildings has been cut by 37%, equating to a total saving of 14,241 tonnes of carbon.



Since 2020, and the early opening of the Grange University Hospital in response to the COVID-19 pandemic and with the opening of a new Hazardous Substances Decontamination Unit in Llanfrechfa as well as the new Bevan Health & Well Being Centre in Tredegar and the Unified Breast Unit located at Ysbyty Ystrad Fawr; mean that energy use and carbon emissions from buildings have increased as the size of the estate and clinical activity increases across the Health Board and premises occupancy returns to pre-pandemic levels. By making efficiencies in the operation of the building services (lighting, ventilation, heating, and hot water) throughout the year we have mitigated the emissions increase to 0.3% this year.

During 2023/24 the Estates and Facilities Division made considerable progress with its energy performance contract development. Through competitive tender the ReFit Cymru Programme contract was awarded to Vital Energi Ltd. This long-term partnership has the potential to deliver significant investment in low-carbon and renewable energy projects across the main hospital and community premises in the coming years and through several phases of work. The ReFit Programme will contribute significant carbon savings towards the decarbonisation ambitions of the Health Board.

The Facilities Division during 2023/24 were able to transition 13 traditional diesel fleet vehicles over to electric van equivalents. These were rolled out to hospital sites during the latter part of the financial year.

During 23/24 the Health Board was able to complete Initiative 9 of the NHS Wales Decarbonisation Strategic Delivery Plan – to appoint a full time Building Management Systems Officer. Throughout the year we have been working hard to optimise hospital building services. Aspects such as heating, lighting and ventilation systems have been appraised and technical changes made to ensure that systems are running as efficiently

as possible and operating only at times of occupancy. Current savings have been made in electricity and gas through these technical changes, delivering an annual carbon saving of 118 tonnes.

The Health Board continues to work towards introducing more sustainable and resource efficient methods of processing waste generated from health care activities. The Health Board is working towards a zero-waste to landfill approach (currently at approximately 3% landfill waste), in collaboration with external contractors. The vast majority of non-recyclable general waste now goes to energy-from-waste plants to generate sustainable electricity.

In April 2024 new legislation came into effect in Wales meaning that non-domestic premises have to segregate recycling into separate waste streams for collection. This law implements a number of actions to increase the quality and quantity of recycling which are included in the Welsh Government's Circular Economy Strategy for Wales. The main aim of the legislation is to address the levels of recycling rates in non-domestic properties thereby; turning waste into a resource, improving the quality of recyclable materials recovered and realising associated carbon reductions.

There is an extension for healthcare premises with in-patients until April 2026 for Health Boards to adequately prepare, but all non-inpatient sites are already included.

We will realise the carbon benefits of this initiative going forward, to be included in next year's report.

Another key element of the legislation is the segregation and separate collection of food waste. The Health Board is now compliant at all sites with patient dining and/or a catering retail function. This waste, which previously was disposed of to foul sewer or as general waste is now processed in an anaerobic digestion plant creating energy as a by-product.

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

The Health Board complies with Biodiversity and Resilience of Ecosystems Duty under Section 6 of the Environment (Wales) Act 2016, which seeks to enhance resilience and biodiversity across the estate. To this end, several local initiatives are in place including wildflower planting in conjunction with external art installations at the Grange University Hospital, the continued success and development of the Walled Garden at Llanfrechfa Grange by the charitable organisation 'Friends of Llanfrechfa Grange Walled Garden.' There was also a successful funding bid for a community orchard at Trethomas Health Centre which is now complete.

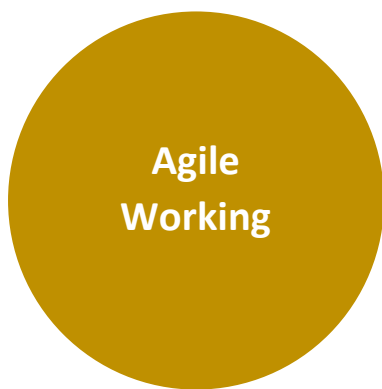
Biodiversity Enhancement Reports have been completed at St Cadocs Hospital, Serennu Children's Centre, Nevill Hall Hospital, Ysbyty Ystrad Fawr and Maindiff Court Hospital after securing funding from the Health & Social Care Climate Emergency National Programme in 2022/23. These enhancement reports will be used to inform any future biodiversity work the health board can deliver, where appropriate funding opportunities permit.

The Health Board proactively planned to remove the majority of Nitrous Oxide use from its sites, manifolds have been decommissioned in all eLGH sites and an audit is underway to understand the N2O usage in the Grange University Hospital and whether the manifold can also be decommissioned and replaced with portable cylinders.

Early indicators from a BOC Ltd report a significant reduction in the health board's use of nitrous oxide. Data will be provided in next year's report.

There is work underway on reducing the waste of non-sterile gloves. The use of these gloves more than doubled during the pandemic and there is a need to return the usage to pre-pandemic figures. Current CO2 emissions for gloves are 571, 235, 600 grammes.

The UK Climate Change Act 2008 provides a legal framework to cut UK greenhouse gas emissions and build the UK's ability to adapt to a changing climate. Responsibility for climate change adaptation is devolved, meaning national governments in Northern Ireland, Wales and Scotland are responsible for developing their own respective adaptation programmes and plans.



We understand the importance of agile and flexible working to staff wellbeing through giving greater autonomy of work and improving work life balance. During 2023/24 we strengthened our Agile Working Strategy and Vision and will continue to build on areas of good practice. The vision set out a number of principles to give a clearer steer and direction to people, a workplan of SMART objectives aligned to the Estate Strategy and Digital Strategy and a dashboard with measurable benefits of Agile/Hybrid working. Through our resetting our agile vision we have reviewed our guidance and toolkits which

incorporated staff welfare facilities to ensure they meet minimum standards. We have engaged with our services across most of our estates, undertaken agile assessments and explored agile working options in line with our Estate Strategy and Decarbonisation Strategy and we will continue this programme of work through 2024/5.

6. Integrated Medium Term Plan 2023/24 – Quality and Safety

In April 2023, the Health Board published and implemented two Strategies. Both the Quality Strategy and Patient Experience & Involvement Strategy have been developed from the experiences of our patients, relatives, carers, staff and communities to focus on improvement, planning and assurance in the right areas. This is aligned with the objectives and aims of the Duty of Quality and in the context of meeting our obligations under the Duty of Candour.

As part of our ongoing commitment to quality and safety we have successfully implemented a Quality Outcomes Framework (QOF), which was approved by the Patient, Quality, and Safety Operating Committee (PQSOC) in Quarter Two. It was acknowledged this would become an iterative framework that was under constant development throughout year one. The reporting of the QOF recognises the development of some of the measures as new ways of reporting and capturing what is important for patients and the population and for the Board are brought in line. This process will continue to be refined by working with planning and the digital, data and technology team.

The Health and Care Quality Standards provide a clear framework to help plan, deliver and monitor healthcare services in Aneurin Bevan University Health Board. The Quality Outcomes Framework (QOF) is mapped to ensure the organisation develops and delivers our services around the six domains of quality and the six quality enablers. These outcomes and indicators collaboratively establish a set of quality indicators that align with the Health Boards priorities and strategic goals. The indicators cover all aspects of care, clinical outcomes, patient safety, patient experience, and efficiency.



Our quality strategy signals our intention to progress six pillars of quality to establish our level of performance. These are: patient staff and experience; incident reporting; complaints, concerns and compliments; health, safety and security; infection prevention and control and safeguarding. The pillars will be our Quality Markers in our quality management system. Strengthening our quality management system helps us make sure our decision-making focuses on improving the quality of health services. These 'pillars of quality' run through the organisation, ensuring that it delivers the highest standards of care under these domains. Providing data in these Pillars of Quality will enable the organisation to review our performance.

The patient experience and involvement strategy makes a commitment to delivering person-centred care that puts the need of the patient at its heart, to deliver a positive patient experience. The launch of the system to capture patient's experience across the Health Board (CIVICA), has provided the opportunity to received direct patient feedback. Through this Strategy, the Health Board are committed to:

- Respecting people's **values**, preferences and expressed need
- Improving **information** and education
- Improving **access** to care
- Improved provision of **emotional** support to relieve fear and anxiety
- **Involving** family, friends and people who matter to the individual

- Providing **continuity** and secure transition between healthcare settings
- Providing **physical comfort**
- Delivering **co-ordinated** care

Goals and Objectives

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

As one of the quality pillars there has been a focus on complaints and concerns. The main themes relate to: Clinical treatment/assessment; Appointments and Communication issues across 2023/24. The effects of the Covid-19 pandemic continue to be evident in relation to concerns raised regarding clinical treatment and assessment; delays in receiving an appointment along with commencement of treatment plans. People continue to express concern about wait times, with waiting list times emerging as a recurring theme across the reporting period. However, the ongoing work of the Six Goals for Urgent and Emergency Care, Planned Care and Mental Health, seeks to improve clinical outcomes and patient experience.

Communication issues continue to be a recurring theme, however positive changes to the management of concerns from the point of receipt and throughout have been implemented, with the recent development of a central acknowledgement team. This affords people the opportunity to engage with the Health Board early on and ensure a person-centred approach to resolution of their concerns. Meaningful updates throughout the course of investigations to people and families is the focus of all concerns teams. Both approaches have been recognised by the Public Services Ombudsman for Wales, and Llais as positive steps.

Focusing on the reporting of patient safety incidents has enabled the Health Board to provide data on the number of serious incidents, national reportable incidents and the number of never events. Following a series of never events that occurred in theatre a quality improvement project was initiated. This included working collaboratively with

staff to look at human factors, psychological safety and wellbeing. Reviewing the implementation of the National Safety Standards for invasive procedures has allowed a number of change ideas (e.g back to basics and 'pause for gauze') to be developed and improve practice. For quarter four report, never events had reduced to zero.

As of 31st March 2024, the Patient Safety Incident team were managing 75 live Serious Incident investigations (moderate/ severe). A review of the Patient Safety Incident process and development of an updated policy, has provided many opportunities for improvement and learning. The team have developed a new Patient Safety Incident Report template with guidance notes, drawing on best practice, human factors methodology/ tools and from feedback received from staff, patients, families and HM coroner. Serious incidents are now presented weekly to the Clinical Executive team to formalise the decision regarding investigation and there has been Divisional engagement undertaken.

One priority this year was to focus on reduction and prevention of Health Acquired Pressure Ulcers (HAPU's) within the Health Board to meet the Welsh Government standard of 0% avoidable. A Pressure Ulcer Faculty was developed with aims to reduce HAPU incidences by 25% of baseline within 4 months from the commencement of the faculty and to eradicate incidence of grade 3 & 4 avoidable HAPUs 4 months from the commencement of the faculty. Work has included the development of a teaching package by the tissue viability nurses, an app to support timely wound review and treatment and additional PDSA cycles. The Faculty has progressed this workplan, which demonstrated a reduced number of HAPU incidences of 5% over the last quarter.

There has been ongoing collaboration between NHS Wales Boards and Trusts, Improvement Cymru and the Institute for Healthcare Improvement, over the past 18 months under a Safer Care Partnership. The partnership aimed to provide nationally coordinated, locally deliver support for safe, reliable and effective care. This has enabled a refresh of the Health Board's quality improvement projects and strengthened improvement capability as a number of quality improvement projects were implemented. There has been national collaboration on the deteriorating patient throughout our organisation, which has been progressed via this national programme. This focused work will continue and involve developing a Sepsis Strategy for the Health Board, including implementing the updated NICE guidance and improving sepsis recognition and early assessment from primary care to acute services.

The Health Board is facilitating the development of a culture of shared learning and a joint approach to quality, patient safety and experience. A framework has been developed and approved which demonstrates how learning will be identified, triangulated, disseminated, and implemented into practice, to facilitate and embed a culture of appreciative enquiry, continuous improvement in health care services. This framework will compliment and build on divisional and directorate assurance arrangements by adding a strategic approach to support the Health Board to learn lessons from a range of internal and external sources. This will form part of our learning repository, which will allow us to collate, store and utilise this learning, enabling us to share knowledge, shape change, embrace innovation, implement quality improvement and create opportunities to develop excellence in practice.

In summary, over the last year the Health Board delivered:

- ✓ Established a reporting framework and quality outcomes framework aligned with the six domains of quality
- ✓ Implemented Speaking Up Safely framework with action plan
- ✓ Launched an email address for staff to raise concerns in confidence
- ✓ Health Board Safety flow initiative in place with its primary aim to improve ambulance handover performance
- ✓ A new Falls Pathway introduced to reduce the number of non-injurious fallers conveyed by ambulance
- ✓ Review of the Serious Incident Policy
- ✓ Introduction and growth of Patient Advice and Liaison Service
- ✓ Increase in early resolution of complaints
- ✓ CIVICA overall satisfaction score is 88% (above the benchmark of 85%)
- ✓ RAMI score has decreased
- ✓ The number of hospital acquired pressure ulcers has decreased
- ✓ Improved provision of Safeguarding training
- ✓ Improved cancer programme outcomes through adoption of Quality Improvement methodology.

The full QOF report for Quarter Four is available on the following [link](#).

7. Well-Being of Future Generations

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

The seven wellbeing goals



Source: Future Generations Commissioner for Wales

The five ways of working



During 2023/24, Aneurin Bevan University Health Board has worked closely with partners in Gwent Public Services Board to turn the findings of the Gwent well-being assessment into a well-being plan which will improve the social, economic, environmental and cultural wellbeing of citizens in Gwent. Using the five ways of working, Public Services Board partners have worked together to develop a plan which will deliver ambitious and transformational change that cannot be achieved by individual organisations alone. The plan will cover the five-year period 2023-28, and is based on two strategic objectives and five steps. These are:

Gwent Well-being Plan strategic objectives:

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

Gwent Well-being Plan steps:

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

Alongside the Gwent well-being plan, Aneurin Bevan University Health Board has led Gwent-wide partnership action to address inequity and the wider determinants of health as part of 'Building a Fairer Gwent'. Based on the eight Marmot principles, this work has resulted in a comprehensive set of recommendations for Gwent over the next five years which are currently being taken forward as part of implementation of the Gwent well-being plan. Further information about 'Building a Fairer Gwent', including a copy of the final report can be found at:

<https://www.gwentpsb.org/en/gwent-marmot-region/>

The Marmot principles

<ol style="list-style-type: none"> 1. Give every child the best start in life. 2. Enable all children, young people and adults to maximise their capabilities and have control over their lives. 3. Create fair employment and good work for all. 4. Ensure healthy standard of living for all. 	<ol style="list-style-type: none"> 5. Create and develop healthy and sustainable places and communities. 6. Strengthen the role and impact of ill health prevention. 7. Tackle discrimination, racism and their outcomes. 8. Pursue environmental sustainability and health equity together.
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Source: Institute of Health Equity

Aneurin Bevan University Health Board Wellbeing Objectives

During 2023/24 Aneurin Bevan University Health Board has continued to maintain a life course approach to its wellbeing objectives as it continues to endeavour to reduce health inequalities and improve population health. Unlike a disease-oriented approach, which focuses on interventions for a single condition often at a single life stage, the life course approach considers the critical stages, transitions, and settings where large differences can be made in promoting or restoring health and wellbeing of both current and future generations. Adopting the life course approach means identifying opportunities for minimising risk factors and enhancing protective factors through evidence-based interventions at important life stages, from the perinatal period through early childhood to adolescence, working age, pre-conception and the family-building years, and into older age. It also capitalises on the potential to deliver an intergenerational approach to health improvement and reduce health inequalities from generation to generation and improve conditions of daily life. Our health services are there to provide universal coverage to everyone throughout the life course, whilst also recognising that we need to provide more support to those in greatest need.

This approach requires holistic, long-term, policy and investment strategies and engagement that promote better health outcomes for individuals and greater health equity in the population. Aneurin Bevan University Health Board is confident this approach can achieve high returns for health and sustainable development, both by limiting ill health and the accumulation of risk throughout life and by contributing to social and economic development.

The five ways of working set out in the Act have continued to be demonstrated by Aneurin Bevan University Health Board in 2023/24. Through the regional partnership arrangements of the Regional Partnership Board and Public Services Board, **integration** has been demonstrated through joint approaches to wellbeing, health and social care delivery. Aneurin Bevan University Health Board's communications team have undertaken a number of public **involvement** and engagement activities during 2023/24. Through work on the Well-being Plan and Area Plan, Aneurin Bevan University Health Board has worked in partnership to establish a **long-term** vision for wellbeing in Gwent. Through 'Building a Fairer Gwent', Aneurin Bevan University Health Board has worked in partnership to deliver an approach to **prevention** embedded in the social determinants of health. Finally, the work of both Gwent Regional Partnership Board and Gwent Public Services Board demonstrate how Aneurin Bevan University Health Board is working in **collaboration** to achieve gains for the population of Gwent that cannot be delivered by individual organisations alone.

For further information, please visit:

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

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

9. Equality, Diversity and Inclusion

The Health Board has developed and published an [Annual Equality Report 2023/24](#), in line with the Public Sector Equality Duty 2011, which summarises how the Board has

performed in meeting its legal duties as set out in the Equality Act (2010) and the Human Rights Act (1998). The report details the work the organisation has undertaken to further advance equality.

During the reporting period of 2023/24 the following improvements were made:

- A snapshot of our Equality data sets as of 31 March 2023, has shown that there is some improvement in our equality statistics (e.g., non-disclosure of sexual orientation via ESR is down by 3% since 2022; non-disclosure of disability via ESR is down by 4% since 2022; and our median gender pay gap has reduced to 16.20% from 18.72% in 2022).
- We have developed a framework around our Staff Diversity Network to ensure a mechanism for their voice. This has included the introduction of Executive Sponsors, nominations of Network Chairs, development of Terms of Reference, and approved protected time for Network members. This work will continue into 2024/25 to ensure that our Networks grow in maturity and to contribute positively and proactively to the EDI agenda.
- Development of an organisational level Anti-Racism Action Plan to meet our obligations under Welsh Government's Anti-Racist Wales Action Plan.
- The pre-consultation engagement and public consultation on our reviewed [Strategic Equality Plan](#) (SEP) for 2024-2028 has resulted in increased engagement and trust with both staff, community members and stakeholders, upon which we intend to build in the coming four years to ensure co-production and co-design are at the heart of everything that we do.
- Following the successful pilot of the SignLive service, which provides communication support for Deaf patients, their families and those that use British Sign Language, this service will be available across the Health Board.

The report highlights the Health Board's continued committed to proactively meeting the diverse needs of the communities who use our services and those we employ.

Equality, Diversity and Inclusion (EDI) and Human Rights are a golden thread of all activities and remain a key executive and board priority of the Health Board. We recognise the ongoing nature of this work and will continue to monitor and measure our outcomes.

10. Welsh Language Regulations

The Health Board works collaboratively with Welsh Government, the Welsh Language Commissioners office and our partners across NHS Wales and continues to make good progress in our work in relation to Welsh language service delivery. As we strive to deliver the best care to all those we service we recognise that the ability to communicate with our Welsh speaking service users in Welsh is key to this.

The Health Boards Welsh Language Annual Report 2022/23 addresses the statutory duty of Aneurin Bevan University Health Board to provide an annual account to the Welsh Language Commissioner on compliance with its Welsh Language Standards under the Welsh Language (Wales) Measure 2011. The report has been prepared in accordance with Welsh Language Standard 120. The report shows our progress and

work in this field. It notes key achievements as well as our strategy and plans for the future.

The Annual Report for 2022/23 is available on-line in both Welsh and English <https://abuhb.nhs.wales/files/key-documents/other-reports/welsh-language-report-2022-2023-pdf/> English

<https://bipab.gig.cymru/ffeiliau/key-documents/adroddiad-blynyddol-fersiwn-cymraeg-2022-23-pdf/> Welsh

The report for 2023-2024 will be published in September 2024.

11. Financial Management and Performance

The Annual Accounts 2023/24, at Section 3 of the Annual Report and Accounts 2023/24, Page XX, sets out the detailed accounts for the full year to 31 March 2024 for Aneurin Bevan University Health Board. These accounts are prepared under International Financial Reporting Standards (IFRS).

The Health Board has two statutory financial duties:

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

Revenue Resource Performance

Aneurin Bevan University Health Board has not met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2021-22 to 2023-24 period, the Board reported an overspend of £49,766K as shown below:

3 Year Revenue Breakeven Duty	2021/22 £000	2022/23 £000	2023/24 £000	Total £000
Underspend Against Allocation	249	36,842	49,766	86,359

Capital Resource Performance

In addition to a revenue resource limit the Health Board has a capital resource limit (CRL) that sets the target for capital expenditure. The target of £56.742M was met in 2023/24 with a small underspend of £41K. The target is measured over a 3 year period as shown below:

3 Year Capital Resource Duty	2021/22 £000	2022/23 £000	2023/24 £000	Total £000
Underspend Against Allocation	50	43	41	134

Long Term Expenditure Trend

3. Analysis of gross operating costs

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

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

	£'000	£'000	£'000	£'000	£'000
3.3 Expenditure on Hospital and Community Health Services	2019-20	2020-21	2021-22	2022-23	2023-24
Staff Costs	579,760	671,972	714,255	762,081	788,715
Non Pay	152,277	172,611	191,827	200,118	238,743
Depreciation and Impairments	23,197	96,361	31,056	30,804	59,994
Losses, special payments and irrecoverable debts	3,154	1,886	2,831	1,526	3,217
Other operating expenses	7,990	8,526	11,009	9,538	14,599
Total	766,378	951,356	950,978	1,004,067	1,105,268

Long Term Revenue Performance Trend

2.1 Revenue Resource Performance

	Annual financial performance					
			3-year rolling programme			Total
	2019-20	2020-21	2021-22	2022-23	2023/24	
	£'000	£'000	£'000	£'000	£'000	£'000
Net operating costs for the year	1,319,803	1,551,819	1,598,803	1,676,282	1,818,468	5,093,553
Less general ophthalmic services expenditure and other non-cash limited expenditure	(161)	(1,423)	(58)	148	599	689
Less revenue consequences of bringing PFI schemes onto SoFP	0	0	0	0	0	0
Less unfunded revenue consequences of bringing PFI schemes onto SoFP	0	0	0	0	29	29
Total operating expenses	1,319,642	1,550,396	1,598,745	1,676,430	1,819,096	5,094,271
Revenue Resource Allocation	1,319,674	1,550,641	1,598,994	1,639,588	1,769,330	5,007,912
Under / (over) spend against Allocation	32	245	249	(36,842)	(49,766)	(86,359)

Aneurin Bevan University LHB has not met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2021-22 to 2023-24.

The Health Board will, in dialogue with Welsh Government, confirm the implications for reporting this deficit as part of the 2024/25 IMTP.

The health board received £49.9m of strategic cash support in 2023/24.

2.2 Capital Resource Performance

	2019-20	2020-21	2021-22	2022-23	2023/24	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Gross capital expenditure	133,286	112,376	52,167	41,011	62,681	155,859
Add: Losses on disposal of donated assets	7	0	0	2	1	3
Less NBV of property, plant and equipment and intangible assets disposed	(555)	(884)	(3,115)	(61)	(5,845)	(9,021)
Less capital grants received	(93)	(333)	(22)	(62)	0	(84)
Less donations received	(300)	(201)	(166)	(210)	(136)	(512)
Charge against Capital Resource Allocation	132,345	110,958	48,864	40,680	56,701	146,245
Capital Resource Allocation	132,373	110,971	48,914	40,723	56,742	146,379
(Over) / Underspend against Capital Resource Allocation	28	13	50	43	41	134

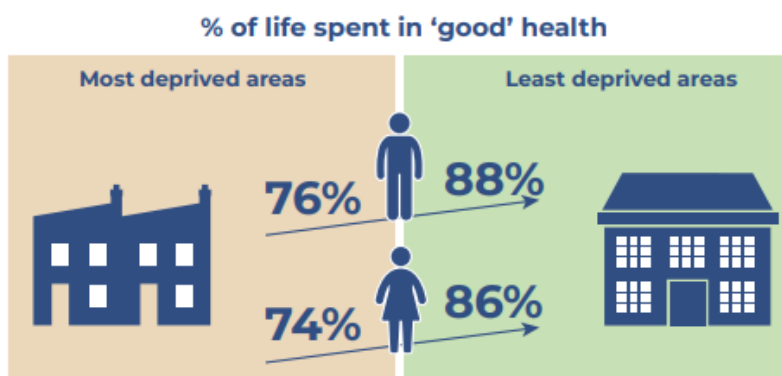
Aneurin Bevan University LHB has met its financial duty to break-even against its Capital Resource Limit over the 3 years 2021-22 to 2023-24.

The Health Board's financial statements have been prepared in accordance with the 2023/24 NHS Wales Manual for Accounts. The accounting policies contained in that manual follow the 2022-23 Financial Reporting Manual (FRm) in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, to the extent that they are meaningful and appropriate to the NHS in Wales.

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

12. Conclusion and Forward Look

The mission for the Health Board is to improve population health, and through doing this, reduce the health inequalities experienced by our communities. The current gap, 13 years (men) and 20 years (women), in healthy life expectancy between our wealthiest and poorest communities is significant. Our plan for 2023/24 and going forward articulates the steps we are taking to deliver a Healthier Wales and The Well-being of Future Generations (Wales) Act 2015.



Since November we have been working on the development of a new long-term strategy that articulates joint commitments with our population through to 2035. This will help shape our model of sustainability going forward. We are not waiting for our strategy to take action where we have evidence of quality concerns, workforce challenges and aging estate. Our plan for 2024/25 sets out the significant service redesign we will undertake to rightsize our service capacity aligned with patient need.

We are committed to continue our improvement on how the system is performing, whilst many people receive great care, we know there is more to do to improve our system. 23,232 people were waiting over the target time of 52 weeks for planned appointments and treatments at the start of 2024, behind each of these numbers is an individual story. Whilst improvements have been made in our emergency care system, waiting times for ambulances are too long and subsequently, we are not meeting the 4 hours target for the majority of patients to be seen, triaged, treated, and discharged in urgent and emergency care - we only meet this 75% of the time. People are also spending too long in our hospitals. There are regularly around 200 people who have completed the medical element of their care waiting to be discharged for a range of reasons related to wider support or care, many of whom are waiting over 3 weeks. We also frequently hear stories of the challenge of getting an appointment with a GP and support in the community and whilst there is much being done to improve this situation, we know there is still much more to do.

It is the ambition for improvement that drives the organisation forward in making improvements for the population

Part 2: Accountability Report

**1st April 2023 –
31st March 2024**

INTRODUCTION TO THE ACCOUNTABILITY REPORT

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

This Accountability Report has three sections:

1. Corporate Governance Report

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

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

2. Remuneration and Staff Report

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

3. Senedd Cymru/Welsh Parliament Accountability and Audit Report

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

A: THE DIRECTORS' REPORT

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

The Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009 (S.I. 2009/779) ("The Constitution Regulations") set out the constitution and membership arrangements of Local Health Boards, the appointment and eligibility requirements of members, the term of office of non-officer members and associate members. In line with these Regulations the Board of Aneurin Bevan University Health Board comprises:

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

The members of the Board are collectively known as "the Board" or "Board members"; the officer and non-officer members (which includes the Chair) are referred to as Executive Directors and Independent Members respectively. All members have full voting rights.

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

Before an individual may be appointed as a member or associate member they must meet the relevant eligibility requirements, set out in *The Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009 (S.I. 2009/779)* ("The Constitution Regulations"), and continue to fulfil the relevant requirements throughout the time that they hold office. The Regulations can be accessed via the Government's legislation website:

<http://www.legislation.gov.uk/wsi/2009/779/contents/made>

Further detail on the Board's membership and composition during 2023/24 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 2024. 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 Board's Annual Report for 2023/24 and Integrated Medium Term-Plan (IMTP) 2022-25 (approved by the Board March 2023) sets out the Board's strategic priorities which have been set within the context (environmental, social and community issues) in which the Health Board is operating within.

The Performance Report (Part A) of the Annual Report and Accounts 2023/24 provides greater detail in relation to the achievements of the Health Board in delivering the IMTP during 2023/24.

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 2023/24 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 2023/24 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 2023/24

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

In preparing those accounts, the directors are required to:

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

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the authority and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction by the Welsh Ministers.

By Order of the Board

Signed:

Ann Lloyd, Chair
Dated:

Nicola Prygodzicz, Chief Executive
Dated:

Robert Holcombe, Director of Finance and Procurement
Dated:

C: ANNUAL GOVERNANCE STATEMENT 2023/24

SCOPE OF RESPONSIBILITY

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

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

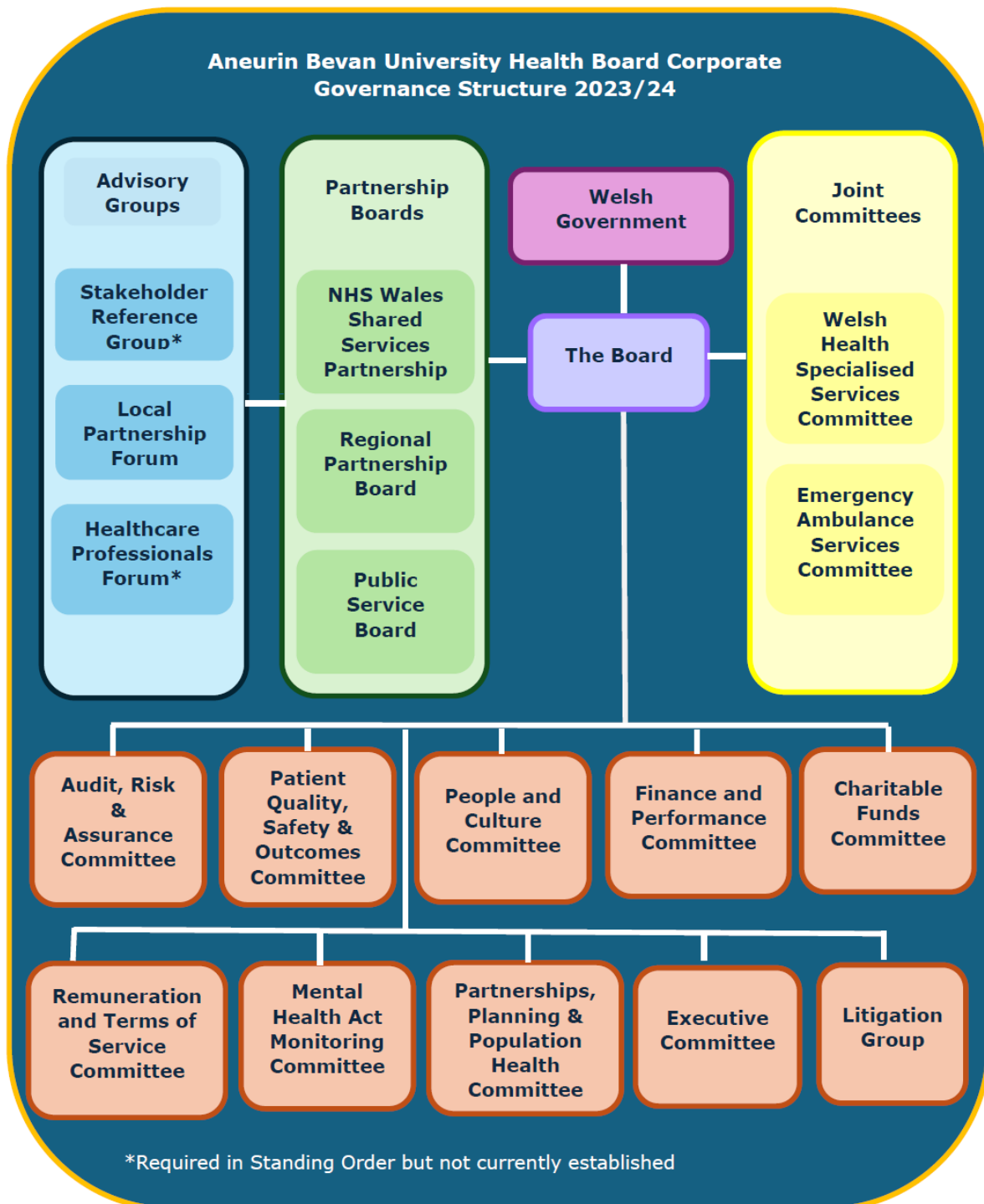
[Welsh Government's Escalation and Intervention Arrangements for NHS Wales](#) sets out the collective arrangements in place between the Welsh Government and external review bodies for identifying and responding to serious issues affecting NHS service delivery, quality and safety of care, and organisational effectiveness. As at 31st March 2024, Aneurin Bevan University Health Board was in 'Targeted Intervention' for planning and finance and 'Enhanced Monitoring' for performance and outcomes related to urgent and emergency care pathways as a result of extended waits for patients in ambulances and emergency department clinical assessment at the Grange University Hospital. The Performance Report (Part 1) of the Annual Report and Accounts for 2023/24 provides greater detail on the Health Board's performance and improvement actions in these areas.

OUR GOVERNANCE AND ASSURANCE FRAMEWORK

Aneurin Bevan University Health Board has agreed Standing Orders for the regulation of proceedings and business of the organisation. These are designed to translate the statutory requirements set out in the LHB (Constitution, Membership and Procedures) (Wales) Regulations 2009 into day to day operating practice, and together with the adoption of a scheme of matters reserved to the Board, a scheme of delegation to officers and others and Standing Financial Instructions, they provide the regulatory framework for the business conduct of the Health Board and define its 'ways of working'. These documents, together with the **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 2023/24:



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 2023/24 and attendance at Board and Committee meetings respectively for this period. The membership of the Board and changes during 2023/24, 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	From 01/04/2023
Chris Dawson-Morris	Interim Director of Planning and Performance	Until 03/04/2023
Rob Holcombe	Director of Finance and Procurement	
Dr James Calvert	Medical Director / Deputy Chief Executive	
Sarah Simmonds	Director of Workforce and OD	
Jennifer Winslade	Director of Nursing	
Peter Carr	Director of Therapies and Health Sciences	
Tracy Daszkiewicz	Director of Public Health	
Dr Chris O’Connor	Interim Director of Primary, Community and Mental Health Services	Until 30/04/2023
Leanne Watkins	Director of Operations	Until 30/04/2023
Leanne Watkins	Chief Operating Officer	From 1/05/2023
Independent Members		
Ann Lloyd	Chair	
Pippa Britton	Vice Chair	From 3 rd May (interim prior to this)
Shelley Bosson	Independent Member (Community)	
Louise Wright	Independent Member (Trade Union)	

Name	Designation	Dates (If not full year)
Richard G Clarke	Independent Member (Local Authority)	
Professor Helen Sweetland	Independent Member (University)	
Paul Deneen	Independent Member (Community)	
Iwan Jones	Independent Member (Finance)	
Dafydd Vaughan	Independent Member (Digital)	
Martin Blakebrough*	Independent Member (Third Sector)	From 03/05/2023
Penny Jones	Independent Member (Community)	From 15/01/2024
Directors in Attendance**		
Paul Solloway	Director of Digital	From 28/06/2023
Special Advisors to the Board***		
Phil Robson	Special Advisor to the Board	
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	

* Absent in agreement with Chair and Welsh Government (effective 01/09/23 to-date)

**The Director of Digital is not an Executive Post. The Director of Digital is therefore not a Board Member and attends meetings of the Board in an ex-officio capacity without voting rights.

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

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

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

The Role of the Board

The Board, chaired by Ann Lloyd CBE, has been constituted to comply with the Local Health Board (Constitution, Membership and Procedures) (Wales) Regulations 2009. The Board functions as a corporate decision-making body, Executive Directors and Independent Members being full and equal members and sharing corporate responsibility for all the decisions of the Board.

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

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

In summary, the Board:

- ❖ Sets the strategic direction of the organisation within the overall policies and priorities of the Welsh Government and the NHS in Wales;
- ❖ Establishes and maintains high standards of corporate governance;
- ❖ Ensures the delivery of the aims and objectives of the organisation through effective challenge and scrutiny of performance across all areas of responsibility;
- ❖ Monitors progress against the delivery of strategic and annual objectives; and
- ❖ Ensures effective financial stewardship by effective administration and economic use of resources.

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

Committees of the Board

Section 3 of Aneurin Bevan University Health Board's Standing Orders provides that "*The Board may and, where directed by Welsh Government must, appoint Committees of the Health Board either to undertake specific functions on the Board's behalf or to provide advice and assurance in the exercise of its functions*". In line with these requirements, the Health Board had in place a Committee Structure for 2023/24.

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 effectiveness.

During 2023/24, the following Committees were in place:

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

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

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

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

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

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

Conducting Business with Openness and Transparency

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

Members of the public have been able to attend all Board meetings in person during 2023/24. In addition, the Microsoft Teams link is also published with the agenda and on social media channels to enable members of the public to observe the meeting in real time if they are unable to attend in person. All Board meetings in 2023/24 were recorded and published to the Health Board's You Tube Channel within 24 hours for public viewing.

During 2023/24, the Board's committees have continued to meet virtually and, due to capacity constraints, the Health Board has not been able to stream these in real-time for the public's viewing. Work is underway to address this in 2024/25 to ensure that the Health Board's business operates with full transparency and openness.

As the Health Board has not been able to allow the public to attend all meetings of its committees during 2023/24, the Health Board has not complied with its Standing Orders in this regard.

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

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

- ❖ All Board and Committee meeting agenda packs have been published to the Health Board's [website](#) in advance of meetings;
- ❖ Meetings of the Board have been recorded and published to the Health Board's You Tube Channel within 24 hours;
- ❖ The Health Board's Annual General Meeting in September 2023 was livestreamed, with in person attendance also permitted.

The Health Board and its Committees have sought to undertake a minimum of its business in private sessions and ensure business, wherever possible, is published in the public domain. The Committees that do not publish information publicly is either because of the confidential nature of their

business, such as the Remuneration and Terms of Service (RATS) Committee, or they are informal developmental type meetings such as the Board Strategic Planning Sessions discussing plans and ideas often in their formative stages.

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

Items considered by the Board in 2023/24

During 2023-24, the Board held 6 scheduled meetings, as well as its Annual General Meeting on 27th September 2023.

All the meetings of the Board in 2023/24 were appropriately constituted and quorate. The key business and risk matters considered by the Board during 2023/24 are outlined below.

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

<p>Business Cases:</p> <ul style="list-style-type: none"> • Approved the Regional Cataract Business Case, subject to funding from Welsh Government. • Approved the Same Day Emergency Care (SDEC) Business Case for Ysbyty Ystrad Fawr. • Endorsed the Velindre Cancer Centre Business Case. 	<p>Plans/Strategies/Policies/Service Change</p> <ul style="list-style-type: none"> • Endorsed the Nursing, Midwifery and Specialised Community Public Health Nurses Workforce Strategy. • Approved an urgent service change to consolidate Stroke Services to a single Hyper Acute Stroke Unit (HASU) at the Grange University Hospital and a single rehabilitation ward within YYF initially, pending a more detailed plan. • Received the evaluation against the implementation of the Integrated Winter Resilience Plan 2022/23. • Endorsed the proposal for a Proof of Concept and Service Evaluation for Enhanced Care at YYF, to improve quality, safety and patient experience. • Approved the Nursing and Midwifery Strategy 2023-26. • Approved the Quality and Safety Systems Framework for Speaking Up and associated action plan. • Approved the Winter Plan 2023/24.
<p>Governance and Assurance</p> <ul style="list-style-type: none"> • Received assurance in respect of arrangements for compliance with the Nurse Staffing Levels (Wales) Act. • Approved the Annual Report and Accounts 2022-23. • Approved the Charitable Funds Annual Accounts and Annual Report 2022-23 • Received the following Annual Reports: <ul style="list-style-type: none"> ○ Trade Union Partnership Forum ○ Communications and Engagement ○ Health and Safety 	

- Received the **Audit Wales Annual Audit Report and Structured Assessment**.
- Approved a revised **Risk Management Framework**.

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.

- Approved consultation and engagement on the **Strategic Equality Plan**.
- Approved **Patient Incident Reporting and Management Policy**.
- Endorsed the **consolidation of services at St Woolos Hospital**.
- Noted the outcome of engagement for the **MIU provision across Gwent** and approved the implementation of the preferred option.
- Approved the draft opening **Capital Programme for 2024/25**.
- Approved the **All Wales Individual Patient Funding Request Policy**
- Approved the **Annual Plan 2024/25** and the **Delegated Budgets for 2024/25**.
- Agreed to support the signing of the pledge to become a **Corporate Parent**.
- Approved the **Strategic Equality Report** and updated **Strategic Equality Plan**.
- Approved a revised **Major Incident Plan**.
- Received the **Director of Public Health Annual Report**
- Considered the **Cancer Services Annual Report**

Patient Experience and Public Engagement

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

The Board has remained committed to hearing and learning from the experience of staff and patients. During 2023/24 the Board received patient/staff stories in respect of:

- **Alcohol Care Team** - how proactive work makes a real difference to patients' lives.

- **Children’s Rights Participation Forum** – heard about the experiences of those using the Health Board’s services who had been diagnosed with, or were awaiting diagnosis for, neurodivergence.
- **Tyleri Ward Community Resource Team (CRT)**– Nurse led approach on Tyleri Ward and its functioning as a CRT Direct Admission Unit.
- **Psychological Recovery in Cancer Services** – improvements to the service following patient feedback.
- **Volunteer to Career** – turning volunteering opportunities into meaningful employment.

Throughout 2023/24, **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 2023/24, Board Committees considered and scrutinised a range of reports and issues, in line with the matters delegated to them by the Board. These included a range of internal and external audit reports and reports from other review and regulatory bodies, including Healthcare Inspectorate Wales.

As was the case in previous years, the Committees’ consideration and analysis of such information has played a key role in the assessment of the effectiveness of internal controls, risk management arrangements and assurance mechanisms. The Committees also considered and advised on areas of local and national strategic developments and new policy areas.

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

<p>Audit, Finance and Risk Committee</p>	<p>Among the key issues considered by the Committee during 2023-24, as outlined in the Committee's Work Programme, the following were also considered:</p> <ul style="list-style-type: none"> • Update Report on the Clinical Audit Plan • Update Report on Clinical Audit Activity • Audit Wales Orthopaedic Services in Wales: Tackling the Waiting List Backlog – National and Local Report • Audit Wales Primary Care Follow-Up Report • Audit Wales Stakeholder Perception Research Report • Compliance with Welsh Health Circulars (WHC) and Ministerial Directions • Implementation of the Governance Priorities set out within the IMTP 2022-25 • Adequacy of arrangements for declaring, registering and handling interests
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	<ul style="list-style-type: none"> • Implementation of the Risk Management Strategy Realisation Plan • Counter Fraud, Bribery and Corruption Policy • Counter Fraud Annual Report, Workplan and activity reports <p>The Committee reviewed and approved the audit strategies and plans from Audit Wales and Internal Auditors, NWSSP Audit & Assurance Services and received audit reports produced in support of them during 2023-24.</p> <p>In approving the strategies and plans, the Committee ensured that they were robust and linked to the health board’s risk profile.</p> <p>During the year the Committee received Internal Audit reports in line with the agreed programme for 2023-24, including the management response from the relevant Executive Director.</p> <p>There were 29 individual reviews in the Internal Audit Plan 2023/24 and an additional review included regrading facilities. Subsequently, 3 audits were deferred leaving 27 in the plan. Of these, as at May 2024, 17 have been reported as final, 7 are in draft, 3 are in the planning stage and 3 have been deferred to 2024/25.</p>
<p>Patient Quality, Safety and Outcomes Committee</p>	<p>Among the key issues considered by the Committee during 2023-24, as outlined in the Committee's Work Programme, the following were also considered:</p> <ul style="list-style-type: none"> • Regular Committee Risk Reports detailing the key risks allocated to the Committee • Update in relation to the management of medical devices and equipment within the Health Board • Updates regarding progress made in the development of the business case to replace the Pharmacy Robot at the RGH • Quarterly reporting on the Performance of Patient Quality and Safety Outcomes, including: <ul style="list-style-type: none"> - Duty of Candour triggers - Infection Prevention and Control - COVID-19 Investigations - Falls - Health, Safety and Security - Complaints, Concerns and Compliments - HIW Inspections • Annual Reports: <ul style="list-style-type: none"> - Blood Management - Pharmacy and Medicines Management - Research and Development - Infection Prevention and Control - Safeguarding - Annual Clinical Audit Activity Report

	<ul style="list-style-type: none"> • National Incident Reporting Policy • Recommendations, relevant to the Committee from internal and external audit reports: <ul style="list-style-type: none"> - Health & Safety - Medical Equipment and Devices - Medicines Management - Monitoring Action Plan - Discharge Planning - Dementia Service - Structure Assessment - Putting Things Right: Advisory Review
<p>Charitable Funds Committee</p>	<ul style="list-style-type: none"> • Scrutinised applications for charitable funds • Reviewed charitable funds income and expenditure • Considered and endorsed the Charitable Funds Accounts and Annual Report 2022/23 • Received the Audit Wales – Audit of Accounts Report 2022/23
<p>Mental Health Act Monitoring Committee</p>	<p>The role of the Mental Health Act Monitoring Committee (MHAMC) is to monitor and review the way in which the Health Board discharges its functions and responsibilities under the Mental Health Act 1983. The Committee therefore receives a quarterly report which provides assurance to the Committee on the compliance with the legislative requirements of the Mental Health Act.</p> <p>During the year the Committee also reviewed and agreed the revised Mental Health Act Managers Policy, strengthening arrangements for the recruitment and retention of Associate Hospital Managers.</p> <p>A Power of Discharge Sub-Committee has been established as a formal sub-committee of the MHAMC. The membership of this Committee is comprised of Associate Hospital Managers and provides advice and assurance that the processes associated with the discharge of patients from compulsory powers, used by the Sub Committee, are being performed correctly and in accordance with legal requirements.</p> <p>The Sub-Committee reports routinely to the Committee for assurance and developmental purposes.</p>
<p>People and Culture Committee</p>	<p>Among the key issues considered by the Committee during 2023-24, as outlined in the Committee's Work Programme, the following were also considered:</p> <ul style="list-style-type: none"> • Key matters relating to Employee Relations and suspensions over 4 months. • Assurance regarding the retention of staff including progress

	<p>against the action plan.</p> <ul style="list-style-type: none"> • Delivery of the Welsh Government’s Race Equality Action Plan for Wales and associated Health Board Implementation Plan. • Workforce Planning and Education Commissioning Numbers. Progress with the implementation of the People Plan 2022/25 • Results of Staff Wellbeing Surveys • Compliance with the Welsh Language (Wales) Measure 2011
<p>Finance and Performance Committee</p>	<p>Amongst the key issues considered by the Committee during 2023-24 were the following:</p> <p>Financial management and performance:</p> <ul style="list-style-type: none"> • Routine monitoring of the financial position of the Health Board through the provision of quarterly financial performance reports and specific focussed reports on efficiency and savings opportunities and delivery. • Focussed updates across a range of themes being considered by the Value and Sustainability Board, including Workforce, Non-Pay, Prevention, CHC, Medicines Management, Digital & Service Redesign. • Received the report for Value Based Healthcare in ABUHB, presenting the key service areas and patient groups benefitting from the use of patient related outcome measures. • Quarterly updates on Efficiency Opportunities. <p>Organisational performance and management:</p> <p>Quarterly updates on organisational performance, with exception reporting in identified areas including Planned Care and Stroke.</p> <ul style="list-style-type: none"> • Update reports relating to: <ul style="list-style-type: none"> - Radiology Informatics Systems Procurement (RISP) Programme, - IT systems, including the shortfall for funded and part funded digital schemes, and the associated risk with delays in national digital programmes. - Quality of Coding, including a proposed structure for delivery for the improvement of coding services, to enable the clinical coding services deliver a more modern and flexible service for the Health Board. - Outpatient Transformation Programme, describing a number of transformational schemes implemented, their impact, along with the programme plan for 2023/24. - Robotic Process Automation (RPA), - Discharge Programme and Delays, including an update on the progress and impact of the Integrated Discharge Hub, as part of the Six Goals Programme structure
<p>Partnerships, Population</p>	<p>Amongst the key issues considered by the Committee during 2023-24 were the following:</p>

<p>Health and Planning Committee</p>	<ul style="list-style-type: none"> • Quarterly updates on the work of the Public Service Board, including progress of the 'Building a Fairer Gwent, Gwent Marmot Programme' • Quarterly updates in respect of the business of the Regional Partnership Board, including work on the Area Plan and the development of the Partnership Capital Strategy and Plans • Discussed regional planning work undertaken throughout 2023/24, in regional Ophthalmology, Orthopaedics, Diagnostics services, Cancer services, Vascular services, Stroke services, Thoracic services and Hepato-Biliary and Pancreatic Surgery and the Welsh Sexual Assault Service • Updates on Major Capital programmes, strategic capital projects and estates rationalisation • Endorsed the approach to the development of the IMTP • Updates in relation to health Protection and endorsed the requirement for a permanent Health Protection Team • Update on Decarbonisation, including the Decarbonisation Action Plan 2023/24 and progress against the national programme to deliver the goal of net zero emissions by 2050 • Endorsed the Major Incident Plan for submission to Board • Quarterly updates on the delivery of the Health Boards Clinical Futures Programme, including: <ul style="list-style-type: none"> - Stroke Services - Homeward Bound Wards - General Internal Medicine - Minor Injury Units - Mental Health Services - Acute Frailty Response Team - Falls Pathway - Welsh Ambulance Service Team - Place Based Care - Primary Care Sustainability - Planned Recovery
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Further information is available in the Annual Report for each Committee, published on the Health Board's website via the following [link](#).

Board Development and Briefing

Board members took part in a number of development and briefing sessions through 2023/24. Topics covered at these sessions included:

- ❖ Children's Rights Forum
- ❖ Annual Plan Priorities 2024/25 including Financial Outlook
- ❖ Urgent and Emergency Care
- ❖ IMTP 2024-27
- ❖ Financial Performance

- ❖ Staff Wellbeing and Employee Investigations
- ❖ Long Term Strategy
- ❖ Safeguarding Training
- ❖ Quality Strategy and Quality Assurance Framework
- ❖ Safety Flow Model
- ❖ Primary Care Sustainability
- ❖ Risk Management

Self Assessment and Evaluation

In line with Standing Orders, the Board is required to introduce a process of regular and rigorous self-assessment and evaluation of its own operations and performance and that of its Committees and Advisory Groups.

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

In February 2023 the Board was asked to undertake individual assessment of its effectiveness during 2022/23, using the NHS England and NHS Improvement (NHSE and NHSI) Well-led Framework for Leadership and Governance Developmental Reviews. This was followed by a Development Session in June 2023 in which the Board identified areas for improvement during 2023/24. This session also took into consideration independent and objective feedback from auditors and inspectors, such as Audit Wales' Structured Assessment which comments on the existence of proper arrangements for the efficient, effective, and economical use of resources within the Health Board. The areas for improvement were presented to the Board in September 2023.

During 2023/24, Committees of the Board undertook a mid-year self-assessment. The findings from each of these self-assessments will be used to inform a comprehensive annual assessment of the Board's effectiveness for 2023/24. In undertaking these assessments, committee members considered their composition, establishment and ways of working, the outcomes of which will inform a detailed review of Committee Terms of Reference in 2024/25.

An overarching Board Business Improvement Plan will be developed, informed by the assessment of the Board and its Committees and other feedback such as Structured Assessment, for delivery in 2024/25.

ADVISORY GROUPS AND JOINT COMMITTEES

Advisory Groups

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

- Stakeholder Reference Group;
- Local Partnership Forum; and
- Healthcare Professionals' Forum.

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

Stakeholder Reference Group (SRG)

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

The SRG's role has been to provide independent advice on the Health Board's business, including: Early engagement and involvement in the determination of the Health Board's overall strategic direction; the provision of advice on specific service proposals prior to formal consultation; as well as feedback on the impact of the Health Board's operations on the communities it serves. The SRG should provide a forum to facilitate full engagement and active debate amongst stakeholders from across the communities served by the Health Board, with the aim of reaching and presenting a cohesive and balanced stakeholder perspective to inform the Health Board's decision making.

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

In view of these evolving engagement arrangements and given that the Stakeholder Reference Group last met in October 2021, a decision was taken to disband the SRG in its current form in October 2022, whilst the Health Board reviews and redesigns the role and constitution of the Group, ensuring it is fit for purpose and fully effective. A proposal for re-establishment of the SRG has been finalised and will be considered by the Board in 2024.

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. In 2023/24, the Health Board spoke directly with over 6000 residents across 200 venues.

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

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

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

Healthcare Professionals' Forum (HPF)

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

In the latter part of 2023/24, the Board agreed the terms of reference for the establishment of the HPF known as the Clinical Advisory Group with the aim of holding the inaugural meeting in 2024/25. In the absence of this Group, the Board has continued to engage clinical professionals through its professional executive directors (Medical Director, Director of Nursing, Director of Therapies and Health Sciences and Director of Public Health) and existing professional management groups, such as the Clinical Directors Forum and System Leadership Group. The Board also engages with primary care providers through its cluster arrangements.

Joint Committees

As set out within the Health Board's Standing Orders, during 2023/24, the Board was required to establish the following joint Committees:

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

Welsh Health Specialised Services Committee (WHSSC)

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

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

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

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

Emergency Ambulance Services Committee (EASC)

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

is represented on the Committee by the Chief Executive and reports of the joint committee's activity are regularly reported to the Board.

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

NHS Wales Joint Commissioning Committee

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.

For the purpose of jointly exercising those functions set out within the Directions, the Local Health Boards will establish a joint committee to be operational on 1 April 2024, which will supersede the Welsh Health Specialised Services Committee and the Emergency Ambulance Services Committee as Joint Committees of Local Health Boards.

Statutory and Strategic Partnerships

Gwent Regional Partnership Board

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

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

- ❖ Promote the establishment of pooled funds where appropriate.

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

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

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

- Ann Lloyd, Health Board Chair
- Nicola Prygodzicz, Chief Executive
- Tracy Daszkiewicz, Director for Public Health & Strategic Partnerships
- Hannah Evans, Director of Strategy, Planning & Partnerships
- Phil Robson, Special Advisor to Health Board
- Pippa Britton, 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 & Strategic Partnerships

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

NHS Wales Shared Services Partnership

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

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

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

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

Partnership working with other Health Boards

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

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

In addition, the Health Board, Cardiff and Vale University Health Board, Cwm Taf Morgannwg University Health Board and Velindre University NHS

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

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 March 2024 and up to the date of approval of the annual report and accounts.

Capacity to Handle Risk

As Chief Executive and Accountable Officer, I am responsible for overall risk management and report to the Board on its effectiveness across the Health Board. My advice to the Board has been informed by executive officers and feedback from the Board's Committees, particularly the Audit, Risk, and Assurance Committee and the Patient Quality, Safety, and Outcomes Committee.

Executive Committee meetings provide an opportunity for executive directors to consider, evaluate, and address risk while also actively engaging with and reporting to the Board and its committees on the organisation's risk profile. The Director of Corporate Governance is the Health Board's risk lead, responsible for developing the framework, as well as the systems and processes required for risk management within the organisation. Depending on the nature of the risk, other Directors will take ownership of its management and mitigation. For example, patient safety risks are the responsibility of the Medical Director, the Director of Nursing and Midwifery, and the Director of Therapies and Health Science.

Risk Appetite

In June 2023, the Board commenced developmental work to review and redesign its risk appetite against key business domains or 'themes'. These themes were derived from feedback received from the Board on the most significant risks to the Health Board in achieving its strategic objectives.

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

	Risk Theme	Risk Appetite Level	Risk Appetite Description	Risk Appetite Thresholds
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
	Confidence and Trust	Cautious		

The Risk Appetite Statement is an important component of the Health Board's risk management arrangements in that it provides guidance and direction in risk prioritisation and resource allocation.

The Health Board's **Risk Appetite** represents the overall willingness to accept risk at a strategic level, whereas **Risk Tolerance** refers to the level of risk that is acceptable for a specific activity or decision.

Risk appetite guides the Health Board's overall risk approach, whereas tolerance provides a more detailed and measurable framework for assessing and managing risk in specific contexts. This approach has been

the driving force behind the management of strategic and operational risks, and it will be the tool used throughout the Health Board to assign risks to themes and provide a basis for determining risk management.

The Risk Management Framework

In August 2022, the Director of Corporate Governance committed to reviewing the Board Assurance Framework (BAF) to allow for closer alignment and reporting with the Corporate Risk Register (CRR).

In May 2023, the Board reviewed its corporate risk register, which included both strategic and corporate (high-level operational) risks. It was agreed that a risk separation was required to ensure that strategic risks were aligned with the Board's strategic objectives and ministerial priorities, while corporate (high-level operational) risks would be overseen by the executive directors and reported to the Board via the risk and assurance report, allowing for clear risk differentiation and greater transparency of all risks.

This approach resulted in the establishment of a Strategic Risk Register (SRR), formerly known as the BAF, which includes risks that could have an impact on strategic objectives and ministerial priorities, as well as a CRR, which includes any risks escalated from divisions or internal/external intelligence that have the potential to impact service delivery.

The new approach required the Health Board to review its risk management processes and update its Risk Management Framework, making sure that roles and responsibilities, the risk register hierarchy, and the escalation process were all clearly defined. This will allow the Health Board to mature its risk management practices while also providing improved assurance across the internal control system on an operational level.

Furthermore, the Board reviewed its risk appetite statement, as previously stated, to ensure that it was reflective of the current operating environment while also balancing the need to drive improvements and sustainability by increasing its tolerance for specific risk domains to avoid missing opportunities.

The Audit, Risk and Assurance Committee endorsed the revised Risk Management Framework, Policy, and Risk Appetite Statement at its November meeting before submitting it to the Board for formal approval in January 2024.

To support the implementation and embedding of risk management practices across the Health Board a toolkit has been developed to provide staff with the knowledge and tools to actively manage risk. These tools support the Framework, Policy and Appetite Statement and are listed below:-

- ❖ NHS 5 X 5 Risk Scoring Matrix – including thresholds for various risk domains
- ❖ Strategic / Corporate and Operational Risk Assessment Template (Risk to a Page)
- ❖ Risk Management intranet page (under development). This will contain the full Toolkit, FAQs, Bitesize learning, training schedule, etc.

Since the refreshed approach and the establishment of the Strategic Risk Register, it has been determined that a greater emphasis on assurance mapping across the Three Lines of Defence Model to demonstrate assurance sources is required, which will be carried out throughout the first and second quarters of 2024/25. Furthermore, to strengthen the internal control system, a system-wide assurance mapping exercise will be conducted in conjunction with the Quality Assurance and Performance Management Frameworks to provide the Audit, Risk and Assurance Committee (ARAC) with the assurances it requires regarding its delegated responsibilities.

In the fourth quarter of 2024/25, the ARAC will receive the findings of a risk maturity survey, which will provide intelligence on areas where risk management has evolved and is a core competency and enabler for achieving objectives, as well as highlight where resources should be focused to enable change.

The Corporate Governance Directorate has commenced a period of communication and engagement with staff to launch the Risk Management Framework. To coincide with the launch, the Head of Corporate Risk and Assurance will increase visibility across the Health Board, raising awareness and providing staff with the knowledge and skills needed to incorporate risk management into their daily processes. This is being undertaken in a structured way, meeting with departments/directorates and divisions to begin embedding the Health Board's agreed-upon approach to risk management and the escalation process to mature the Health Board's risk management practices.

Risk Management System

The Health Board's electronic risk management system and associated functionality provide a useful mechanism for operational teams to record risks, raise and escalate risks via hierarchical digital risk registers, to which the Head of Corporate Risk and Assurance has full oversight and can review the risk being escalated to ensure it is held on the appropriate risk register for management and oversight. Furthermore, the Health Board's Executive Directors hold assurance meetings with their respective Divisions to discuss management of ongoing risks and provide an additional opportunity to escalate risks. Regular engagement with executive risk owners is conducted to update risks and ensure that scoring is consistent and balanced.

The Legacy Datix module is currently used as the Health Board's risk management system. The Health Board has not yet transitioned to the RLDatix 'Once for Wales' risk management module due to functional issues which are being addressed. A national group is working to ensure the system is fit for purpose and contains all of the functions required for a robust and effective risk management system. The group is optimistic that Datix will make the necessary improvements and that the module will be approved for use throughout Wales.

The Health Board's Risk Profile

The Director of Corporate Governance presents a full strategic risk report to each Board meeting, as well as a report to each Board Committee, which includes detailed risk assessments for the risks for which the Committee has been tasked with seeking assurance.

This report is published in the public domain to ensure transparency and openness regarding the strategic risks identified by the Health Board as potential barriers to achieving the Board's strategic priorities.

As of the end of **May** 2024, there were **20** strategic risks described in the Strategic Risk Register, representing the most significant risks to the Health Board in terms of potential impact on the delivery of the Board's strategic priorities. These **20** are categorised into risk levels based on their 'likelihood' and 'impact' if the risk occurs as shown below.

Risk Level & Score	Number of Risks	Number of Risks outside of Appetite
Extreme (15 – 25)	7	3
High (8 – 12)	11	3
Moderate (4 – 8)	2	-
Low (1 – 3)	-	-

The highest risk included on the Strategic Risk Register has a score of **20** (L5 x I4) and is owned by the Director of Finance and Procurement (SRR 001G) and is concerned with safeguarding the financial sustainability of the Health Board.

The infographic overleaf depicts the Health Board's current risk exposure to the 20 strategic sub-risks, demonstrating that the majority of the strategic risks are in the upper right quadrant of the risk matrix, indicating a high level of risk exposure. Six of those risks fall outside the Board's agreed-upon appetite level.

Risk Scoring Matrix					
Likelihood	Impact				
	1. Negligible	2. Minor	3. Moderate	4. Major	5. Catastrophic
5. Almost Certain (91%)				1 x (Extreme)	
4. Likely (61-90%)				3 x (Extreme)	
3. Possible (41-60%)			1 x (High)	9 x (High)	3 x (Extreme)
2. Unlikely (11-40%)				3 x (Moderate)	
1. Rare (1-10%)					

The Table below illustrates **six** of the **20** strategic risks managed by the Health Board fall outside of the risk domain's appetite, as illustrated below.

RISK APPETITE	Risk Theme	Risk Appetite Level	Number of Risks outside of Appetite Level
	Compliance & Safety	Minimal Score 8 and below	5
	Financial Sustainability	Cautious Score 13 and below	1

A copy of the latest Strategic Risk Report presented to Board in March 2024 is available [here](#). The risks contained within this have been subject to Executive risk owner scrutiny, challenge, and review. Robust assessments of the Health Board's internal control system were also undertaken, alongside a review of all sources of assurance related to each risk. Work is ongoing to provide enhanced assurance of risks outside of appetite, this will be done by undertaking deep dives of the risks outside of appetite and developing action plans to enhance control and mitigate the likelihood / impact.

Changes to the risk assessment template, as well as the implementation of a dashboard, have allowed the Board to gain a better understanding of risk appetite in relation to the risk profiles for which it is responsible. The revised template for Committees and the Board provides a high-level overview of the risks being managed within the Committee or Board's portfolio and whether they are being managed within the agreed risk

appetite level, and where risks are not managed within agreed limits, that robust plans and objectives are in place to de-escalate.

Recognising that more work needs to be undertaken to improve control and assurances across all risks, an overarching, high-level indication of the level of assurance the Board can derive from this iteration of the strategic risk report is provided below:

Overall Assurance on the Management of Risk		
Nil	Satisfactory	Considerable
	X	

This means that the Board can take a satisfactory level of assurance that the strategic risks on the Strategic Risk Register (at March 2024), which represent significant risks to the IMTP's delivery, are effectively managed. The Board could also be assured that the internal control system in place to manage these risks is considered satisfactory.

The Executive Team reviews strategic and corporate risks on an annual basis, conducting an in-depth review of all risks to ensure they are appropriately articulated, scored, and moderated. This work will be presented to the Board in the second quarter, 2024/25.

Risk & Assurance Related Internal Audit Reviews

The Audit, Risk and Assurance Committee received two risk management audits with a reasonable assurance rating during the 2023/24 financial year. The reviews were designed to give the Board assurance that appropriate risk management arrangements are in place within the Divisions (at the operational level).

The report issued in April 2023 included four recommendations (2 low and 2 medium), with the report issued in April 2024 making one medium recommendation that was not material in nature and will be completed as part of the transition to the Once For Wales Datix Risk Module once it is implemented in the Health Board.

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. The Board agreed a refreshed Major Incident Plan at its meeting in March 2024. The Health Board has also adopted the learning from the 2023 business continuity audit and multi-agency exercises to support organisational preparedness.

THE CONTROL FRAMEWORK

Quality Governance

Patient Safety, Quality and Experience

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

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

Putting quality and safety above all else is the first NHS Wales core value. This focus has been strengthened through the Health and Social Care (Quality and Engagement) (Wales) Act (2020). Enhancing quality, honesty and transparency, the legislation provides the Health Board with a Duty of Quality, Duty of Candour, and establishes a Citizen Voice - Llais, enriching engagement with our patients, relatives, carers, staff and communities. Llais is an independent body and its free Advocacy service can provide information, advice and support to members of the public.

In 2023 the Health Board published and implemented two Strategies:

- ❖ **The Quality Strategy**, which serves as a blueprint for patient safety and quality for the next three years, placing quality and safety at the forefront of all we do, while at the same time recognising that challenges to patient safety and quality change and emerge over time. We will remain agile in responding flexibly to emerging safety and quality issues as they arise. It outlines our improvement objectives for the next three years as well as the frameworks that will support that activity. Our culture values quality, and we are committed to continuous improvement.
- ❖ **The Patient Experience and Involvement Strategy** was developed as a direct result of staff, patient, family and carers feedback, telling us what matters to them. Our teams and our staff members have a passion to improve people's experiences within our services and it is important to us that learning from experience is at the heart of the organisation.

These Health Board Strategies have been developed from the experiences of our patients, relatives, carers, staff and communities to focus on improvement, planning and assurance in the right areas. This is aligned with the objectives and aims of the Duty of Quality and in the context of meeting our obligations under the Duty of Candour.

Both Strategies outline our goals and objectives to improve services, clinical effectiveness, safety and people's experiences. It encompasses our intent

to engage patients, families, carers, staff and the wider community, with a commitment to listen to feedback, learn from it, and therefore improve healthcare across all of our services.

Goals and Objectives

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

The Quality vision of Aneurin Bevan University Hospital Board is to be "widely recognised for delivering the Health and Care Quality Standards". Our first and most important commitment to our patients is to keep them safe. Over the next three years, the Quality Strategy will improve the delivery within these Quality Standards, while continuing to improve patient and staff experience and outcomes.



Our ongoing commitment to quality and safety:

- ❖ Aneurin Bevan University Health Board will be a learning organisation where staff members work towards delivering high quality clinical care every day.
- ❖ We will strive to better understand our systems of care, build capability through an all teach/all learn philosophy, encourage innovation and engage patients, relatives, carers, staff and communities in improvement endeavours, whilst learning from mistakes.
- ❖ We will ensure that quality is embedded throughout the organisation creating a culture of openness and transparency where people are supported to raise concerns.
- ❖ Our patients, relatives, carers, staff and communities will be encouraged to work alongside us to achieve this vision.

To date we have achieved a number of milestones, including:

- ❖ Implementing the Quality and Engagement Act including the Duty of Candour and Duty of Quality.
- ❖ Developing a reporting framework and quality outcomes framework to align with the six domains of quality.
- ❖ Reviewing Quality Safety and Patient Experience structures within divisions/directorates, formalising lines of responsibility, accountability, escalation, and assurance.

Ongoing work will continue on:

- ❖ Setting out the core evidence that will be considered by each Committee (service/division to sub-committee of board levels) to provide assurance on delivery of Health and Care Standards
- ❖ Developing a corporate clinical audit plan to address any gaps in assurance
- ❖ Develop an Annual Report for each Health and Care Standard, scheduled for consideration by Patient Quality Safety and Outcomes Committee (PQSOC)
- ❖ Strengthened assurance mechanisms for commissioned services
- ❖ Standardising resources, role profiles and appraisal arrangements for QPS leads
- ❖ Standardised QPS agendas (evidence and risk based)
- ❖ Clearly defining the support from corporate teams associated with the quality safety and patient experience agenda and setting the expectation
- ❖ Introducing the integrated decision framework with Board development and the identification of priority areas for implementation
- ❖ Ensuring that the groups and committees across the Health Board are able to be responsive in promoting quality and patient safety at all levels of the organisation

Learning

The Health Board's commitment to learning and improvement is demonstrated in our Listening and Learning Framework, ensuring effective listening, learning and improving. The Framework brings structure to the way learning from incidents and person-centred feedback is captured. Ensuring learning follows a consistent process across the Health Board. This strengthens our commitment to promoting a culture which values and facilitates learning and in which the lessons learned are used to improve the quality of patient care, safety and experience, as well as the experience of our workforce. We are developing a repository for learning which will allow us to review how learning will be identified, stored, triangulated, shared, disseminated and implemented in practice to facilitate and embed a culture of appreciative enquiry and continually improving health care services and the experience of our workforce.

We aim to become a true learning organisation to improve patient safety, experience and clinical effectiveness. We will respond to learning and guidance from our Quality Management System, local and national groups, adapting our plans and priorities to ensure we are doing the right things.

Key areas for delivery include:

- ❖ Identification of key quality and patient safety priorities and sources of information, to inform the learning and education agenda guided by the views of service users.

- ❖ Collaboration between corporate and educational teams to support the development of health professionals around key quality and safety priorities.
- ❖ Facilitation of multi professional approaches to education aligned to quality, safety and patient experience.
- ❖ Representation of learning and education on key quality and patient safety groups across the organisation.
- ❖ To facilitate divisions and directorates to prepare a standardised annual improvement strategy based on information collated from review of complaints, incidents, surveys and audits.
- ❖ To build capacity within teams to develop co-produced digital patient stories to support listening and learning Standardisation of training and education and competency records to avoid unwarranted variation in education approaches.
- ❖ Introducing a Covid Investigation Team to review cases of nosocomial transmission to identify breaches and ensure learning.

Quality Management System

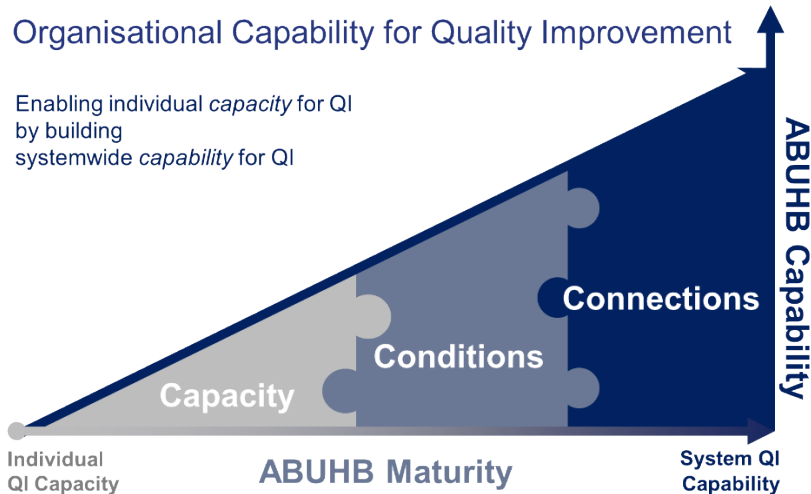
The key to delivery of our plans is to develop a 'Quality Management System' approach to embed a culture of learning: a culture where people listen, think, feel and act 'quality' - promoting openness and learning, continuous improvement and service transformation. This includes work to embed positive cultures of continuous improvement and working together. We will further develop our Quality Management System to routinely set meaningful targets, monitor, measure and report performance to ensure we provide excellent standards of care and set quality goals to continuously improve the services we provide.

Quality Improvement (QI)

"Quality improvement is about giving the people closest to issues affecting care quality the time, permission, skills and resources they need to solve them. It involves a systematic and coordinated approach to solving a problem using specific methods and tools with the aim of bringing about a measurable improvement."

Organisational QI Capability is "the organisational ability to intentionally and systematically use improvement approaches, methods and practices, to change processes and products/services to generate improved performance".

We will grow and mature our organisational capability for Quality Improvement (QI), by building capacity, conditions and connections which will enable staff to use QI methodology for solving complex problems, and in so doing provide a consistent approach to testing change ideas, learning and informing our decisions.



Data for Quality and Improvement

We will measure our progress and guide our actions towards becoming a learning organisation. Data for Quality and Improvement - both qualitative and quantitative data - are critical in understanding the quality-of-care provision and in evaluating and guiding improvement. Increasing the availability of data and the capability and capacity to analyse, understand and utilise the data will ensure a focus on quality.

Information Governance

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

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

During 2023/2024 the Health Board continued to develop the forums for the organisation to consider information governance requirements and to provide a consistent way in which it is managed. These forums allow the facilitation of processes and communications which ensures that all Data Protection obligations are met. Dashboards are produced to provide support and assistance ensuring compliance with training, dealing with complaints, incident and breach management. Annual reports are produced on progress made throughout the year and disseminated to the relevant divisions and boards.

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

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

During 2023/2024 there was a 6% increase in the number of Subject Access Requests (SARs) compared to the previous year, from 6296 in 2022/23 to 6724 in 2023/24. The largest proportion of requests received continues to be made by solicitors and legal services.

During this year there was a 12% increase in IG incidents reported by staff from the previous year, from 462 incidents in 2022-2023 to 531 incidents in 2023-2024.

There were 11 complaints made to the Information Commissioners Office (ICO) by complainants, with 9 not upheld and 2 awaiting a final outcome at the time of writing.

In 2023/24, there were no serious lapses in data security reported to the ICO by the Health Board

The Corporate Governance Code

The Corporate Governance Code currently relevant to NHS bodies is 'The corporate governance in central government departments: code of good practice' (published 21 April 2017). The Health Board, like other NHS Wales organisations, is not required to comply with all elements of the Code, however, the main principles of the Code stand as they are relevant to all public sector bodies. The Corporate Governance code is reflected within key policies and procedures. Further, within our system of internal control, there are a range of mechanisms in place that are designed to monitor our compliance with the Code. These include Self-assessment; Internal and External Audit; and Independent Reviews.

The Board is clear that it is complying with the main principles of the Code and is conducting its business openly and in line with the Code, and that there were no departures from the Code as it applies to NHS bodies in Wales. A copy of the current self-assessment against the code is provided as **Attachment Three**.

Planning Arrangements

The Board approved the IMTP at its meeting of 29th March 2023 for submission to Welsh Government. The Plan reflected constructive discussions with Welsh Government ahead of submission informing how the

plan was developed. In approving the Plan at the March 2023 meeting, the Board recognised the significant challenges and risks going forward and in particular the financial context in which the Board were operating in to deliver the plan, with the Duty of Quality and Duty of Candour at the forefront alongside the drive for efficient and effective service delivery. The plan maintained a three year focus given the emphasis on long term sustainability but with a greater level on detail on year one delivery given the scale of challenge and ministerial expectations. Overall, the plan was based on a realistic assessment of delivery for the next three years, it was optimistic in outlook, recognising the need to build on the transformation of services over the last few years, and it focussed on sustainably making change to meet the long term needs of our communities.

On 25th August 2023 the Board received correspondence from Welsh Government noting that as the Board was unable to submit a balanced integrated medium-term plan (IMTP) for 2023-26, 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, Welsh Government would treat the 2023/4 submission as an Annual Plan.

In December 2024 the NHS Wales Planning Framework was issued by Welsh Government confirming the policy requirements of the 2024/25 planning cycle. As a result, in February 2024 the Health Board issued an Accountable Officer letter to Welsh Government confirming that, due to the ongoing financial challenges, the Health Board would be submitting an Annual Plan for 2024/25 with a three-year intent to balance the immediate system sustainability challenges with the population health and care needs.

In March 2024, the Board received and approved the Annual Plan for 2024/25, which was presented in the context of significant financial and operational challenges. The Annual Plan 2024/25 sets out a three-year intent to recognise the focus required to deliver performance and financial improvements over the next year, the medium-term ambitions to achieve financial and service sustainability and the longer-term ambitions to reduce the health inequalities experienced by our communities.

On 3rd May 2024, Welsh Government confirmed that the Annual Plan 2024/25, as approved by the Board in March 2024, was unsupportable. At the time of writing this report, the Health Board continues to review its Annual Plan 2024/25 in light of Welsh Government's feedback.

MANDATORY DISCLOSURE STATEMENTS

Equality, Diversity & Human Rights

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

During the reporting period, extensive engagement and consultation has been carried out to shape our revised [Strategic Equality Plan \(2024-2028\)](#). The Plan, published in March 2024, sets out our vision, aims and objectives to create a fair, just and equal culture across the Health Board over the next four years. 3 Objectives (what we call the 3Ps of inclusion) will form the basis of our proposed Strategic Equality Plan for 2024 -2028; **Our Patients, Our People and Our Population.**

The Health Board's [Annual Equality Report](#) outlines the work that was undertaken from 1 April 2023 to 31 March 2024 to progress the last year of our previous [Strategic Equality Objectives](#). We also have duties to publish information about our workforce and how we use this data and this report includes the Equality Monitoring data based on a snapshot as of 31 March 2023.

Regulations introduced in 2017 require public, private and voluntary sector organisations, with 250 or more employees on a specified 'snapshot date' relevant to their sector, to report annually on their gender pay gap, using six different measures. A snapshot of 31 March 2023, identified a gender pay gap within the Health Board, showing a median pay difference in favour of males of 16.20%, down from 18.72% (31 March 2022).

We will be working in collaboration with Cardiff University during 2024 to undertake the analysis and action required by the 'equal pay duty', to ensure its effectiveness and to make a lasting impact on gender pay disparities in the Health Board.

To demonstrate our anti-racist commitment, the Health Board has committed to voluntarily publishing an annual Ethnicity Pay Gap Report. In the absence of a mandatory framework, we have aligned our reporting framework with the gender pay gap. However, in recognising the complexity of ethnicity pay reporting compared with gender pay reporting, we have made some changes to account for the different data sets.

Analysis of the Ethnicity Pay Gap data will inform the actions of our Equality Objectives to include positive action initiatives. We aim to continue to reduce our gender and ethnicity pay gap year on year, to create greater equality in our pay frameworks.

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

A review of our current Equality Impact Assessment (EqIA) process, during the reporting period, has identified that a structured program of embedding EQIA practice throughout the organisation is needed and that the practice of completing an EQIA should also be built into strategic and operational plans across directorates.

Governance arrangements have been put in place for scrutinising and approving EQIA's in the form of an EQIA Panel and an auditing process is being developed to better understand our levels of compliance.

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 2023/24 Financial Statements (Note 20).

Carbon Reduction Delivery Plans

The Health Board is unable 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."

As national work progresses with Welsh Government, and through Local Partnerships to develop an Adaptation Toolkit for health and social care organisations in Wales; which when released will allow the Health Board to undertake climate risk assessments using weather projection scenarios. The Health Board will then revisit these reporting requirements when appropriate and are able to comply.

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 2023/24](#).

Quality of Data

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

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

Ministerial Directions & Welsh Health Circulars

The Welsh Government has previously issued Non-Statutory Instruments and reintroduced Welsh Health Circulars (WHCs) in 2014/15. Details of these and a record of any ministerial directions given is available on the Welsh Government website. A full detail of the WHCs and Ministerial Directions issued to the Health Board in 2023/24 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 2023/24 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.

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

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

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

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 2023/24, 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 2023/24 work was undertaken to strengthen the reporting of risks to the Board and its Committees, with a revised Risk Management Framework approved by the Board in January 2024. Work to fully embed the revised framework will continue in 2024/25. The Board's Quality Strategy, approved in March 2023 and updated in February 2024, will ensure that the work of all regulators, inspectors and assurance bodies is mapped and evidenced in our assurance framework so that the Board is fully aware of this activity and the level of assurance it provides. We will also continue to strengthen arrangements for monitoring and reporting

progress in implementing recommendations arising from the work of auditors.

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

INTERNAL AUDIT

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

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

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

The assurance sections that follow provide a brief summary of the scope of the Internal Audit Reviews that have been completed and received by the Committee during the financial year 2023-24.

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.

Cyber Security (2022 - 2023)

Executive Lead – Chief Executive Officer

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

Unified Breast Unit at Ysbyty Ystrad Fawr (2023-2024)

Executive Lead – Chief Operating Officer

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

Maternity Services Action Plan (2023-24)

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

Early Supported Discharge – Stroke (2023-24)

The overall objective of the audit was to assess whether the arrangements in place for the early supported discharge of stroke patients are operating effectively.

Reasonable Assurance

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

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

Reports included within the 2022/23 Internal Audit Plan, and reported in the Annual Governance Statement 2022/23, reported to the Audit, Risk and Assurance Committee in 2023/24:

Robotic Process Automation (2022-2023)

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

IT Strategy (2022-2023)

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

Financial Sustainability (2022-2023)

The review sought to review the key financial management controls within Aneurin Bevan University Health Board including the development and monitoring of savings programmes required for financial sustainability.

Risk Management (2022 - 2023)

The review sought to provide an opinion of effectiveness of the risk management arrangements in place within a sample of divisions. To complete this, we considered key sections of the Risk Management Strategy and Framework.

Monitoring Action Plans (2022-2023)

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

Development of a Regional Radiotherapy Satellite Centre (RSC) at Nevill Hall Hospital (2022-2023)

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

Infection Prevention and Control (2022-2023)

The review sought to assess adherence to organisational policies and the Health and Care Standards in Wales.

Integrated Wellbeing Networks (2022-2023)

The review sought to provide an opinion on the Health Board's plan to further develop Integrated Wellbeing Networks across the region.

Dementia Services (2022-2023)

The review sought to ensure that Aneurin Bevan University Health Board has an appropriate process for Dementia Services.

Contract Management (2022-2023)

The audit sought to provide a review of the effectiveness of the management of operational contracts entered into by Aneurin Bevan University Health Board.

Mental Health Transformation (2022-2023)

The audit sought to provide a review of the controls in place for the projects that support the transformation of mental health services within Aneurin Bevan University Health Board.

Royal Gwent Hospital – Redevelopment & Expansion of Endoscopy Services (2022-2023)

The audit sought to review the delivery and management arrangements in place to progress the Royal Gwent Hospital Endoscopy Redevelopment & Expansion of Endoscopy Services project, and the performance to date against its key delivery objectives i.e., time, cost, and quality.

Bank Office and Temporary Workers (2022-2023)

The review sought to provide an opinion over the Bank Office and Temporary Workers process. As well as undertook a follow-up audit work on the process for contract and off-contract agency nursing.

Reports included within the 2023/24 Internal Audit Plan:**IMPT (2023-2024)**

The review sought to provide an opinion over the controls to ensure the delivery of the IMTP / strategic objectives.

Safeguarding (2023-2024)

The audit sought to review the arrangements in place to ensure that the Health Board discharges its statutory responsibilities Safeguarding.

Clinical Coding (2023-2024)

The review sought to provide an opinion over the timely recording of Finished Consultant Episodes (FCE), in accordance with clinical coding standards.

Business Continuity Planning (2023-2024)

The review sought to review the arrangements that the Health Board has in place to maintain business continuity in the event of a critical incident, including how learnings from the Covid-19 pandemic have been Considered.

Integrated Performance Dashboard – Data Quality (2023-2024)

The review sought to assess the accuracy of data utilised within Integrated Performance Report (IPR) dashboard. In particular, focused on the accuracy of a sample of data used within the reporting of key metrics within the IPR dashboard i.e. that the source data utilised was consistent with the figures within the dashboard.

Stakeholder Engagement on IT Projects (2023-2024)

The audit sought to review the framework in place for stakeholder engagement on key IT projects.

Asset Management (2023-2024)

This review provided an opinion on the effectiveness of the Health Board's processes to create and maintain accurate and up-to-date records of its equipment assets. The review focused on the roll-out of Radio Frequency (RFID) tagging.

Risk Management & Assurance (2023-24)

This review sought to assess the effectiveness of the risk management and assurance arrangements in place within the Health Board, to ensure that strategic objectives are achieved. This review focused on the management of risks within the Digital Services Directorate

Long Term Sickness Absence Management (2023-24)

The review sought to determine compliance with the NHS Wales Managing Absence at Work Policy and whether the Health Board is acting promptly and managing the interests of all parties within the process of managing long term sickness absence.

Medical Equipment & Devices (Ultrasound) (2023-24)

This review sought to provide an opinion over the management and tracking of ultrasound devices throughout 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.

Reports included within the 2022/23 Internal Audit Plan, and reported in the Annual Governance Statement 2022/23, reported to the Audit, Risk and Assurance Committee in 2023/24:

Discharge Planning (2022/23)

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

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

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

An Action Plan is in place to address the recommendations. Collaboration with local authority colleagues has been established to allow the Health Board to

begin formally reporting the new Welsh Government data set that was required in relation to delayed discharge; however, the data required validation with LA colleagues.

Tredegar Health & Wellbeing Centre (2022-23)

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

An action plan to respond to the recommendations has been implemented, and the Centre opened to patients in January 2024.

Reports included in the 2023/24 Internal Audit Plan:

Facilities (2023-2024)

The review sought to provide assurance over whether appropriate stock processes are in place and whether applicable controls within the process for allocating/approving bank shifts are effective.

The main areas of concern raised during the audit related to the management of stock process. A Management Plan was in place and the team are committed to ensuring completion within the agreed timescales.

Estates Condition (2023-2024)

The audit sought to evaluate the arrangements put in place by the UHB to identify and manage key risks associated with the existing estate and the implementation of resulting strategies to manage/mitigate the risk.

Overall limited assurance was determined, notably due to the concerns that identified estate risks cannot be managed within existing funding. This assurance opinion is in line with that determined across NHS Wales, given the common challenges faced by each organisation.

A management action plan is in place to respond to the recommendations, with work ongoing to develop clearer future plans and to determine areas of prioritisation.

Bevan Health and Wellbeing Centre (2023-24)

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

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

The project faces significant challenges going forward as the contractor is likely to be operating at a loss – accordingly, maintaining reasonable performance from

the SCP through existing project management tools will be essential through to completion and handover

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

Assurance Rating Not Applicable

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

Reports included within the 2022/23 Internal Audit Plan, and reported in the Annual Governance Statement 2022/23, reported to the Audit, Risk and Assurance Committee in 2023/24:

Clinical Futures - Care Closer to Home (2022-2023)

The review sought to provide Aneurin Bevan University Health Board with a consolidated summary of audit work reported as part of the 2022/23 Internal Audit Plan that covers the area of Clinical Futures – Care Closer to Home. Whether the Health Board is on track to implement its overall objective of Care Closer to Home.

Reports included in the 2023/24 Internal Audit Plan:

Putting Things Right (2023-2024)

To review sought to determine if there are alternative processes or approaches that can be adopted by the Health Board to improve the overall management of Putting Things Right.

Follow-up of High Priority Recommendations (2023-2024)

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

Monitoring and Implementation of Audit Recommendations

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

Since adopting the SOP, the Committee has received a report on audit recommendations at each meeting. The Committee has retained a focus on all outstanding recommendations, especially those predating the 2022/23 reporting year. Recognising progress, the Committee agreed in February

2024 to transition to quarterly reporting if all long-term recommendations were either completed or had a robust action plan for completion.

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

Rather than an assurance rating, the review provides an "opinion" summarising the status of actions completed and recommendations that remain open. The 2023/24 opinion found that management was closing actions appropriately and that there was sufficient evidence to support the closure of recommendations. It found that there were more recommendations closed in 2023/24 (13 actions) than in 2022/23 (seven actions), indicating that there has been a greater emphasis on implementing recommendations.

The outcome of the review assured the Audit, Risk and Assurance Committee that current controls over monitoring recommendations were sufficient and effective, and that, ongoing oversight has helped advance implementation efforts to strengthen operations and risk management.

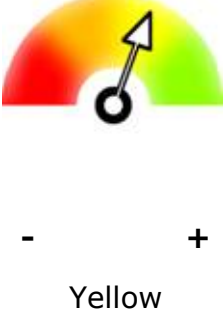
Head of Internal Audit's Opinion for 2023/24

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

The overall opinion is based primarily on the outcome of the work undertaken during the course of the 2023/24 audit year. We also consider other information available to us such as our overall knowledge of the organisation, the findings of other assurance providers and inspectors, and the work we undertake at other NHS Wales organisations. The Head of Internal Audit considers the outcomes of the audit work undertaken and exercises professional judgement to arrive at the most appropriate opinion for each organisation.

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

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

Reasonable Assurance		<p>The Board can take reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.</p>
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EXTERNAL AUDIT: AUDIT WALES STRUCTURED ASSESSMENT

The Audit Wales 2023 Structured Assessment work reviewed the Health Board's corporate governance and financial management arrangements, particularly the progress made in addressing the previous year's recommendations.

Overall, the Audit Wales report stated:

"Overall, we found that while the Health Board governance arrangements are reasonably effective there is scope to provide clarity on both the impacts of actions set out in plans and actions taken to improve performance."

The report went on to say that:

- ❖ **Board transparency, effectiveness, and cohesion** – the Health Board's Board and Committee arrangements are reasonably effective; however, there are opportunities to improve the quality and timeliness of information to ensure effective oversight over the Health Board's key challenges.
- ❖ **Corporate systems of assurance** – the Health Board is making good progress in developing and refining its systems of assurance. However, it will need to effectively embed new arrangements across the organisation to manage the finance, performance, and quality risks it faces.

- ❖ **Corporate approach to planning** – the Health Board is developing a new long-term strategy that provides an opportunity to plan more sustainable services. There are reasonably effective arrangements for developing corporate plans; however, progress reports do not provide enough detail to demonstrate delivery is on track.
- ❖ **Corporate approach to managing financial resources** - The Health Board is facing significant financial challenges. Whilst there are reasonably effective financial planning and financial management arrangements, the Health Board needs to establish control over savings delivery to prevent the financial position from deteriorating.

Copies of reports produced by Audit Wales can be accessed via the following link: [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 2023/24, 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 2024/25 to ensure implementation of recommendations arising from audit reviews, in particular where a limited assurance rating is applied. Work will also continue in 2024/25 to further embed risk management and assurance arrangements at a corporate and operational level. Implementation of further improvements identified by the Board through its self-assessment process, will see a further strengthening of the Board's effectiveness and the system of internal control in 2024/25.

This Annual Governance Statement confirms that Aneurin Bevan University Health Board has continued to mature as an organisation and, whilst there are areas for strengthening, no significant internal control or governance issues have been identified. The Board and the Executive Team has had in place a sound and effective system of internal control that provides regular assurance aligned to the organisation's strategic objectives and strategic risks. Together with the Board, I will continue to drive improvements and will seek to provide assurance for our citizens and stakeholders that the

services we provide are efficient, effective and appropriate, and are designed to meet patient needs and expectations.

It is disappointing that in 2023/24, Aneurin Bevan University Health Board was moved into 'Targeted Intervention' for planning and finance and 'Enhanced Monitoring' for performance and outcomes related to urgent and emergency care pathways as a result of extended waits for patients in ambulances and emergency department clinical assessment at the Grange University Hospital. Alongside the targeted action the Health Board is taking to deliver in-year improvements is the clear and emerging priorities for the strategic and tactical planning and reconfigurations required for services and estates to achieve sustainable services and financial balance by 2026/27. The Health Board maintains a relentless focus on recovering its position of being in routine performance monitoring.

It is widely known that the demands on the health and care system remain significantly pressured, increasing health inequalities, and sustained economic and cost of living challenges. The Health Board will therefore need to continually reflect and respond to the demands and challenges it faces in 2024/25 and beyond. I will ensure our Governance Framework considers and responds to this need.

Signed:

Nicola Prygodzicz
Chief Executive
Dated: XX 2024

Attachment One

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

Name	Position and Area of Expertise	Dates (if not full year)	Board Committee Membership	Attendance	Champion Role
Independent Members					
Ann Lloyd	Chair		Chair of the Board	6 out of 6	
			Chair, Remuneration and Terms of Service Committee	3 out of 3	
			Chair, Partnerships, Population Health and Planning Committee	4 out of 4	
Pippa Britton	Vice Chair	(interim prior to 3 rd May)	Member of the Board	5 out of 6	Mental Health
			Chair, Patient Quality, Safety and Outcomes Committee	6 out of 6	
			Chair, Mental Health Act Monitoring Committee	4 out of 4	
			Vice Chair, Remuneration and Terms of Service Committee	3 out of 3	
Shelley Bosson	Independent Member (Community)		Member of the Board	6 out of 6	Infection Prevention and Control
			Member, Audit, Risk and Assurance Committee	6 out of 6	
			Member, Finance and Performance Committee	3 out of 4	
Louise Wright	Independent Member (Trade Union)		Member of the Board	4 out of 6	Children and Young People
			Vice Chair, Patient Quality, Safety and Outcomes Committee	5 out of 6	

Name	Position and Area of Expertise	Dates (if not full year)	Board Committee Membership	Attendance	Champion Role
			Chair, People and Culture Committee	3 out of 3	
			Member, Remuneration and Terms of Service Committee	3 out of 3	
			Vice Chair, Charitable Funds Committee	4 out of 4	
Richard G Clarke	Independent Member (Local Authority)		Member of the Board	3 out of 6	
			Vice Chair, Audit, Risk and Assurance Committee	5 out of 6	
			Chair, Finance and Performance Committee	4 out of 4	
			Member, Partnerships, Population Health and Planning Committee	3 out of 4	
Professor Helen Sweetland	Independent Member (University)		Member of the Board	6 out of 6	
			Member, Patient Quality, Safety and Outcomes Committee	6 out of 6	
			Member, People and Culture Committee	2 out of 3	
Paul Deneen	Independent Member (Community)		Member of the Board	6 out of 6	Equality
			Member, Audit, Risk and Assurance Committee (until August 2023)	3 out of 3	
			Member, Patient Quality, Safety and Outcomes Committee	6 out of 6	
			Vice Chair, People and Culture Committee	3 out of 3	
			Member, Mental Health Act Monitoring Committee	4 out of 4	
			Chair, Charitable Funds Committee	4 out of 4	
Iwan Jones			Member of the Board	6 out of 6	

Name	Position and Area of Expertise	Dates (if not full year)	Board Committee Membership	Attendance	Champion Role
	Independent Member (Finance)		Chair, Audit, Risk and Assurance Committee	6 out of 6	
			Vice Chair, Finance and Performance Committee	3 out of 4	
			Member, Remuneration and Terms of Service Committee	3 out of 3	
			Member, Charitable Funds Committee	4 out of 4	
Dafydd Vaughan	Independent Member (Digital)		Member of the Board	6 out of 6	
			Member, People and Culture Committee	3 out of 3	
			Member, Finance and Performance Committee	4 out of 4	
			Member, Partnerships, Population Health and Planning Committee	4 out of 4	
Martin Blakebrough	Independent Member (Third Sector)	From 03/05/2023			
Penny Jones	Independent Member (Community)	From 15/01/2024	Member of the Board	1 out of 1	

Name	Position and Area of Expertise	Dates (if not full year)	Board Committee Membership	Attendance	Champion Role
Executive Directors					
Nicola Prygodzicz	Chief Executive		Member of the Board	6 out of 6	
			Member, Charitable Funds Committee	4 out of 4	
			Attendee as requested at all Board Committees		
Rob Holcombe	Director of Finance and Procurement		Member of the Board	6 out of 6	
			Member, Charitable Funds Committee	4 out of 4	
			Required Attendee: Audit, Finance and Risk Committee		
			Attendee as requested at all Board Committees		
Dr James Calvert	Medical Director/Deputy Chief Executive	From 24/09/2023	Member of the Board	4 out of 6	Caldicott
			Required attendee: Patient Quality, Safety and Outcomes Committee		
			Attendee as requested at all Board Committees		
Sarah Simmonds	Director of Workforce and OD		Member of the Board	6 out of 6	Raising Concerns Welsh Language
			Required attendee: People and Culture Committee		
			Attendee as requested at all Board Committees		
Hannah Evans	Director of Strategy, Planning and Partnerships		Member of the Board	6 out of 6	Emergency Planning
			Required Attendee: Partnerships, Population Health and Planning Committee		
			Attendee as requested at all Board Committees		

Name	Position and Area of Expertise	Dates (if not full year)	Board Committee Membership	Attendance	Champion Role
Jennifer Winslade	Director of Nursing		Member of the Board Required attendee: Patient Quality, Safety and Outcomes Committee Attendee as requested at all Board Committees	6 out of 6	
Peter Carr	Director of Therapies and Health Sciences		Member of the Board Required attendee: Patient Quality, Safety and Outcomes Committee Attendee as requested at all Board Committees	6 out of 6	Fire Safety Violence and Aggression
Tracy Daszkiewicz	Director of Public Health		Member of the Board Required Attendee: Partnerships, Population Health and Planning Committee Attendee as requested at all Board Committees	5 out of 6	
Leanne Watkins	Chief Operating Officer	From 1/05/2023	Member of the Board Required attendee: Mental Health Act Monitoring Committee Attendee as requested at all Board Committees	5 out of 6	
Directors in Attendance					
Paul Solloway	Director of Digital	From 28/06/2023	Attendee at the Board Required Attendee: Partnerships, Population Health and Planning Committee Attendee as requested at all Board Committees	5 out of 5	

Name	Position and Area of Expertise	Dates (if not full year)	Board Committee Membership	Attendance	Champion Role
Director of Corporate Governance					
Rani Dash	Director of Corporate Governance		Attendee at the Board	6 out of 6	
			Attendee as requested at all Board Committees		

Quoracy of Meetings

Quorate

Non-Quorate

Board	24 May 2023	19 July 2023	27 September 2023	22 November 2023	24 January 2024	27 March 2024
Patient Quality, Safety and Outcomes Committee	25 April 2023	20 June 2023	26 July 2023	11 October 2023	13 December 2023	23 February 2024
Audit, Risk and Assurance Committee	18 April 2023	23 May 2023	18 July 2023	12 September 2023	28 November 2023	6 February 2024
Charitable Funds Committee	28 June 2023	9 November 2023	22 January 2024	7 March 2024		
Partnerships, Population Health and Planning Committee	17 May 2023	12 July 2023	1 November 2023	31 January 2024		
Mental Health Act Monitoring Committee	19 June 2023	5 September 2023	6 December 2023	21 February 2024		
Finance and Performance Committee	21 June 2023	7 September 2023	21 December 2023	14 March 2024		
People and Culture Committee	13 June 2023	19 October 2023	22 February 2024			
Remuneration and Terms of Service Committee	26 April 2023	5 October 2023	17 January 2024			

Attachment Two

Welsh Health Circulars

Date Issued	Name & No. of WHC	Progress	Rating
06/04/2023	WHC/2023/009 <u>COVID-19 vaccination of children aged 6 months to 4 years in a clinical risk group</u>	Implemented as required locally - Currently a national issue with DHCW who are yet to identify eligible patients	In Progress
27/04/2023	WHC/2023/11 <u>Guidance on Self-harm: assessment, management and preventing recurrence</u>	All GP practices in ABUHB made aware of the NICE guidance. The key recommendations associated with safeguarding, consent and confidentiality are part of the wider contractual Clinical Governance Toolkit and revalidation requirements of practitioners. All departments within MH&LD are aware of the NICE Guidelines, with information distributed for awareness through different methods within each department.	In Progress
09/06/2023	WHC/2023/019 <u>In support of prevention of suicide and self harm: GMC and NICE Guidance on Information disclosure for the protection of patients and others</u>	This was issued via the All Wales Alert system on 9th June 2023 and cascaded to: GP Practice Managers, GP OOHs, Sessional GPs, HB Primary Care Managers, Medial Committees, Independent Hospitals / Hospices / Prisons	Complete
25/09/2023	WHC/2023/008 <u>SaBTO FAIR III recommendations to tissue and cell donation process</u>	The tissue donation consent process is handled by NHSBT. The referral forms used by ABUHB do not ask any questions relating to consent that are impacted by the FAIR III recommendations. The ABUHB forms are predominantly an initial screening referral tool that then allows NHSBT to contact patient's families and proceed with the formal consent process.	Complete
03/11/2023	WHC/2023/035 <u>Update of guidance on clearance and management of healthcare workers living with a bloodborne virus (BBV) and a reminder of health clearance for tuberculosis</u>		In Progress
09/11/2023	WHC/2023/040 <u>The NHS Wales: Newborn and Infant Physical Examination Cymru (NIPEC)</u>	Relevant staff have attended webinar Lead staff identified to support and take forward Review of ABUHB guideline to incorporate standards New digital system flags NIPEC check within 72 hours	In Progress
27/11/2023	WHC/2023/039 <u>Independent Authorisation of Blood Component Transfusion (IABT)</u>	The WHC has been discussed by the Hospital Transfusion Committee (HTC). The Health Board's current policy and standard operating procedures for prescribing blood are to be reviewed in light of the WHC. The Health Board employs several non-medical BCT Authorisers who have undertaken the appropriate Wales training and compliance assessment. Each BCT Authoriser has a Consultant mentor, retains a portfolio	In Progress

Date Issued	Name & No. of WHC	Progress	Rating
		of practice and is regularly assessed to ensure that their practice is up to date and meets the correct standards.	
09/11/2023	WHC/2023/038 Healthy Start eLearning Course	Course live on ESR	Complete
11/12/2023	WHC/2023/044 Influenza (flu) Vaccination Programme deployment 'mop up' 2023-2024	Implemented in January 2024 as required. Borough pop-up clinics targeted 25% of GP practices with lowest flu vaccine uptake.	Complete
13/12/2023	WHC/2023/046 All-Wales Control Framework for Flexible Workforce Capacity	Actions in place for phase 1 and reported to WG	Complete
14/12/2023	WHC/2023/043 Vaccination of Healthcare Staff to Protect Against Measles	A task and finish group was set up on 15/12/23 in response to the WHC published on 14/12/23. The health board assessed and agreed staff high risk areas and staff MMR immunisation status was obtained via OH records and by request via WIS with staff consent. All staff who have not received a full 2 doses of MMR have been invited for an immunisation via text, email and targeted communications. Clinics have been mobilised at various locations for easy access and occupational health continue to provide weekly drop in sessions. The WHC was reinforced with primary care providers detailing steps to be taken to ensure that staff who are not fully vaccinated should make an appointment for their MMR.	In progress
21/12/2023	WHC/2023/047 Influenza vaccines and eligible cohorts for the 2024 to 2025 season	Incorporated into plan development for 2024/25 season. Vaccine stock ordered in accordance with eligible cohorts and vaccine advice as per JCV	In progress
08/01/2024	WHC/2023/048 Health Board allocations for 2024 to 2025	Implemented	Complete
11/01/2024	WHC/2023/041 Refresh of the rare disease action plan 2022 to 2026	The Health Board recognises the actions required and has identified there are 5 specific actions that involve the Health Board and which have been acted upon.	In progress
20/02/2024	WHC/2023/045 Recording dementia read codes	Dementia alerts are promoted on WPAS, so that we can see how patients with dementia are in the hospital at any given time. Dementia alerts is separate to dementia read code. These alerts will help us to improve our identification and awareness, hence we can incorporate dementia	In progress

Date Issued	Name & No. of WHC	Progress	Rating
		care plans as well. This will also help us with the National Audit of Dementia, which recommend us to identify those are at risk of harm in the hospital like inpatient fall but more importantly involve patient in the discharge process	
10/01/2024	WHC/2024/001 <u>Changes to the way individuals who are at highest risk from Covid-19 access lateral flow tests</u>	Implemented as planned. Citizens being advised during antiviral triage on how to obtain tests from local pharmacies. Information also disseminated via ABUHB Social Media channels. Care homes informed of change to access – can still be used to expedite access to antiviral treatment. Local pharmacies participating in scheme supported by PCCS Pharmacy Advisor.	Complete
01/02/2024	WHC/2024/005 <u>Private obesity surgery and the Welsh NHS</u>	The WHC is unclear and there remain concerns about rejection of ABUHB patients to Tier 4. Swansea Bay UHB is commissioned Tier 4 in Wales. A referral pathway has been developed for referral to SBUHB and has been provided to SBUHB for comment / agreement. The Pathway has been issued to AMD's, CD's. The Pathway and instructions have been issued to primary care. Also reviewing process and criteria at national level.	In progress
02/02/2024	WHC/2024/008 <u>Vaccination against measles - urgent action</u>	Working group established with school nursing, vaccination service and public health. Schools identified with <90% uptake, and in-school vaccination MMR clinics planned for secondary school; community vaccine service offer for primary schools. Significant area of work to ensure data validity and rigour. Ongoing work to develop a vaccination outbreak response plan, pathways in place for rapid testing of suspected measles cases, and robust protocols in place for isolation arrangements for suspected measles cases.	In progress
12/02/2024	WHC/2024/004 <u>Assurance of aseptic preparation of medicines in NHS Wales (Sterile preparation of medicine)</u>	Implemented as required	Complete
08/02/2024	WHC/2024/009 <u>Covid 19 spring booster vaccination programme 2024</u>	Blended model of delivery with Primary Care and community pop-up clinics. Commenced on 2nd April in line with WHC and JCVI requirements.	In progress
27/02/2024	WHC/2024/10 <u>Welsh Sustainability Conference and Awards - New dates</u>	Implemented as required	Complete

Date Issued	Name & No. of WHC	Progress	Rating
05/03/2024	WHC/2024/02 <u>Standards for Competency Assurance of Non-Medical Prescribers in Wales</u>	In progress and on track	In progress
06/03/2024	WHC/2024/011 <u>Changes to dietary advice on feeding young children</u>		In progress
19/03/2024	WHC/2024/012 <u>Nursing Preceptorship & Restorative Clinical Supervision - A National Position Statement</u>	Preceptorship programme reviewed and refreshed, will be delivered centrally to ensure standardisation, equity and a prudent approach. On track with timescales for meeting submission of implementation plan to WG by 1st July. Several actions undertaken within the implementation plan to date.	In progress
22/03/2024	WHC/2024/006 <u>National Clinical Guidance for Stroke, for the UK and Ireland</u>	Work to be presented to Stroke Delivery Group (5th June) and then to PQSOC (2nd July).	In progress
28/03/2024	WHC/2024/017 <u>Implementation of the Non-pay elements of the 2022-24 Collective Agreement</u>	First phase response complete 31st May 2024. WHC to be added as standing agenda item to TUPF from June 2024	In progress

Ministerial Directives

Ministerial Directive	Date Issued	Action to demonstrate implementation/response	Rating
<u>The Duty of Candour statutory guidance 2023</u>	01/04/2023	Currently implementing this guidance as part of the delivery of the Health Board Strategy	In Progress
<u>The NHS (General Medical Services Contracts) (Wales) Regulations 2023: integrated impact assessment</u>	11/05/2023	The Unified Contract came into effect on 1st October 2023. Health Boards are currently awaiting WG to issue a template variation notice and GMS regulations template:	In Progress
<u>The Primary Care (E-Prescribing pilot scheme) Directions 2023</u>	01/06/2023	The first use of the Electronic Prescription Service (EPS) in Wales is on track to take place this autumn in Rhyl, North Wales. There will be several weeks of testing in Rhyl before EPS is rolled out across Wales in a phased approach in 2024. ABHB will support this as required alongside the Digital Medicines Transformation Portfolio.	In Progress
<u>NHS (General Medical Services contracts) (Wales) Regulations 2023</u>	17/07/2023	Health Boards received the confirmed copy and CVN relating to the 2006 contract on 10th December 2023. Meeting held 6th February 2024 with HBs, WG and Legal representatives to discuss. Identified that not all contracts had received a CVNs in 2006, therefore WG/Legal agreed to provide the necessary documents for this. The HB received the documents on 7th March 2024 from WG. The HB will be issuing bilateral agreements for all contracts, which also requires a 14 day notification period. All contracts must be issued by 18th March to meet this deadline. 20 x bilateral agreements/conformed copy have been prepared (18 that had the 2006 variation and 2 that had had new contracts since 2006). As of March 2024, x 44 agreements need to be prepared - 4 will require the new version of the contract – which has not yet been issued. The HB will endeavour to meet this deadline, however it will be very challenging.	In Progress
<u>The National Health Service (Wales Eye Care services)(Wales) Directions 2023</u>	26/10/2023	Implemented and payments reflected	Complete
<u>The Low Vision Service Committee (Wales) Directions 2016 (with consolidated amendments)</u>	26/10/2023	Implemented and payments reflected	Complete
<u>The Eye Health Examination Service Committee (Wales) Directions 2016 (with consolidated amendments)</u>	26/10/2023	Implemented	Complete

Ministerial Directive	Date Issued	Action to demonstrate implementation/response	Rating
<u>Statement of general ophthalmic service remuneration and fee Directions.</u>	24/11/2023	Implemented with relevant fees applied. Indicative budget allocation will need continuous review to ensure appropriate level of funding is available for each service. Some services to be implemented.	In progress
<u>Death Certification reform</u>	14/12/2023	Issued	Complete
<u>The Medical Examiners (Wales) Regulations 2024</u>	14/12/2023	Primarily affects the function of the Medical Examiner; the HB is considered a stakeholder.	Complete
<u>The Eye Health Examination Service Committee (Wales) Directions 2016 (with consolidated amendments)</u>	05/01/2024	Implemented with delegated functions provided by Shared Services Partnership on behalf of the Health Board. Some aspects ongoing including WGOS 3 mobile providers and students.	In Progress
<u>Wales Eye Care Services (Administrative List) (Wales) Directions 2024</u>	05/01/2024	Implemented with delegated functions provided by Shared Services Partnership on behalf of the Health Board.	Complete
<u>The Low Vision Service Committee (Wales) Directions 2016 (with consolidated amendments)</u>	05/01/2024	Implemented with delegated functions provided by Shared Services Partnership on behalf of the Health Board.	Complete
<u>The National Health Service (Wales Eye Care Services) (Wales)(No. 2) Directions 2024</u>	05/01/2024	Implemented with delegated functions provided by Shared Services Partnership on behalf of the Health Board.	Complete
<u>Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) Directions 2024</u>	14/02/2024	Actioned automatically by SSP - confirmation has been sought from all independent GMS contractors that 5% uplift has been applied	Complete
<u>The National Health Service Joint Commissioning Committee (Wales) Directions 2024</u>	29/02/2024	Implemented	Complete

Attachment Three

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

Aneurin Bevan University Health Board Assessment 2023/24

Para	Corporate Governance Code Principles	Evidence of Internal assurance/Supporting Narrative	Comply or Explain	Supporting documentation / Evidence
2.1 2.2	Each organisation should have an effective board, which provides leadership for the business, helping it to operate in a business-like manner. The board should operate collectively, concentrating on advising on strategic and operational issues affecting the department's performance, as well as scrutinising and challenging departmental policies and performance, with a view to the long-term health and success of the Trust.	<p>The Board meets in public on a bi-monthly basis.</p> <p>A forward work programme of Board Business is in place and approved on an annual basis. The work of the Board is guided and determined by its Standing Orders, Standing Financial Instructions and Schemes of Delegation. This provides the framework for delegation and decision making within the Health Board.</p> <p>The Board receives, as standing items to each meeting, finance, performance and corporate risk reports.</p>	Comply	<p>Board and Committee Minutes – demonstrate Scrutiny and support</p> <p>Audit Wales Structured Assessment 2023</p>
2.3	<p>The Board does not decide policy or exercise the powers of the ministers. The department's policy is decided by ministers alone on advice from officials. The board advises on the operational implications and effectiveness of policy proposals.</p> <p>The Board will operate according to recognised precepts of good corporate governance in business:</p> <ul style="list-style-type: none"> • 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 • Effectiveness – bringing a wide range of relevant experience to bear, including through offering rigorous challenge and scrutinising performance 	<p>The Board provides leadership and direction to the organisation and has a key role in ensuring that the organisation has sound governance arrangements in place. The Board seeks an open culture and high standards in the ways in which its work is conducted. Board Members share corporate responsibility for all decisions and undertake a key role in monitoring the performance of the organisation.</p> <p>Progress against the Health Board Integrated Medium Term Plan 2022-2025, which adopts a life course approach, is presented to the Board on a quarterly basis. The Health Board's Standing Orders and Standing Financial Instructions are designed to translate the statutory requirements into day to day operating practice, and, together with the adoption of a Schedule</p>	Comply	<p>Standing Orders and Standing Financial Instructions</p> <p>Audit Wales Structured Assessment 2023</p> <p>IMTP</p> <p>Value and Behaviours Framework</p>

Para	Corporate Governance Code Principles	Evidence of Internal assurance/Supporting Narrative	Comply or Explain	Supporting documentation / Evidence
	<ul style="list-style-type: none"> • Accountability – promoting transparency through clear and fair reporting. • Sustainability – taking a long-term view about what the department is trying to achieve and what it is doing to get there. 	<p>of Decisions reserved to the Board of Directors; a Scheme of Decisions to Officers and Others; and Standing Financial Instructions (SFIs), they provide the regulatory framework for the business conduct of the Health Board. These documents form the basis upon which the Health Board’s governance and accountability framework is developed and, together with the adoption of the Health Board’s Values and Behaviour Framework, is designed to ensure the achievement of the standards of good governance set for the NHS in Wales.</p>		
2.4 3.10	<p>The Board should meet on at least a quarterly basis; however, best practice is that boards should meet more frequently.</p> <p>The Board advises on five main areas:</p> <ul style="list-style-type: none"> • Strategic Clarity • Commercial Sense • Talented People • Results focus • Management information 	<p>The Board meets at least six times a year and in addition holds an Annual General Meeting.</p> <p>Discussions, actions and decisions of all meetings of the Board and its Committees are formally recorded as minutes or action notes.</p> <p>The Board’s role, as set out in its Standing Orders, is to:</p> <ul style="list-style-type: none"> • Set the strategic direction for the organisation • Hold the organisation to account for performance and delivery • Set the tone and culture of the Board and the organisation <p>The Board’s business is therefore structured in this way and encompasses the five main areas set out in point 2.4.</p>	Comply	<p>Standing Orders and Standing Financial Instructions</p> <p>Audit Wales Structured Assessment 2023</p> <p>Board and Committee Agenda and Meeting Papers</p>
2.7	<p>The Board also supports the accounting officer in the discharge of obligations set out in Managing Public Money for the proper conduct of business and maintenance of ethical standards.</p>	<p>The Board approves the Accountability Report, following scrutiny by the Audit, Risk and Assurance Committee, on an annual basis which includes the Statement by the Accountable Officer assuring the Board on the System of Internal Control.</p>	Comply	<p>Accountability Report</p>

Para	Corporate Governance Code Principles	Evidence of Internal assurance/Supporting Narrative	Comply or Explain	Supporting documentation / Evidence
2.12	Where Board members have concerns, which cannot be resolved, about the running of the department or a proposed action, they should ensure that their concerns are recorded in the minutes.	<p>Any concerns raised at Board and Committee meetings are formally recorded in the minutes.</p> <p>The role of the Director of Corporate Governance is responsible for ensuring these matters are effectively managed, recorded and resolved where possible.</p>	Comply	<p>Board and Committee Agenda and Papers</p> <p>Role of the Director of Corporate Governance</p>
3.1 3.11 3.12 3.13	The Board should have a balance of skills and experience appropriate to fulfilling its responsibilities. The membership of the board should be balanced, diverse and manageable in size.	<p>Constitution is set out in the Health Board's Establishment Orders and the Health Board abides by this composition.</p> <p>The Health Board's Standing Orders also outlines the composition of the Board.</p> <p>The Board has a range of skills and expertise. Individuals are appointed to Independent Member or Executive roles based on their particular backgrounds and specialist knowledge.</p> <p>All Independent Member appointments including the Chair and Vice Chair are appointed by Welsh Government and the appointment processes are managed by the Public Appointments Department of Welsh Government. The appointment panels for all Executive appointments, although organisation appointments, will have external independent assessors and Welsh Government representation.</p> <p>All Executive Directors are appointed to permanent NHS contracts. Independent Members are appointed for up to four years at any one time and can be re-appointed up to a maximum of eight years in the organisation. This is controlled by Welsh Government as they are Ministerial appointments.</p>	Comply	<p>Health Board Establishment Orders</p> <p>Standing Orders</p> <p>Board Member Induction checklist</p>

Para	Corporate Governance Code Principles	Evidence of Internal assurance/Supporting Narrative	Comply or Explain	Supporting documentation / Evidence
		<p>The Board is provided with a range of information including performance information at Board and Committee Meetings. The format and content of these is informed by national standards and requirements and also locally requested information.</p> <p>Independent Member membership on Board Committees are rotated at appropriate times to ensure there is mix and balance of experience across all meetings</p>		
3.2	The roles and responsibilities of all board members should be defined clearly in the department's board operating framework.	The Board is constituted in accordance with the Health Board's Establishment Orders and Standing Orders	Comply	Health Board Establishment Orders Standing Orders
3.3	The Finance Director should be professionally qualified.	The Director of Finance and Procurement is professional qualified	Comply	Recruitment and appointment documentation for the Director of Finance and Procurement
3.5	Independent Members will exercise their role through influence and advice, supporting as well as challenging the executive	<p>The Structured Assessment 2023 highlights that</p> <ul style="list-style-type: none"> • <i>Independent Members participate fully in meetings, providing reasonably effective scrutiny on the information presented.</i> • <i>The Health Board has effective local induction arrangements for Executive Directors and Independent Members. These include meetings with other Board</i> 	Comply	Audit Wales Structured Assessment 2023 Independent Member Induction Pack

Para	Corporate Governance Code Principles	Evidence of Internal assurance/Supporting Narrative	Comply or Explain	Supporting documentation / Evidence
		<ul style="list-style-type: none"> Members and stakeholders alongside detailed training materials. Independent members indicated they feel supported in their ongoing learning and development. <p>There is a national programme of induction, in which all members are asked to participate. This is organised by Academi Wales and Welsh Government. Tailored programmes of induction is in place new Independent Members, and work continues to build a comprehensive programme for future use. There is also a programme of Board Development Sessions and Board Briefings and other training made available to the Board.</p>		
3.15	The Board should agree and document in its board operating framework a <i>de minimis</i> threshold and mechanisms for board advice on the operation and delivery of policy proposals.	<p>A forward work programme of Board Business is in place and approved on an annual basis.</p> <p>The Terms of Reference Operating Arrangements for the Board Committees articulate their remit.</p> <p>A forward work programme for each Committee is in place and approved on an annual basis.</p>	Comply	<p>Board Forward Work Programme</p> <p>Committee Forward Work Programmes</p> <p>Committee Terms of Reference</p>
4.1	<p>The Board should ensure that arrangements are in place to enable it to discharge its responsibilities effectively, including:</p> <ol style="list-style-type: none"> formal procedures for the appointment of new board members, tenure and succession planning for both board members and senior officials allowing sufficient time for the board to discharge its collective responsibilities effectively induction on joining the board, supplemented by regular updates to keep board members' skills and knowledge up-to-date 	<p>All Independent Member appointments including the Chair and Vice Chair are appointed by Welsh Government and the appointment processes are managed by the Public Appointments Department of Welsh Government. All Executive appointments, although internal appointments have external independent assessors on the panels and also Welsh Government representation.</p> <p>The Director of Corporate Governance monitors the terms of office of Independent Members to ensure</p>	Comply	<p>Terms of Reference and Operating Arrangements for Board and Committees</p> <p>Board and Committee Forward Work Programmes</p>

Para	Corporate Governance Code Principles	Evidence of Internal assurance/Supporting Narrative	Comply or Explain	Supporting documentation / Evidence
	<p>4. timely provision of information in a form and of a quality that enables the board to discharge its duties effectively</p> <p>5. a mechanism for learning from past successes and failures within the departmental family and relevant external organisations</p> <p>6. a formal and rigorous annual evaluation of the board's performance and that of its committees, and of individual board members</p> <p>7. a dedicated secretariat with appropriate skills and experience</p>	<p>succession planning is timely and managed in conjunction with the public appointments unit.</p> <p>Agenda Setting meetings are held with the Chair, Chief Executive and Director of Corporate Governance to plan the agenda and ensure sufficient time is allocated to the right things at Board meetings.</p> <p>Board Induction programme in place (as previously referenced), supplemented by ongoing Board Briefing and Board Development sessions.</p> <p>The Chair undertakes regular one to ones and annual Personal Appraisal and Development Reviews with all Independent Members.</p> <p>Agenda and papers for Board meetings are published one week prior to the meeting. Report templates have been revised to ensure to support the provision of appropriate and relevant information.</p> <p>Revised Corporate Governance Structure implemented during 2023. Head of Board Business appointed and Improving Board Business Plan in place to develop processes to improve the effectiveness and efficiency of the Board.</p> <p>The Board's Quality Strategy and Quality Assurance Framework ensure learning as a key pillar of quality, embedded across the organisation.</p> <p>The Board undertakes an assessment of its effectiveness using the NHS England and NHS Improvement (NHSE and NHSI) Well-led Framework for</p>		

Para	Corporate Governance Code Principles	Evidence of Internal assurance/Supporting Narrative	Comply or Explain	Supporting documentation / Evidence
		Leadership and Governance Developmental Reviews. During 2023/24, Committees undertook a mid-year self-assessment of their effectiveness to 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: <ul style="list-style-type: none"> • scrutinising systems for identifying and developing leadership and high potential • 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 • 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. 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 Standing Orders
4.6	The attendance record of individual board members should be disclosed in the governance statement and cover meetings of the board and its committees held in the period to which the resource accounts relate.	The Annual Governance Statement provides details on the membership of the Board and Committee and the attendance record of individuals at these meetings.	Comply	Annual Governance Statement
4.10	Where necessary, board members should seek clarification or amplification on board issues or board papers through the board secretary. The board secretary will consider how officials can best support the work of board members; this may include providing board members with direct access to officials where appropriate.	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. Regular Board Development sessions and Board briefings are also held to ensure that Board members are kept up to date on the breadth of issues. The Director of Corporate Governance acts as an independent voice within the organisation to advise and support the Board on governance matters and its	Comply	Board Secretary role profile

Para	Corporate Governance Code Principles	Evidence of Internal assurance/Supporting Narrative	Comply or Explain	Supporting documentation / Evidence
		<p>approach to openness and transparency. The Director of Corporate Governance is responsible for developing the programmes of work for the Board and Committees of the organisation. Ensuring that agenda and papers are developed and reviewed prior to publication to ensure the quality of reports and maximum transparency and openness in the way in which the organisation conducts its business.</p>		
4.11	<p>An effective board secretary is essential for an effective board. Under the direction of the permanent secretary, the board secretary's responsibilities should include:</p> <ul style="list-style-type: none"> - 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 - ensuring good information flows within the board and its committees and between senior management and non-executive board members, including: <ul style="list-style-type: none"> - challenging and ensuring the quality of board papers and board information - ensuring board papers are received by board members according to a timetable agreed by the board - providing advice and support on governance matters and helping to implement improvements in the governance structure and arrangements - ensuring the board follows due process - providing assurance to the board that the department: <ul style="list-style-type: none"> - complies with government policy, as set out in the code 	<p>The Director of Corporate Governance undertakes these roles as Board Secretary for the Health Board</p>	Comply	<p>Board Secretary role description</p> <p>Standing Orders</p>

Para	Corporate Governance Code Principles	Evidence of Internal assurance/Supporting Narrative	Comply or Explain	Supporting documentation / Evidence
	<ul style="list-style-type: none"> - 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) - 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 - 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 commitment to the role (including commitment of time for board and committee meetings and other duties).	Individual annual assessment of Board Executive Directors is undertaken by the Chief Executive and Independent Members by the Chair, with the former reported to the Remuneration and Terms of Service Committee.	Comply	Appraisal documentation and process
4.15	All potential conflicts of interest for non-executive board members should be considered on a case by case basis. Where necessary, measures should be put in place to manage or resolve potential conflicts. The board should agree and document an appropriate system to record and manage conflicts and potential conflicts of interest of board members. The board should publish, in its governance statement, all relevant interests of individual board members and how any identified conflicts, and potential conflicts, of interest of board members have been managed.	<p>Board Members complete annual Declarations of Interest and this register is available on the Health Board's website. Declarations of Interest in relation to items on the agenda are also sought at each Board and Committee meeting and are formally recorded within the minutes.</p> <p>Standards of Business Conduct for Employees in place and details responsibilities for declarations of interests.</p>	Comply	<p>Declarations of Interest Register</p> <p>Standards of Business Conduct for Employees Policy</p>

Para	Corporate Governance Code Principles	Evidence of Internal assurance/Supporting Narrative	Comply or Explain	Supporting documentation / Evidence
5.1 5.8	<p>The board should ensure that there are effective arrangements for governance, risk management and internal control for the whole departmental family. Advice about and scrutiny of key risks is a matter for the board, not a committee. The board should be supported by:</p> <ul style="list-style-type: none"> - an audit and risk assurance committee, chaired by a suitably experienced non-executive board member - an internal audit service operating to Public Sector Internal Audit Standards¹ - sponsor teams of the department's key ALBs 	<p>The Health Board has established an Audit, Risk and Assurance Committee, chaired by the Independent Member Finance lead.</p> <p>NWSSP Internal Audit Services are appointed as the Health Boards Internal Auditors</p> <p>The Health Board and its Committees monitor the management of risk considering the risks profile and actively engaging in its management.</p>	Comply	<p>Terms of Reference and Operating Arrangements for the Audit, Risk and Assurance Committee</p> <p>Accountability Report</p> <p>Audit Wales Structured Assessment</p>
5.2 5.13	<p>The board should take the lead on, and oversee the preparation of, the department's governance statement for publication with its resource accounts each year.</p> <p>The annual governance statement (which includes areas formerly covered by the statement on internal control) is published with the resource accounts each year. In preparing it, the board should assess the risks facing the department and ensure that the department's risk management and internal control systems are effective. The audit and risk assurance committee should normally lead this assessment for the board.</p>	<p>The Audit, Risk and Assurance Committee is responsible for reviewing the system of governance and assurance established within the Health Board and the arrangements for internal control, including risk management for the organisation and, in particular, advises on the Annual Governance Statement signed by the Chief Executive.</p> <p>The Governance Statement is included within the Accountability Report which is considered by the Audit, Risk and Assurance Committee prior to approval by the Board.</p>	Comply	Accountability Report
5.3 5.10	<p>The board's regular agenda should include scrutinising and advising on risk management.</p>	<p>The Health Board approve the Risk Management Strategy and Board Assurance Framework.</p> <p>The Health Board and its Committees monitor the management of risk considering the risks profile and actively engaging in its management.</p>	Comply	<p>Board and Committee Agendas and papers</p> <p>Risk Management Strategy</p>

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

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

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

Remuneration and Staff Report 2023/24

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 2023/24, the Remuneration and Terms of Service Committee was chaired by the Health Board's Chair, Ann Lloyd CBE, and the membership included the following Members:

- Pippa Britton, Vice Chair of the Board;
- Iwan Jones, Chair of Audit, Risk and Assurance Committee
- Louise Wright, Independent Member (Trade Union).

Meetings are minuted and decisions fully recorded.

Independent Member Remuneration

Remuneration for Independent Members is determined by the Welsh Government, along with the tenure of appointments. Details of Independent Members' remuneration for the 2023/24 financial year, together with comparators are given in Tables below.

Directors' Remuneration

Details of Directors' remuneration for the 2023/24 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 2023/24, 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

Name	Title	2023-24					2022-23				
		Full Year Equivalent Salary (bands of £5,000) £000	Salary (bands of £5,000) £000	Benefits in kind (to nearest £100) £00	Pension Benefits £000	Total (bands of £5,000) £000	Full Year Equivalent Salary (bands of £5,000) £000	Salary (bands of £5,000) £000	Benefits in kind (to nearest £100) £00	Pension Benefits £000	Total (bands of £5,000) £000
Executive Directors											
Glyn Jones	Deputy Chief Executive (From 05.09.22 Until 23.09.22)						205 - 210	100 - 105	0	32	135 - 140
	Interim Chief Executive (From 01.11.21 Until 04.09.22)										
Nicola Prygodzicz	Chief Executive (From 05.09.22)	225 - 230	205 - 210	12	62	270 - 275	215 - 220		12	282	450 - 455
	Director of Planning, Performance, Digital & IT / Interim Deputy Chief Executive (Until 04.09.22)						125 - 130	165 - 170			
Dr James Calvert	Medical Director / Deputy Chief Executive (From 24.09.22)	215 - 220	215 - 220	0	57	275 - 280	190 - 195	195 - 200	0	66	260 - 265
	Medical Director (Until 23.09.22)						185 - 190				
Robert Holcombe	Director of Finance and Procurement (From 14.11.22)	160 - 165	160 - 165	0	0	160 - 165	150 - 155				
	Interim Director of Finance, Procurement and Value Based Healthcare (Until 13.11.22)						150 - 155	155 - 160	0	200	355 - 360
Chris Dawson-Morris	Interim Director of Planning and Performance (From 05.09.22 Until 02.04.23)	125 - 130	0 - 5	0	0	0 - 5	125 - 130	75 - 80	0	15	90 - 95
Hannah Evans	Director of Strategy, Planning and Partnerships (From 01.04.23)	145 - 150	145 - 150	0	82	230 - 235					
Jennifer Winslade	Director of Nursing (From 08.08.22)	145 - 150	145 - 150	7	0	150 - 155					
Linda Alexander	Director of Nursing (From 25.06.22 Until 14.08.22)						135 - 140	90 - 95	0	59	150 - 155
Rhiannon Jones	Director of Nursing (Until 05.07.22)							15 - 20	0	10	25 - 30
Sarah Simmonds	Director of Workforce and Organisational Development	145 - 150	150 - 155	15	51	200 - 205		35 - 40	0	7	40 - 45
Dr Sarah Aitken	Director of Public Health and Strategic Partnerships (Until 05.01.23)						140 - 145	140 - 145	15	72	215 - 220
Peter Carr	Director of Therapies and Health Sciences	125 - 130	120 - 125	0	0	120 - 125	130 - 135	95 - 100	0	0	95 - 100
Dr Chris O'Connor	Interim Director of Primary, Community and Mental Health Services (Until 30.04.23)	135 - 140	10 - 15	0	0	10 - 15	110 - 115	110 - 115	25	16	130 - 135
Tracy Daszkiewicz	Director of Public Health and Strategic Partnerships (From 01.04.23)	140 - 145	140 - 145	0	35	175 - 180	145 - 150	145 - 150	0	212	360 - 365
Chief Operating Officer											
Leanne Watkins	Chief Operating Officer (From 01.05.23)										
	Director of Operations (From 17.03.22 Until 30.04.23)	145 - 150	150 - 155	17	121	270 - 275	120 - 125	120 - 125	17	32	155 - 160
Other Directors											
Rani Dash	Director of Corporate Governance	120 - 125	125 - 130	45	64	195 - 200	110 - 115	110 - 115	56	41	155 - 160
Paul Solloway	Director of Digital (From 28.06.23)	125 - 130	90 - 95	6	214	305 - 310					

Special Advisor to the Board

Philip Robson	Special Advisor to the Board	15 - 20	15 - 20	0	0	15 - 20	15 - 20	15 - 20	0	0	15 - 20
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Independent Members

Ann Lloyd CBE	Chair	65 - 70	65 - 70	0	0	65 - 70	65 - 70	65 - 70	0	0	65 - 70
Pippa Britton	Vice Chair (Interim Until 02.05.23)	55 - 60	55 - 60	0	0	55 - 60	55 - 60	55 - 60	0	0	55 - 60
Katija Dew	Independent Member (Third/Voluntary Sector) (Until 31.03.23)						15 - 20	15 - 20	0	0	15 - 20
Martin Blakebrough	Independent Member (Third Sector) (From 03.05.23)	15 - 20	10 - 15	0	0	10 - 15					
Prof. Helen Sweetland	Independent Member (University)	0	0	0	0	0	0	0	0	0	0
Richard Clark	Independent Member (Local Authority)	15 - 20	15 - 20	0	0	15 - 20	15 - 20	15 - 20	0	0	15 - 20
Paul Deneen	Independent Member (Community)	15 - 20	15 - 20	0	0	15 - 20	15 - 20	15 - 20	0	0	15 - 20
Shelley Bosson	Independent Member (Community)	15 - 20	15 - 20	0	0	15 - 20	15 - 20	15 - 20	0	0	15 - 20
Penny Jones	Independent Member (Community) (From 15.01.24)	15 - 20	15 - 20	0	0	15 - 20					
Dafydd Vaughan	Independent Member (Digital) (From 09.05.22)	15 - 20	15 - 20	0	0	15 - 20	15 - 20	10 - 15	0	0	10 - 15
Iwan Jones	Independent Member (Finance) (From 04.04.22)	15 - 20	15 - 20	0	0	15 - 20	15 - 20	15 - 20	0	0	15 - 20
Louise Wright	Independent Member (Trade Union)	0	0	0	0	0	0	0	0	0	0
Keith Sutcliffe	Associate Independent Member (Chair of Stakeholder Group) (Until 30.11.22)						0	0	0	0	0

Band of Highest paid Director's Total Remuneration £000

25th percentile pay £

Median pay £

75th percentile pay £

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

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

Salary has been reported as gross pay, which is before the deduction of any salary sacrifice schemes. During 2023-24 the following salary was sacrificed.

	Lease Car Scheme	Home Electronics Scheme
	£'000	£'000
Nicola Prygodzicz	7	
Jennifer Winslade	6	
Sarah Simmonds	8	
Leanne Watkins	11	<1
Rani Dash	7	
Paul Solloway	6	

The post of Special Advisor to the Board has been disclosed as it has been deemed to have an influence over board decisions. The amount of pension benefits for the year which contributes to the single total figure is calculated using a similar method to that used to derive pension values for tax purposes and is based on information received from NHS BSA Pensions Agency.

The value of pension benefits is calculated as follows:

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

*excluding increases due to inflation or any increase 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.

Robert Holcombe, Jennifer Winslade, Peter Carr and Dr Chris O'Connor are affected by the Public Service Pensions Remedy and their membership between 1 April 2015 and 31 March 2022 was moved back into the 1995/2008 Scheme on 1 October 2023. Negative values are not disclosed in this table but are substituted with a zero.

Due to the deadline for requests of pension entitlements issued by NHS Business Services Authority the reported pension benefits exclude the affect of the revised salary applied in March 2024.

During 2023-24 the Health Board has paid two former chief executives who were on secondment to Welsh Government. Andrew Goodall has been seconded since 8th June 2014 and Judith Paget had been seconded since 1st November 2021 until 30th November 2023. The details of the remuneration received by these individuals is disclosed in the accounts of the Welsh Government, and the Health Board was reimbursed for the employment costs incurred. The salary for Andrew Goodall was between £230,000 to £235,000 (£215,000 to £220,000 2022-23) and for Judith Paget between £155,000 to £160,000 (£215,000 to £220,000 2022-23).

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 31 March 2024 (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2024 (bands of £5,000) £000	Cash Equivalent Transfer Value at 31 March 2024 £000	Cash Equivalent Transfer Value at 31 March 2023 £000	Real increase in Cash Equivalent Transfer Value £000	Employer's contribution to stakeholder pension £00
Nicola Prygodzicz	Chief Executive	0.0 - 2.5	47.5 - 50.0	70 - 75	195 - 200	1650	1175	328	0
Dr James Calvert	Medical Director / Deputy Chief Executive	0.0 - 2.5	45.0 - 47.5	85 - 90	235 - 240	2114	1589	337	0
Robert Holcombe	Director of Finance and Procurement	(2.5) - 0.0	32.5 - 35.0	55 - 60	145 - 150	1290	965	206	0
Chris Dawson-Morris	Interim Director of Planning and Performance (Until 02.04.23)	0.0 - 2.5	0.0	10 - 15	0	133	78	0	0
Hannah Evans	Director of Strategy, Planning and Partnerships (From 01.04.23)	2.5 - 5.0	42.5 - 45.0	40 - 45	105 - 110	846	527	246	0
Jennifer Winslade	Director of Nursing	(7.5) - (5.0)	25.0 - 27.5	55 - 60	150 - 155	1316	1088	98	0
Sarah Simmonds	Director of Workforce and Organisational Development	0.0 - 2.5	30.0 - 32.5	35 - 40	90 - 95	736	479	190	0
Peter Carr	Director of Therapies and Health Sciences	(7.5) - (5.0)	17.5 - 20.0	40 - 45	110 - 115	937	753	91	0
Dr Chris O'Connor	Interim Director of Primary, Community and Mental Health Services (Until 30.04.23)	(2.5) - 0.0	0.0 - 2.5	45 - 50	115 - 120	993	909	(2)	0
Tracy Daszkiewicz	Director of Public Health and Strategic Partnerships (From 01.04.23)	2.5 - 5.0	0.0	15 - 20	0	224	166	22	0
Leanne Watkins	Chief Operating Officer (From 01.05.23) / Director of Operations (Until 30.04.23)	2.5 - 5.0	45.0 - 47.5	50 - 55	135 - 140	1061	671	304	0
Rani Dash	Director of Corporate Governance	0.0 - 2.5	30.0 - 32.5	25 - 30	70 - 75	517	299	172	0
Paul Solloway	Director of Digital (From 28.06.23)	10.0 - 12.5	25.0 - 27.5	35 - 40	100 - 105	809	471	209	0

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

Due to the deadline for requests of pension entitlements issued by NHS Business Services Authority the reported pension entitlements exclude the affect of the revised pay applied in March 2024.

Pensions tax annual allowance – Scheme Pays arrangements 2019/20

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

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

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

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

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

The Health Board have included a Scheme Pay provision of £604,453 (as notified by Welsh Government) within these accounts.

Remuneration Relationship

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.							
		2023-24	2023-24	2023-24	2022-23	2022-23	2022-23
		£000	£000	£000	£000	£000	£000
		Chief Executive	Employee	Ratio	Chief Executive	Employee	Ratio
Total pay and benefits							
25th percentile pay ratio		225 - 230	29	8.0	215 - 220	26	8.3
Median pay		225 - 230	36	6.3	215 - 220	33	6.5
75th percentile pay ratio		225 - 230	47	4.9	215 - 220	43	5.0
Salary component of total pay and benefits							
25th percentile pay ratio		225 - 230	29		215 - 220	26	
Median pay		225 - 230	36		215 - 220	33	
75th percentile pay ratio		225 - 230	47		215 - 220	43	
		Highest Paid Director	Employee	Ratio	Highest Paid Director	Employee	Ratio
Total pay and benefits							
25th percentile pay ratio		225 - 230	29	8.0	215 - 220	26	8.3
Median pay		225 - 230	36	6.3	215 - 220	33	6.5
75th percentile pay ratio		225 - 230	47	4.9	215 - 220	43	5.0
Salary component of total pay and benefits							
25th percentile pay ratio		225 - 230	29		215 - 220	26	
Median pay		225 - 230	36		215 - 220	33	
75th percentile pay ratio		225 - 230	47		215 - 220	43	

In 2023-24, 10 (2022-23, 15) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £15k to £383k (2022-23, £14k to £416k).

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

Financial year summary

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

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

9.6.2 Percentage Changes				2022-23	2021-22
				to	to
				2023-24	2022-23
% Change from previous financial year in respect of Chief Executive				%	%
	Salary and allowances			5	7
	Performance pay and bonuses			0	0
% Change from previous financial year in respect of highest paid director					
	Salary and allowances			5	7
	Performance pay and bonuses			0	0
Average % Change from previous financial year in respect of employees takes as a whole					
	Salary and allowances			7	5
	Performance pay and bonuses			0	0

STAFF REPORT

Staff Numbers

9.2 Average number of employees									
	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total		2022-23
	Number	Number	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board	2,743	12	6	0	0	0	2,761		2,727
Medical and dental	839	8	73	404	0	14	1,338		1,259
Nursing, midwifery registered	3,815	1	196	0	0	0	4,012		3,991
Professional, Scientific, and tech	449	0	3	0	0	0	452		462
Additional Clinical Services	2,804	0	37	0	0	0	2,841		2,877
Allied Health Professions	857	0	19	0	0	0	876		829
Healthcare Scientists	242	0	5	0	0	0	247		245
Estates and Ancillary	995	0	98	0	0	0	1,093		1,146
Students	9	0	0	0	0	0	9		10
Total	12,753	21	437	404	0	14	13,629		13,546

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

Turnover has reduced from the previous year to the pre-pandemic rates of 9.1%.

In the last 12 months staff in post has increased by 3.3%. The increases have been within Additional Clinical Services (9.74%) because of a targeted recruitment campaign that has taken place over the last 18 months to fill Healthcare Support Worker vacancies and reduce agency usage. Registered Nursing numbers have increased by 3% through an International Recruitment Campaign. Through a Retention Programme we have supported turnover figures returning to pre-covid levels of 9%, a reduction of circa 2%.

In terms of administration increases, there has been an overall increase in administration resources by 65 WTE (2%). These increases are broadly

distributed across divisions. A number are associated with increases for specific programme delivery e.g. medical e- systems, recruitment, digital/ data/ technology and informatics and Public Health wellbeing. Other increases have been due to regional programmes such as hosting of the Regional Ophthalmology Booking function as well as other local service developments such as opening of the Breast Unit, Musculo Skeletal and therapy initiatives, and local restructures.

Staff Composition

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

The gender breakdown for all staff groups as at 31 March 2024 is provided below:

	2023-2024			2022-2023			2021-2022		
	Directors	WTE	%	Directors	WTE	%	Directors	WTE	%
Female	8	10,413	79.60%	5	10,127	80.06%	4.78	9722.1	79.27%
Male	4	2669	20.40%	6	2521.5	19.94%	6	2543.1	20.73%
Total	12	13,082.00		11	12,648.50		10.78	12,265.20	

The total number of staff per discipline will differ from the staff numbers shown in the gender breakdown table as the gender figures are based on a point in time as of 31 March 2024 whereas the staff per discipline numbers represent the average over a 52 week period of staff in post.

Sickness Absence Data

The Health Board's sickness absence rate for 2023/2024 is 6.10%, a decrease in sickness related absence from 6.74% in 2022/2023 which was a reduction in the previous year of 6.30% in 2021/2022. Sickness absence remained above 6% from August 2023 to February 2024 reducing to 5.9%, in March 2024. January 2024 recorded the highest sickness absence at 6.79%.

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

Sickness Absence	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Days Lost (Short Term <28 days)	61261	53097	60406	54759	68229	60411	79761	98573	85948
Days Lost (Long Term >28 days)	144562	147711	153345	162684	194289	188778	203781	205131	207218
Total Days Lost	205823	200808	213751	217443	262518	249189	283542	303704	293166
Total Staff Years	902	880	937	954	1156	1093	1249	1350	1308
Average Working Days Lost	14.7	14.2	15.2	15.2	15.2	16	17.2	18	17.5
Total staff employed in period (headcount)	14020	14155	10412	14334	14835	15528	15863	16245	16735
Total staff employed with no absence (headcount)	4919	5803	4848	5016	5402	6055	5710	5035	5188
Percentage staff with no sick	40%	41%	37%	35%	36%	39%	36%	31%	31%

Over the past 9 years, the average working days lost per individual has increased slightly year on year, however in 2023/24 average sickness days lost has reduced to 17.5 days per individual employee.

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

Staff policies applied during the reporting period 1 April 2023 to 31 March 2024 include:

- Employment of Disabled People
- Equality and Diversity Policy
- NHS Wales Managing Attendance at Work Policy
- NHS Wales Respect and Resolution Policy
- Speaking Up Safely Framework

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

Employee Relations Matters

Details of the number of disciplinary cases between 1 April 2023 to 31 March 2024 is provided below:

Disciplinary Cases	Dismissals	Appeals	Employment Tribunals	Upholding Professional Standards in Wales
63	2	2	3	9

The above activity demonstrates a 72% reduction in disciplinary cases since launching the avoidable employee harm work programme in 2021/22. The purpose of the avoidable employee harm programme is to find other mechanisms to consider allegations of minor misconduct or unintended errors made by the workforce (e.g. reflective practice, training).

Payment to Past Directors

No payments have been made to any person who was not a director at the time the payment was made, but who had been a director of the Health Board previously.

Expenditure on Consultancy

Sum of GL Balance			
Txn Name/Pay WTE	C Level	Description	Total
ATTAIN HEALTH MANAGEMENT SERVICES LTD	CPLN: Director of Planning	RPB - Strategic Capital Consultancy review of Services	101,935
CGI IT UK LTD	CDDS: Digital, Data & Technology	G CLOUD Consultancy - Workstream Business Case consultation for new Clinical Portal	93,767
DALTON CONSULTING	CCEO: Chief Exec/Non Execs	Advisory Support to Exec Team	4,150
ERNST & YOUNG LLP	CFIN: Finance Director	VAT Consultancy & Advisory Services	102,466
HUGH IRWIN ASSOCIATES LTD	CPLN: Director of Planning	RPB - Strategic Capital Consultancy review of Services	1,600
OXFORD BROOKES ENTERPRISES LTD	CPLN: Director of Planning	RPB - Strategic Capital Consultancy review of Services	14,110
SIRIUS PARTNERS	CPLN: Director of Planning	RPB - Strategic Capital Consultancy review of Services	16,338
SUPPORTIVE CARE UK LTD	CLPC: Primary Care & Community Services	Consultant Support to the Specialist Palliative Care Service	76,050
SYNBIOTIX SOLUTIONS LTD	CNON: Estates and Facilities Division	VAT reclaim from Catering Consultancy Invoice from 22/23	-131
Grand Total			410,285

Tax Assurance for Off-payroll Engagements

Table 1 : For all off-Payroll engagements as of 31 March 2024, for more than £245 per day

	No. of existing Engagements as of 31 March 2024	3		
	Of which, the number that have existed:			
	for less than one year at time of reporting	1		
	for between one and two years at time of reporting	0		
	for between two and three years at time of reporting	0		
	for between three and four years at time of reporting	0		
	for four or more years at time of reporting	2		

Annex 1 (Continued) Table 2: All highly paid off-payroll workers engaged at any point during the year ended 31 March 2024, earning £245 per day or greater

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.		
Number of individuals that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure should include both off-payroll and on-payroll engagements.	10	

Exit Packages and Severance Payments

9.5 Reporting of other compensation schemes - exit packages					
	2023-24	2023-24	2023-24	2023-24	2022-23
Exit packages cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures	Total number of exit packages	Number of departures where special payments have been made	Total number of exit packages
	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	1	0
£25,000 to £50,000	0	0	0	0	1
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	0	0	1	1
	2023-24	2023-24	2023-24	2023-24	2022-23
Exit packages cost band (including any special payment element)	Cost of compulsory redundancies	Cost of other departures	Total cost of exit packages	Cost of special element included in exit packages	Total cost of exit packages
	£	£	£	£	£
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	24,254	0
£25,000 to £50,000	0	0	0	0	32,197
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	0	0	24,254	32,197
Exit costs paid in year of departure			Total paid in year		Total paid in year
			2023-24		2022-23
			£		£
Exit costs paid in year			24,254		0
Total			24,254		0
<p>Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS).</p> <p>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.</p> <p>The Health Board has not approved any VERS in 2023-24.</p> <p>Additional requirement as per FReM £0.00 exit costs were paid in 2023-24, relating to 2022-23 (the year of departure).</p>					

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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 2023/24. 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 £0.455m for the provision of the statutory audit by the Wales Audit Office.

Managing public money

This is the required Statement for Public Sector Information Holders as referenced in the Directors' Report. In line with other Welsh NHS bodies, the Health Board has adopted standing financial instructions which enforce the principles outlined in HM Treasury guidance 'Managing Public Money' which sets out the main principles for dealing with resources in the UK public sector. As a result, the Health Board should have complied with the cost allocation and charging requirements of this guidance. The Health Board has not been made aware of any instances where this has not been done.

Remote Contingent Liabilities

This disclosure was introduced for the first time in 2015-16. It shows those contingent liabilities that are deemed to be extremely remote and have not been previously disclosed within the normal contingent liability note within the accounts.

The remote contingent liabilities cost consists of 3 medical negligence cases and 1 GP Indemnity case in 2023-24 (11 medical negligence cases in 2022-23). 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 2024

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

REPORT OF THE AUDITOR GENERAL TO THE SENEDD

ANEURIN BEVAN UNIVERSITY HEALTH BOARD

FOREWORD

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

Statutory background

The Local Health Board was established on 1st October 2009 following the merger of Gwent Healthcare NHS Trust and the following Local Health Boards.

Blaenau Gwent Local Health Board
Caerphilly Local Health Board
Monmouthshire Local Health Board
Newport Local Health Board
Torfaen Local Health Board

The Health Board covers the areas of Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen with a population of approximately 600,000 people. The Health Board has an annual budget from the Welsh Government of just over £1.6 billion per year from which we plan and deliver services for the population of the Health Board area. The Health Board, as well as providing services locally, works in partnership to seek to improve health and well-being in the area, particularly through our partnership arrangements to respond to the Social Services and Well-Being Act and the Well Being of Future Generations Act.

Performance Management and Financial Results

Welsh Health Circular WHC/2016/054 replaces WHC/2015/014 'Statutory and Administrative Financial Duties of NHS Trusts and Local Health Boards' and further clarifies the statutory financial duties of NHS Wales bodies and is effective for 2021-22. The annual financial duty has been revoked and the statutory breakeven duty has reverted to a three year duty, with the first assessment of this duty in 2016-17.

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

Under the National Health Services Finance (Wales) Act 2014, the annual requirement to achieve balance against Resource Limits has been replaced with a duty to ensure, in a rolling 3 year period, that its aggregate expenditure does not exceed its aggregate approved limits.

The Act came into effect from 1 April 2014 and under the Act the first assessment of the 3 year rolling financial duty took place at the end of 2016-17.

Statement of Comprehensive Net Expenditure for the year ended 31 March 2024

	Note	2023-24 £000	2022-23 £000
Expenditure on Primary Healthcare Services	3.1	325,276	307,116
Expenditure on healthcare from other providers	3.2	508,398	474,153
Expenditure on Hospital and Community Health Services	3.3	1,105,268	1,004,067
		1,938,942	1,785,336
Less: Miscellaneous Income	4	(121,956)	(109,566)
LHB net operating costs before interest and other gains and losses		1,816,986	1,675,770
Investment Revenue	5	(17)	(18)
Other (Gains) / Losses	6	331	(530)
Finance costs	7	1,168	1,060
Net operating costs for the financial year		1,818,468	1,676,282

See note 2 on page 28 for details of performance against Revenue and Capital allocations.

The notes on pages 8 to 75 form part of these accounts.

Other Comprehensive Net Expenditure

	2023-24	2022-23
	£000	£000
Net (gain) / loss on revaluation of property, plant and equipment	(19,417)	(47,165)
Net (gain)/loss on revaluation of right of use assets	0	(17)
Net (gain) / loss on revaluation of intangibles	(114)	0
(Gain) / loss on other reserves	0	0
Net (gain)/ loss on revaluation of PPE & Intangible assets held for sale	0	0
Net (gain)/loss on revaluation of financial assets held for sale	0	0
Impairment and reversals	0	0
Transfers between reserves	0	0
Transfers to / (from) other bodies within the Resource Accounting Boundary	0	0
Reclassification adjustment on disposal of available for sale financial assets	0	0
Other comprehensive net expenditure for the year	(19,531)	(47,182)
Total comprehensive net expenditure for the year	<u>1,798,937</u>	<u>1,629,100</u>

The notes on pages 8 to 75 form part of these accounts.

Statement of Financial Position as at 31 March 2024

		31 March 2024	31 March 2023
	Notes	£000	£000
Non-current assets			
Property, plant and equipment	11	892,817	869,541
Right of Use Assets	11.3	17,370	23,867
Intangible assets	12	4,685	5,091
Trade and other receivables	15	144,066	77,466
Other financial assets	16	667	726
Total non-current assets		1,059,605	976,691
Current assets			
Inventories	14	9,844	9,576
Trade and other receivables	15	136,573	152,162
Other financial assets	16	59	58
Cash and cash equivalents	17	4,145	4,704
		150,621	166,500
Non-current assets classified as "Held for Sale"	11	0	0
Total current assets		150,621	166,500
Total assets		1,210,226	1,143,191
Current liabilities			
Trade and other payables	18	(202,162)	(222,124)
Other financial liabilities	19	0	0
Provisions	20	(71,827)	(87,280)
Total current liabilities		(273,989)	(309,404)
Net current assets/ (liabilities)		(123,368)	(142,904)
Non-current liabilities			
Trade and other payables	18	(15,888)	(20,692)
Other financial liabilities	19	0	0
Provisions	20	(149,647)	(81,186)
Total non-current liabilities		(165,535)	(101,878)
Total assets employed		770,702	731,909
Financed by :			
Taxpayers' equity			
General Fund		581,378	552,847
Revaluation reserve		189,324	179,062
Total taxpayers' equity		770,702	731,909

The financial statements on pages 2 to 7 were approved by the Board on 11 July 2024 and signed on its behalf by:

Chief Executive and Accountable Officer

Date:

11 July 2024

The notes on pages 8 to 75 form part of these accounts.

**Statement of Changes in Taxpayers' Equity
For the year ended 31 March 2024**

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Changes in taxpayers' equity for 2023-24			
Balance as at 31 March 2023	552,847	179,062	731,909
NHS Wales Transfer	0	0	0
RoU Asset Transitioning Adjustment	0	0	0
Impact of IFRS 16 on PPP/PFI Liability	(1,543)	0	(1,543)
Balance at 1 April 2023	551,304	179,062	730,366
Net operating cost for the year	(1,818,468)		(1,818,468)
Net gain/(loss) on revaluation of property, plant and equipment	0	19,417	19,417
Net gain/(loss) on revaluation of right of use assets	0	0	0
Net gain/(loss) on revaluation of intangible assets	0	114	114
Net gain/(loss) on revaluation of financial assets	0	0	0
Net gain/(loss) on revaluation of assets held for sale	0	0	0
Impairments and reversals	0	0	0
Other Reserve Movement	0	0	0
Transfers between reserves	9,269	(9,269)	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	0	0	0
Total recognised income and expense for 2023-24	(1,809,199)	10,262	(1,798,937)
Net Welsh Government funding	1,807,206		1,807,206
Notional Welsh Government Funding	32,067		32,067
Balance at 31 March 2024	581,378	189,324	770,702

Notional Welsh Government funding line includes the 6.3% staff employer pension and Pensions Annual Allowance Charge Compensation Scheme (PAACCS) costs paid centrally by Welsh Government.

Notional Welsh Government funding split:

Notional 6.3% staff employer pension £32,065,000

Pensions Annual Allowance Charge Compensation Scheme (PAACCS) £2,000

The notes on pages 8 to 75 form part of these accounts.

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

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Changes in taxpayers' equity for 2022-23			
Balance at 31 March 2022	530,429	133,026	663,455
NHS Wales Transfer	1,106	0	1,106
RoU Asset Transitioning Adjustment	820	0	820
Balance at 1 April 2022	<u>532,355</u>	<u>133,026</u>	<u>665,381</u>
Net operating cost for the year	(1,676,282)	0	(1,676,282)
Net gain/(loss) on revaluation of property, plant and equipment	0	47,165	47,165
Net gain/(loss) on revaluation of right of use assets	0	0	0
Net gain/(loss) on revaluation of intangible assets	0	0	0
Net gain/(loss) on revaluation of financial assets	0	0	0
Net gain/(loss) on revaluation of assets held for sale	0	0	0
Impairments and reversals	0	0	0
Other reserve movement	0	0	0
Transfers between reserves	1,129	(1,129)	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	0	0	0
Total recognised income and expense for 2022-23	<u>(1,675,153)</u>	<u>46,036</u>	<u>(1,629,117)</u>
Net Welsh Government funding	1,667,210	0	1,667,210
Notional Welsh Government Funding	28,435	0	28,435
Balance at 31 March 2023	<u>552,847</u>	<u>179,062</u>	<u>731,909</u>

Notional Welsh Government funding line includes the 6.3% staff employer pension and Pensions Annual Allowance Charge Compensation Scheme (PAACCS) costs paid centrally by Welsh Government.

Notional Welsh Government funding split;

Notional 6.3% staff employer pension £28,427,000

Pensions Annual Allowance Charge Compensation Scheme (PAACCS) £8.270.

The notes on pages 8 to 75 form part of these accounts.

Statement of Cash Flows for year ended 31 March 2024

	2023-24	2022-23
	£000	£000
Cash Flows from operating activities		
Net operating cost for the financial year	(1,818,468)	(1,676,282)
Movements in Working Capital	27 (69,062)	26,776
Other cash flow adjustments	28 175,424	46,683
Provisions utilised	20 (30,160)	(15,442)
Net cash outflow from operating activities	(1,742,266)	(1,618,265)
Cash Flows from investing activities		
Purchase of property, plant and equipment	(58,252)	(39,158)
Proceeds from disposal of property, plant and equipment	215	591
Purchase of intangible assets	(1,778)	(1,932)
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	(59,815)	(40,499)
Net cash inflow/(outflow) before financing	(1,802,081)	(1,658,764)
Cash Flows from financing activities		
Welsh Government funding (including capital)	1,807,206	1,667,210
Capital receipts surrendered	0	0
Capital grants received	0	62
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	(1,585)	(947)
Capital element of payments in respect of Right of Use Assets	(4,099)	(4,577)
Cash transferred (to)/ from other NHS bodies	0	0
Net financing	1,801,522	1,661,748
Net increase/(decrease) in cash and cash equivalents	(559)	2,984
Cash and cash equivalents (and bank overdrafts) at 1 April 2023	4,704	1,720
Cash and cash equivalents (and bank overdrafts) at 31 March 2024	4,145	4,704

The notes on pages 8 to 75 form part of these accounts.

Notes to the Accounts

1. Accounting policies

The Minister for Health and Social Services has directed that the financial statements of Local Health Boards (LHB) in Wales shall meet the accounting requirements of the NHS Wales Manual for Accounts. Consequently, the following financial statements have been prepared in accordance with the 2023-24 Manual for Accounts. The accounting policies contained in that manual follow the 2023-24 Financial Reporting Manual (FRM) in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, to the extent that they are meaningful and appropriate to the NHS in Wales.

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 FRM. It replaces the previous standards IAS 11 Construction Contracts and IAS 18 Revenue and related IFRIC and SIC interpretations. The potential amendments identified as a result of the adoption of IFRS 15 are significantly below materiality levels.

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

Only non-NHS income may be deferred.

1.4. Employee benefits

1.4.1. Short-term employee benefits

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

1.4.2. Retirement benefit costs

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

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

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

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

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

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

1.4.3. NEST Pension Scheme

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

1.5. Other expenses

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

1.6. Property, plant and equipment

1.6.1. Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the NHS Wales organisation;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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

1.6.2. Valuation

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

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

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

- Specialised buildings – depreciated replacement cost

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

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

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

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

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

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

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

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

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

1.6.3. Subsequent expenditure

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

1.7. Intangible assets

1.7.1. Recognition

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

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

- the technical feasibility of completing the intangible asset so that it will be available for use.
- the intention to complete the intangible asset and use it.
- the ability to use the intangible asset.
- how the intangible asset will generate probable future economic benefits.
- the availability of adequate technical, financial and other resources to complete the intangible asset and use it.
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Measurement

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

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

1.8. Depreciation, amortisation and impairments

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

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

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

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

1.9. Research and Development

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

1.10 Non-current assets held for sale

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

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

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

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

1.11 Leases

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

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

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

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

No adjustments have been made for operating leases in which the underlying asset is of low value per paragraph C9 (a) of the standard.

The transitional provisions have not been applied to operating leases whose terms end within 12 months of the date of initial application has been employed per paragraph C10 (c) of IFRS 16.

Hindsight is used to determine the lease term when contracts or arrangements contain options to extend or terminate the lease in accordance with C10 (e) of IFRS 16.

Due to transitional provisions employed the requirements for identifying a lease within paragraphs 9 to 11 of IFRS 16 are not employed for leases in existence at the initial date of application. Leases entered into on or after the 1st April 2022 will be assessed under the requirements of IFRS 16.

There are further expedients or election that have been employed by the LHB in applying IFRS 16.

These include:

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

The LHB will not apply IFRS 16 to any new leases of intangible assets applying the treatment described in section 1.7 instead.

On componentisation HM Treasury have adapted the public sector approach to IFRS 16 which impacts on the identification and measurement of leasing arrangements that will be accounted for under IFRS 16.

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

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

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

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

1.11.1 The LHB as lessee

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

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

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

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

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

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

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

1.11.2 The LHB as lessor (where relevant)

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

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

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

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

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

1.12. Inventories

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

1.13. Cash and cash equivalents

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

1.14. Provisions

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

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

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

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

1.14.1. Clinical negligence and personal injury costs

The Welsh Risk Pool Services (WRPS) operates a risk pooling scheme which is co-funded by the Welsh Government with the option to access a risk sharing agreement funded by the participative NHS Wales bodies. The risk sharing option was implemented in both 2023-24 and 2022-23. The WRP is hosted by Velindre NHS University Trust.

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

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

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

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

1.15. Financial Instruments

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

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

1.16. Financial assets

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

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

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

1.16.1. Financial assets are initially recognised at fair value

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

1.16.2. Financial assets at fair value through SoCNE

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

1.16.3 Held to maturity investments

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

1.16.4. Available for sale financial assets

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

1.16.5. Loans and receivables

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

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

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

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

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

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

1.17. Financial liabilities

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

1.17.1. Financial liabilities are initially recognised at fair value

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

1.17.2. Financial liabilities at fair value through the SoCNE

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

1.17.3. Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.18. Value Added Tax (VAT)

Most of the activities of the LHB are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.19. Foreign currencies

Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the SoCNE. At the SoFP date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date.

1.20. Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Wales organisation has no beneficial interest in them. Details of third party assets are given in Note 31 to the accounts.

1.21. Losses and Special Payments

Losses and special payments are items that the Welsh Government would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way each individual case is handled.

Losses and special payments are charged to the relevant functional headings in the SoCNE on an accruals basis, including losses which would have been made good through insurance cover had the NHS Wales organisation not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses register which is prepared on a cash basis.

The LHB accounts for all losses and special payments gross (including assistance from the WRP).

The LHB accrues or provides for the best estimate of future pay-outs for certain liabilities and discloses all other potential payments as contingent liabilities, unless the probability of the liabilities becoming payable is remote.

All claims for losses and special payments are provided for, where the probability of settlement of an individual claim is over 50%. Where reliable estimates can be made, incidents of clinical negligence against which a claim has not, as yet, been received are provided in the same way. Expected reimbursements from the WRP are included in debtors. For those claims where the probability of settlement is between 5- 50%, the liability is disclosed as a contingent liability.

1.22. Pooled budget

The LHB has entered into pooled budgets with Local Authorities. Under the arrangements funds are pooled in accordance with section 33 of the NHS (Wales) Act 2006 for specific activities defined in Note 32 - the Pooled budget Note.

The pooled budget is hosted by one organisation. Payments for services provided are accounted for as miscellaneous income. The LHB accounts for its share of the assets, liabilities, income and expenditure from the activities of the pooled budget, in accordance with the pooled budget arrangement.

Monmouthshire County Council - Monnow Vale Health and Social Care Unit

Funds are pooled for the provision of health and social care inpatient, outpatient, clinic and day care facilities to individuals who have medical, social, community or rehabilitation needs. The pool is hosted by Aneurin Bevan University Local Health Board. The financial operation of the pool is governed by a pooled budget agreement between the Local Health Board and Monmouthshire County Council. The income from Monmouthshire County Council is recorded as Local Authority Income in these accounts.

Expenditure for services provided under the arrangement is recorded under the appropriate expense headings in these accounts.

The property in which the unit is housed has been provided by a Private Finance Partner; the contract with the PFI partner is for 30 years and is categorised as an on balance sheet PFI scheme with the HB recognising 72% of the property - see Note 32 of these accounts for further details.

The five Local Authorities in Gwent - Gwent Wide Integrated Community Equipment Service

Funds are pooled for the provision of an efficient and effective GWICES (Gwent Wide Integrated Community Equipment Service) to service users who are resident in the partner localities. The pool is hosted by Torfaen County Borough Council. The Health Board makes a financial contribution to the scheme but does not account for the schemes expenditure or assets/liabilities generated by this expenditure.

The financial operation of the pool is governed by a pooled budget agreement between the bodies listed above and the Health Board. Payments for services provided by the host body, Torfaen County Borough Council, are accounted for as expenditure within these accounts.

Monmouthshire County Council - Mardy Park Rehabilitation Centre

Funds are pooled for the provision of care to individuals who have rehabilitation needs. The LHB has entered into a pooled budget with Monmouthshire County Council. The pool is hosted by Monmouthshire County Council.

The five Local Authorities in Gwent - Gwent Frailty Programme

Funds are pooled for the purpose of establishing a consistent service across Gwent. The pool is hosted by Caerphilly County Borough Council, as lead commissioner. The financial operation of the pool is governed by a pooled budget agreement between the bodies listed above and the Health Board. Payments for services provided by the host body, Caerphilly County Borough Council, are accounted for as expenditure within these accounts. Additional information is provided in Note 32.

The five Local Authorities in Gwent and ABUHB – A pooled Fund for Care Home Accommodation functions for Older People

Statutory Directions issued under section 169 of the Social Services and Wellbeing (Wales) Act 2014 required Partnership Bodies to enter into partnership arrangements and for the establishment and maintenance of pooled funds from April 2018, for the exercise of their Care Home Accommodation Functions.

The overarching strategic aim of this Agreement is: -

- To ensure coordinated arrangements for ensuring an integrated approach across the Partnership to the commissioning and arranging for Care Home Accommodation for Older People.
- To ensure provision of high quality, cost effective Care Home Accommodation which meets local health and social care needs, through the establishment of a pooled fund
- To develop a managed market approach to the supply of quality provision to meets the needs of Older People Care Home Accommodation.

Funds are pooled for the provision and commissioning of specified services for older people (>65 years of age) in a care home setting in Gwent. The pool has been hosted by Torfaen County Borough Council since August 2018.

The Health Board makes a financial contribution to the scheme equivalent to actual expenditure incurred in commissioning related placements in homes during the year, but in addition does incur minimal costs associated with a share of the services provided by the host organisation and these are accounted for as expenditure within these accounts.

1.23. Critical Accounting Judgements and key sources of estimation uncertainty

In the application of the accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

1.24. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the SoFP date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Significant estimations are made in relation to on-going clinical negligence and personal injury claims. Assumptions as to the likely outcome, the potential liabilities and the timings of these litigation claims are provided by independent legal advisors. Any material changes in liabilities associated with these claims would be recoverable through the Welsh Risk Pool.

Significant estimations are also made for continuing care costs resulting from claims post 1 April 2003. An assessment of likely outcomes, potential liabilities and timings of these claims are made on a case by case basis. Material changes associated with these claims would be adjusted in the period in which they are revised.

Estimates are also made for contracted primary care services. These estimates are based on the latest payment levels. Changes associated with these liabilities are adjusted in the following reporting period.

1.24.1. Provisions

The LHB provides for legal or constructive obligations for clinical negligence, personal injury and defence costs that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

Claims are funded via the Welsh Risk Pool Services (WRPS) which receives an annual allocation from Welsh Government to cover the cost of reimbursement requests submitted to the bi-monthly WRPS Committee. Following settlement to individual claimants by the NHS Wales organisation, the full cost is recognised in year and matched to income (less a £25K excess) via a WRPS debtor, until reimbursement has been received from the WRPS Committee.

1.24.2. Probable & Certain Cases – Accounting Treatment

A provision for these cases is calculated in accordance with IAS 37. Cases are assessed and divided into four categories according to their probability of settlement;

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

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

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

The solicitor will estimate the case value including defence fees, using professional judgement and from obtaining counsel advice. Valuations are then discounted for the future loss elements using individual life expectancies and the Government Actuary’s Department actuarial tables (Ogden tables) and Personal Injury Discount Rate of minus 0.25%.

Future liabilities for certain & probable cases with a probability of 95%-100% and 50%- 94% respectively are held as a provision on the balance sheet. Cases typically take a number of years to settle, particularly for high value cases where a period of development is necessary to establish the full extent of the injury caused.

The Health Board has provided for some £213m (£162m 2022/23) 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 £0.393m (£0.427m 2022/23) in respect of retrospective claims for Continuing Health Care funding. The estimated provision is based upon an assessment of the likelihood of claims meeting criteria for continuing health care and the actual costs incurred by individuals in care homes. The provision is based on information made available to the Health Board at the time of these accounts and could be subject to significant change as outcomes are determined.

Aneurin Bevan University Local Health Board has reviewed its portfolio of outstanding claims for continuing healthcare and made an assessment of likely financial liability based on an estimated success factor, eligibility factor and expected weekly average costs of claims. The assumptions have been derived by reviewing a sample of claims.

Primary care expenditure includes estimates for areas which are paid in arrears and not finalised at the time of producing the accounts. These estimates relate to GMS Quality Assurance and Improvement Framework, GMS Enhanced Services, and pharmacy estimates, which are based on an assessment of likely final performance.

1.25 Discount Rates

Where discount is applied, a disclosure detailing the impact of the discounting on liabilities to be included for the relevant notes. The disclosure should include where possible undiscounted values to demonstrate the impact. An explanation of the source of the discount rate or how the discount rate has been determined to be included.

Within the Provisions Note (note 20) the amount relating to Early Retirements and Permanent Injury benefits has been discounted using the PES (2021) Post Employment Benefits Liabilities Real Rate in Excess of CPI of 2.45%.

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 NHS Wales organisation's approach for each relevant class of asset in accordance with the principles of IAS 16.

1.26.2. PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the SoCNE.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the SoCNE.

1.26.3. Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the NHS Wales organisation's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

1.26.4. Assets contributed by the NHS Wales organisation to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the LHBs SoFP.

1.26.5. Other assets contributed by the NHS Wales organisation to the operator

Assets contributed (e.g. cash payments, surplus property) by the 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.

1.26.6 Impact of IFRS 16 on on-balance sheet PFI/PPP Schemes

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 1 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.

1.27. Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the LHB, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the LHB. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

Remote contingent liabilities are those that are disclosed under Parliamentary reporting requirements and not under IAS 37 and, where practical, an estimate of their financial effect is required.

1.28. Absorption accounting

Transfers of function are accounted for as either by merger or by absorption accounting dependent upon the treatment prescribed in the FReM. Absorption accounting requires that entities account for their transactions in the period in which they took place with no restatement of performance required.

Where transfer of function is between LHBs the gain or loss resulting from the assets and liabilities transferring is recognised in the SoCNE and is disclosed separately from the operating costs.

1.29. Accounting standards that have been issued but not yet been adopted

The following accounting standards have been issued and or amended by the IASB and IFRIC but have not been adopted because they are not yet required to be adopted by the FReM

IFRS14 Regulatory Deferral Accounts

Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable.

IFRS 17 Insurance Contracts, Application required for accounting periods beginning on or after 1 January 2023, Standard is not yet adopted by the FReM which is expected to be from April 2025: early adoption is not permitted.

1.30. Accounting standards issued that have been adopted early

During 2023-24 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

1.31. Charities

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

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.

However, the LHB organisation has with the agreement of the Welsh Government adopted the IAS 27 (10) exemption to consolidate. Welsh Government as the ultimate parent of the Local Health Boards will disclose the Charitable Accounts of Local Health Boards in the Welsh Government Consolidated Accounts.

Details of the transactions with the charity are included in the related parties' notes - note 30.

2. Financial Duties Performance

The National Health Service Finance (Wales) Act 2014 came into effect from 1 April 2014. The Act amended the financial duties of Local Health Boards under section 175 of the National Health Service (Wales) Act 2006. From 1 April 2014 section 175 of the National Health Service (Wales) Act places two financial duties on Local Health Boards:

- A duty under section 175 (1) to secure that its expenditure does not exceed the aggregate of the funding allotted to it over a period of 3 financial years
- A duty under section 175 (2A) to prepare a plan in accordance with planning directions issued by the Welsh Ministers, to secure compliance with the duty under section 175 (1) while improving the health of the people for whom it is responsible, and the provision of health care to such people, and for that plan to be submitted to and approved by the Welsh Ministers.

The first assessment of performance against the 3 year statutory duty under section 175 (1) was at the end of 2016-17, being the first 3 year period of assessment.

Welsh Health Circular WHC/2016/054 "Statutory and Financial Duties of Local Health Boards and NHS Trusts" clarifies the statutory financial duties of NHS Wales bodies effective from 2016-17.

2.1 Revenue Resource Performance

	Annual financial performance			
	2021-22 £000	2022-23 £000	2023-24 £000	Total £000
Net operating costs for the year	1,598,803	1,676,282	1,818,468	5,093,553
Less general ophthalmic services expenditure and other non-cash limited expenditure	(58)	148	599	689
Less unfunded revenue consequences of bringing PFI schemes onto SoFP	0	0	29	29
Total operating expenses	1,598,745	1,676,430	1,819,096	5,094,271
Revenue Resource Allocation	1,598,994	1,639,588	1,769,330	5,007,912
Under /(over) spend against Allocation	249	(36,842)	(49,766)	(86,359)

Aneurin Bevan University LHB has not met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2021-22 to 2023-24. The Health Board will, in dialogue with Welsh Government, confirm the implications for reporting this deficit as part of the 2024/25 IMTP. The health board received £49.9m of strategic cash support in 2023/24.

2.2 Capital Resource Performance

	2021-22	2022-23	2023-24	Total
	£000	£000	£000	£000
Gross capital expenditure	52,167	41,028	62,681	155,876
Add: Losses on disposal of donated assets	0	2	1	3
Less NBV of property, plant and equipment, right of use and intangible assets	(3,115)	(61)	(5,845)	(9,021)
Less capital grants received	(22)	(62)	0	(84)
Less donations received	(166)	(227)	(136)	(529)
Less IFRS16 Peppercorn income	0	0	0	0
Less initial recognition of RoU Asset Dilapidations	0	0	0	0
Charge against Capital Resource Allocation	48,864	40,680	56,701	146,245
Capital Resource Allocation	48,914	40,723	56,742	146,379
(Over) / Underspend against Capital Resource Allocation	50	43	41	134

Aneurin Bevan University LHB has met its financial duty to break-even against its Capital Resource Limit over the 3 years 2021-22 to 2023-24.

2.3 Duty to prepare a 3 year integrated plan

The NHS Wales Planning Framework for the period 2022-2025 issued to LHBs placed a requirement upon them to prepare and submit Integrated Medium Term Plans to the Welsh Government.

The LHB was unable to submit a balanced Integrated Medium Term Plan for the period 2023-2026 in accordance with NHS Wales Planning Framework. The Health Board submitted an Annual Plan for 2023-24: Three Year Intent 2024/25 and were placed in targeted intervention with a requirement for the Health Board to deliver the commitments set out in the annual plan.

The Minister for Health and Social Services extant approval

Status
Date

The LHB has therefore not met its statutory duty to have an approved Integrated Medium Term plan.

2.4 Creditor payment

The LHB is required to pay 95% of the number of non-NHS bills within 30 days of receipt of goods or a valid invoice (whichever is the later). The LHB has achieved the following results:

	2023-24	2022-23
Total number of non-NHS bills paid	327,881	371,943
Total number of non-NHS bills paid within target	319,291	354,020
Percentage of non-NHS bills paid within target	97.4%	95.2%

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	2023-24 Total £000	2022-23 Total £000
General Medical Services	122,671		122,671	116,217
Pharmaceutical Services	33,813	(8,057)	25,756	25,273
General Dental Services	39,870		39,870	39,817
General Ophthalmic Services	3,201	7,458	10,659	8,866
Other Primary Health Care expenditure	4,373		4,373	2,612
Prescribed drugs and appliances	121,947		121,947	114,331
Total	325,875	(599)	325,276	307,116

Note 3.1 - Expenditure on Primary Healthcare Services

The General Medical Services expenditure includes £18,793k (2022/23 £16,406k) in relation to staff salaries, the General Dental Services expenditure includes £4,070k (2022/23 £3,032k) in relation to staff salaries, the Prescribed Drugs & Appliance expenditure includes £348k (2022/23 £329k) in relation to staff salaries, and the General Ophthalmic Services includes £37k (2022/23 £8k) in relation to staff salaries.

3.2 Expenditure on healthcare from other providers

	2023-24 £000	2022-23 £000
Goods and services from other NHS Wales Health Boards	69,753	63,968
Goods and services from other NHS Wales Trusts	47,460	43,527
Goods and services from Welsh Special Health Authorities	0	0
Goods and services from other non Welsh NHS bodies	12,041	10,092
Goods and services from WHSSC / EASC	208,640	198,320
Local Authorities	41,143	47,685
Voluntary organisations	9,408	9,260
NHS Funded Nursing Care	11,260	9,681
Continuing Care	99,136	86,006
Private providers	9,110	5,392
Specific projects funded by the Welsh Government	0	0
Other	447	222
Total	508,398	474,153

Local Authorities expenditure relates to the following bodies:

	£'000	£'000
Blaenau Gwent County Borough Council	3,462	4,331
Caerphilly County Borough Council	17,706	17,867
Monmouthshire County Council	4,759	8,334
Newport City Council	8,289	10,252
Torfaen County Borough Council	6,874	6,790
Gloucestershire County Council	52	111
Swansea Council	1	0
Swindon Borough Council	0	0
	41,143	47,685

3.3 Expenditure on Hospital and Community Health Services

	2023-24	2022-23
	£000	£000
Directors' costs	2,218	2,374
Operational Staff costs	786,497	729,603
Single lead employer Staff Trainee Cost	32,482	30,104
Collaborative Bank Staff Cost	0	0
Supplies and services - clinical	130,717	120,657
Supplies and services - general	20,384	20,123
Consultancy Services	410	327
Establishment	7,251	6,928
Transport	1,441	1,942
Premises	43,954	48,310
External Contractors	0	0
Depreciation	43,001	42,936
Depreciation Right of Use assets (RoU)	4,474	4,479
Amortisation	2,349	2,859
Fixed asset impairments and reversals (Property, plant & equipment)	9,732	(19,470)
Fixed asset impairments and reversals (RoU Assets)	0	0
Fixed asset impairments and reversals (Intangible assets)	438	0
Impairments & reversals of financial assets	0	0
Impairments & reversals of non-current assets held for sale	0	0
Audit fees	455	421
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	3,217	1,526
Research and Development	0	0
Expense related to short-term leases	713	552
Expense related to low-value asset leases (excluding short-term leases)	936	858
Other operating expenses	14,599	9,538
Total	1,105,268	1,004,067

The Health Board spent £2.9m (£2.7m 2022/23) on Research and Development. The majority of this spend relates to staff £2.3m (£2.2m 2022/23) which along with the non-staff spend is reflected under the various headings within note 3.3. During 2023-24 Research and Development income received was £2.7m (£2.6m 2022/23).

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

	2023-24	2022-23
	£000	£000
Increase/(decrease) in provision for future payments:		
Clinical negligence;		
Secondary care	72,303	(3,578)
Primary care	817	38
Redress Secondary Care	221	478
Redress Primary Care	0	0
Personal injury	734	193
All other losses and special payments	821	34
Defence legal fees and other administrative costs	1,308	1,184
Gross increase/(decrease) in provision for future payments	76,204	(1,651)
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	198	(104)
Less: income received/due from Welsh Risk Pool	(72,845)	3,281
Total	3,557	1,526

	2023-24	2022-23
	£	£
Permanent injury included within personal injury £:	(613,210)	(285,049)

Note 3.4 includes £563,291 (£615,848 2022/23) relating to Redress cases which represents 81 (81 2022/23) cases where payments were made in year totalling £293,446 (£275,664 2022/23) including defence fees. An additional provision has been created for a further 33 (50 2022/23) cases where an offer has been made or causation and breach have been proven with estimated costs of £269,845 (£340,184 2022/23).

During 2023/24 ABUHB incurred a loss of £756,007.34 as a result of flood damage. £416,135.83 related to revenue items with £339,871.50 relating to capital items. This has resulted in a variance between Note 3.3 and Note 3.4 as the Capital loss of £339,891.50 is reflected within the SoCNE page 2 row 18 - Other (Gains)/Losses.

4. Miscellaneous Income

	2023-24 £000	2022-23 £000
Local Health Boards	22,054	20,509
Welsh Health Specialised Services Committee (WHSSC)/Emergency Ambulance Services Committee (EASC)	13,948	11,521
NHS Wales trusts	11,418	10,652
Welsh Special Health Authorities	15,800	13,782
Foundation Trusts	38	22
Other NHS England bodies	1,472	1,469
Other NHS Bodies	56	58
Local authorities	20,351	19,078
Welsh Government	4,788	4,622
Welsh Government Hosted bodies	0	0
Non NHS:		
Prescription charge income	0	0
Dental fee income	5,160	4,848
Private patient income	0	27
Overseas patients (non-reciprocal)	157	42
Injury Costs Recovery (ICR) Scheme	1,140	1,022
Other income from activities	1,083	837
Patient transport services	0	0
Education, training and research	2,034	2,043
Charitable and other contributions to expenditure	1,259	1,048
Receipt of NWSSP Covid centrally purchased assets	0	0
Receipt of Covid centrally purchased assets from other organisations	0	0
Receipt of donated assets	136	210
Receipt of Government granted assets	0	62
Right of Use Grant (Peppercorn Lease)	0	17
Non-patient care income generation schemes	131	100
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	343	226
Other income:		
Provision of laundry, pathology, payroll services	131	102
Accommodation and catering charges	3,519	3,103
Mortuary fees	364	375
Staff payments for use of cars	625	617
Business Unit	0	0
Scheme Pays Reimbursement Notional	463	(615)
Other	15,486	13,789
Total	121,956	109,566
Other income Includes;		
Salary Sacrifice Schemes & Fleet Vehicles	5,954	4,265
VAT recoveries re Business Activities and Contracted Out Services	2,249	1,523
Integrated Care Fund	3,678	4,894
Other	3,605	3,107
	0	0
	0	0
	0	0
Total	15,486	13,789
Injury Cost Recovery (ICR) Scheme income	2023-24	2022-23
	%	%
To reflect expected rates of collection ICR income is subject to a provision for impairment of:	23.07	24.86

5. Investment Revenue

	2023-24	2022-23
	£000	£000
Rental revenue :		
PFI Finance lease income		
planned	0	0
contingent	0	0
Other finance lease revenue	0	0
Interest revenue :		
Bank accounts	0	0
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	17	18
Total	17	18

6. Other gains and losses

	2023-24	2022-23
	£000	£000
Gain/(loss) on disposal of property, plant and equipment	(345)	530
Gain/(loss) on disposal other than by sale of right of use assets	14	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	(331)	530

7. Finance costs

	2023-24	2022-23
	£000	£000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	0	0
Interest on obligations under Right of Use Leases	274	232
Interest on obligations under PFI contracts;		
main finance cost	231	239
contingent finance cost	0	471
Impact of IFRS 16 on PPP/PFI contracts	521	0
Interest on late payment of commercial debt	0	0
Other interest expense	0	0
Total interest expense	1,026	942
Provisions unwinding of discount	142	118
Other finance costs	0	0
Total	1,168	1,060

8. Future change to SoCNE/Operating Leases

LHB as lessee

As at 31st March 2024 the LHB had 2 operating leases agreements in place for the lease of premises, 510 arrangements in respect of equipment and 242 in respect of vehicles with 3 property, 195 equipment and 70 vehicle leases having expired in year.

	2023-24	2023-24	2023-24	2022-23
	Low Value & Short Term	Other	Total	Total
	£000	£000	£000	£000
Payments recognised as an expense				
Minimum lease payments	1,670	0	1,670	1,487
Contingent rents	0	0	0	0
Sub-lease payments	0	0	0	0
Total	1,670	0	1,670	1,487
Total future minimum lease payments				
Payable	£000	£000	£000	£000
Not later than one year	1,079	0	1,079	864
Between one and five years	862	0	862	612
After 5 years	0	0	0	0
Total	1,941	0	1,941	1,476

LHB as lessor

	2023-24	2022-23
	£000	£000
Rental revenue		
Rent	343	226
Contingent rents	0	0
Total revenue rental	343	226
Total future minimum lease payments		
Receivable	£000	£000
Not later than one year	289	252
Between one and five years	1,033	964
After 5 years	1,031	1,236
Total	2,353	2,452

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	2022-23
	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	603,328	1,504	39,562	25,864	0	2,766	673,024	627,009
Social security costs	63,758	0	0	3,133	0	0	66,891	62,249
Employer contributions to NHS Pension Scheme	101,724	0	0	3,485	0	0	105,209	93,244
Other pension costs	298	0	0	0	0	0	298	365
Other employment benefits	0	0	0	0	0	0	0	0
Termination benefits	0	0	0	0	0	0	0	0
Total	769,108	1,504	39,562	32,482	0	2,766	845,422	782,867

Charged to capital							977	1,011
Charged to revenue							844,445	781,856
							845,422	782,867

Net movement in accrued employee benefits (untaken staff leave) (167) (12)

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	2022-23
	Number	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	2,743	12	6	0	0	0	2,761	2,727
Medical and dental	839	8	73	404	0	14	1,338	1,259
Nursing, midwifery registered	3,815	1	196	0	0	0	4,012	3,991
Professional, Scientific, and technical staff	449	0	3	0	0	0	452	462
Additional Clinical Services	2,804	0	37	0	0	0	2,841	2,877
Allied Health Professions	857	0	19	0	0	0	876	829
Healthcare Scientists	242	0	5	0	0	0	247	245
Estates and Ancillary	995	0	98	0	0	0	1,093	1,146
Students	9	0	0	0	0	0	9	10
Total	12,753	21	437	404	0	14	13,629	13,546

9.3. Retirements due to ill-health

	2023-24	2022-23
Number	15	14
Estimated additional pension costs £	1,462,604	606,310

The estimated additional pension costs of these ill-health retirements have been calculated on an average basis and are borne by the NHS Pension Scheme.

9.4 Employee benefits

The Health Board does not have an employee benefit scheme.

9.5 Reporting of other compensation schemes - exit packages

	2023-24	2023-24	2023-24	2023-24	2022-23
Exit packages cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures	Total number of exit packages	Number of departures where special payments have been made	Total number of exit packages
	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	1	0
£25,000 to £50,000	0	0	0	0	1
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	0	0	1	1

	2023-24	2023-24	2023-24	2023-24	2022-23
Exit packages cost band (including any special payment element)	Cost of compulsory redundancies	Cost of other departures	Total cost of exit packages	Cost of special element included in exit packages	Total cost of exit packages
	£	£	£	£	£
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	24,254	0
£25,000 to £50,000	0	0	0	0	32,197
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	0	0	24,254	32,197

Exit costs paid in year of departure	Total paid in year 2023-24	Total paid in year 2022-23
	£	£
Exit costs paid in year	24,254	0
Total	24,254	0

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS).

Where the LHB has agreed early retirements, the additional costs are met by the LHB and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

The Health Board has not approved any VERS in 2023-24.

Additional requirement as per FReM
£0.00 exit costs were paid in 2023-24, relating to 2022-23 (the year of departure).

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.

	2023-24 £000	2023-24 £000	2023-24 £000	2022-23 £000	2022-23 £000	2022-23 £000
	Chief			Chief		
Total pay and benefits	Executive	Employee	Ratio	Executive	Employee	Ratio
25th percentile pay ratio	225 - 230	29	8.0	215 - 220	26	8.3
Median pay	225 - 230	36	6.3	215 - 220	33	6.5
75th percentile pay ratio	225 - 230	47	4.9	215 - 220	43	5.0
Salary component of total pay and benefits						
25th percentile pay ratio	225 - 230	29		215 - 220	26	
Median pay	225 - 230	36		215 - 220	33	
75th percentile pay ratio	225 - 230	47		215 - 220	43	
	Highest Paid			Highest Paid		
Total pay and benefits	Director	Employee	Ratio	Director	Employee	Ratio
25th percentile pay ratio	225 - 230	29	8.0	215 - 220	26	8.3
Median pay	225 - 230	36	6.3	215 - 220	33	6.5
75th percentile pay ratio	225 - 230	47	4.9	215 - 220	43	5.0
Salary component of total pay and benefits						
25th percentile pay ratio	225 - 230	29		215 - 220	26	
Median pay	225 - 230	36		215 - 220	33	
75th percentile pay ratio	225 - 230	47		215 - 220	43	

In 2023-24, 10 (2022-23, 15) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £15k to £383k (2022-23, £14k to £416k).

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

Financial year summary

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

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

9.6.2 Percentage Changes

	2022-23 to 2023-24	2021-22 to 2022-23
% Change from previous financial year in respect of Chief Executive	%	%
Salary and allowances	5	7
Performance pay and bonuses	0	0
% Change from previous financial year in respect of highest paid director		
Salary and allowances	5	7
Performance pay and bonuses	0	0
Average % Change from previous financial year in respect of employees takes as a whole		
Salary and allowances	7	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 2024, is based on valuation data as 31 March 2023, updated to 31 March 2024 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 (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 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.

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 2023-24 tax year (2022-23 £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.

	2023-24	2023-24	2022-23	2022-23
	Number	£000	Number	£000
NHS				
Total bills paid	4,932	402,257	4,740	380,000
Total bills paid within target	4,364	381,217	4,198	360,894
Percentage of bills paid within target	88.5%	94.8%	88.6%	95.0%
Non-NHS				
Total bills paid	327,881	709,739	371,943	651,605
Total bills paid within target	319,291	688,084	354,020	624,146
Percentage of bills paid within target	97.4%	96.9%	95.2%	95.8%
Total				
Total bills paid	332,813	1,111,996	376,683	1,031,605
Total bills paid within target	323,655	1,069,301	358,218	985,040
Percentage of bills paid within target	97.2%	96.2%	95.1%	95.5%

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

	2023-24	2022-23
	£	£
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	542	413
Total	542	413

11.1 Property, plant and equipment

2023-24

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost at 31 March bf	77,508	696,196	2,237	36,936	118,190	546	43,310	4,162	979,085
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Prepayments	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
Cost or valuation at 1 April 2023	77,508	696,196	2,237	36,936	118,190	546	43,310	4,162	979,085
Indexation	(2,000)	21,643	33	0	0	0	0	0	19,676
Additions									
- purchased	0	2,574	19	46,443	5,806	0	2,471	243	57,556
- donated	0	0	0	0	136	0	0	0	136
- government granted	0	0	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	42,054	0	(42,602)	124	0	250	(410)	(584)
Revaluations	0	(22)	0	0	0	0	0	0	(22)
Reversal of impairments	0	19,893	101	0	0	0	0	0	19,994
Impairments	(397)	(31,439)	0	0	0	0	0	0	(31,836)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(7,193)	(265)	(6,573)	(42)	(14,073)
At 31 March 2024	75,111	750,899	2,390	40,777	117,063	281	39,458	3,953	1,029,932
Depreciation at 31 March bf	0	22,122	294	0	60,999	502	24,324	1,303	109,544
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
Depreciation at 1 April 2023	0	22,122	294	0	60,999	502	24,324	1,303	109,544
Indexation	0	879	15	0	0	0	0	0	894
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	(2)	0	79	(112)	(35)
Revaluations	0	(657)	0	0	0	0	0	0	(657)
Reversal of impairments	0	439	3	0	0	0	0	0	442
Impairments	0	(2,552)	0	0	0	0	0	0	(2,552)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(6,642)	(265)	(6,573)	(42)	(13,522)
Provided during the year	0	22,912	83	0	12,921	32	6,678	375	43,001
At 31 March 2024	0	43,143	395	0	67,276	269	24,508	1,524	137,115
Net book value at 1 April 2023	77,508	674,074	1,943	36,936	57,191	44	18,986	2,859	869,541
Net book value at 31 March 2024	75,111	707,756	1,995	40,777	49,787	12	14,950	2,429	892,817
Net book value at 31 March 2024 comprises :									
Purchased	72,053	705,809	1,995	40,777	49,031	12	14,879	2,393	886,949
Donated	3,058	1,745	0	0	560	0	71	36	5,470
Government Granted	0	202	0	0	196	0	0	0	398
At 31 March 2024	75,111	707,756	1,995	40,777	49,787	12	14,950	2,429	892,817
Asset financing :									
Owned	75,111	703,130	1,995	40,777	49,759	12	14,950	2,429	888,163
On-SoFP MIMS Funded PPP contracts	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts	0	4,626	0	0	28	0	0	0	4,654
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2024	75,111	707,756	1,995	40,777	49,787	12	14,950	2,429	892,817

The net book value of land, buildings and dwellings at 31 March 2024 comprises :

	£000
Freehold	780,060
Long Leasehold	4,783
Short Leasehold	19
	784,862

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

2022-23

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost at 31 March bf	78,456	691,679	3,030	23,203	130,298	546	39,785	4,184	971,181
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Prepayments	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	(32)	(392)	0	0	0	0	(517)	0	(941)
Cost or valuation at 1 April 2022	78,424	691,287	3,030	23,203	130,298	546	39,268	4,184	970,240
Indexation	(2,002)	16,637	22	0	0	0	0	0	14,657
Additions									
- purchased	0	4,259	53	22,262	4,961	0	4,937	112	36,584
- donated	0	0	0	0	109	0	63	38	210
- government granted	0	44	0	0	18	0	0	0	62
Transfer from/into other NHS bodies	0	0	0	0	1,106	0	0	0	1,106
Reclassifications	0	6,811	0	(8,529)	(56)	0	46	10	(1,718)
Revaluations	3,694	(26,767)	(715)	0	0	0	0	0	(23,788)
Reversal of impairments	0	8,529	(153)	0	0	0	0	0	8,376
Impairments	(2,608)	(4,604)	0	0	0	0	0	0	(7,212)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(18,246)	0	(1,004)	(182)	(19,432)
At 31 March 2023	77,508	696,196	2,237	36,936	118,190	546	43,310	4,162	979,085
Depreciation at 31 March bf	0	74,177	415	0	66,042	470	18,529	1,069	160,702
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	(108)	0	0	0	0	(13)	0	(121)
Depreciation at 1 April 2022	0	74,069	415	0	66,042	470	18,516	1,069	160,581
Indexation	0	53	0	0	0	0	0	0	53
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	(10)	0	7	3	0
Revaluations	0	(56,103)	(246)	0	0	0	0	0	(56,349)
Reversal of impairments	0	(17,935)	(168)	0	0	0	0	0	(18,103)
Impairments	0	(203)	0	0	0	0	0	0	(203)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(18,185)	0	(1,004)	(182)	(19,371)
Provided during the year	0	22,241	293	0	13,152	32	6,805	413	42,936
At 31 March 2023	0	22,122	294	0	60,999	502	24,324	1,303	109,544
Net book value at 1 April 2022	78,424	617,218	2,615	23,203	64,256	76	20,752	3,115	809,659
Net book value at 31 March 2023	77,508	674,074	1,943	36,936	57,191	44	18,986	2,859	869,541
Net book value at 31 March 2023 comprises :									
Purchased	74,353	672,131	1,943	36,936	56,328	44	18,905	2,809	863,449
Donated	3,155	1,746	0	0	608	0	81	50	5,640
Government Granted	0	197	0	0	255	0	0	0	452
At 31 March 2023	77,508	674,074	1,943	36,936	57,191	44	18,986	2,859	869,541
Asset financing :									
Owned	77,508	668,777	1,943	36,936	57,049	44	18,986	2,859	864,102
On-SoFP PFI contracts	0	5,297	0	0	142	0	0	0	5,439
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2023	77,508	674,074	1,943	36,936	57,191	44	18,986	2,859	869,541

The net book value of land, buildings and dwellings at 31 March 2023 comprises :

	£000
Freehold	748,040
Long Leasehold	5,410
Short Leasehold	75
	<u>753,525</u>

Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account. 0

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards. LHB s are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

11. Property, plant and equipment (continued)**Disclosures:****i) Donated Assets**

Assets totalling £136k 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 2023-24, 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 002 issued by Welsh Government on 27th October 2023. No indexation has been applied to equipment.

In addition, in 2023-24 there have been separate revaluations for six assets under construction coming into use. These include Tredegar Health and Well-being Centre, the centralised Breast Unit at Ysbyty Ystrad Fawr, the new endoscopy unit and lift upgrades at the Royal Gwent Hospital and the Staff well-being centre at Grange House in Llanfrecfa. An impairment of £3.199m is included as a result of the discovery of reinforced autoclaved aerated concrete (RAAC) in some parts of Nevill Hall Hospital.

iii) Asset Lives

Depreciated as follows:

- Land is not depreciated.
- Buildings as determined by the Valuation Office Agency.
- Equipment 5-15 years.

iv) Compensation

There has been no compensation received from third parties for assets impaired, lost or given up, that is included in the income statement.

v) Write Downs

There have not been write downs.

vi) The LHB does not hold any property where the value is materially different from its open market value.

vii) Assets Held for Sale or sold in the period.

There are no assets held for sale or sold in the period.

IFRS 13 Fair value measurement

There are no assets requiring Fair Value measurement under IFRS 13.

11. Property, plant and equipment

11.2 Non-current assets held for sale

	Land	Buildings, including dwelling	Other property, plant and equipment	Intangible assets	Other assets	Total
	£000	£000	£000	£000	£000	£000
Balance brought forward 1 April 2023	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 2024	0	0	0	0	0	0
Balance brought forward 1 April 2022	0	0	0	0	0	0
Plus assets classified as held for sale in the year	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Less assets sold in the year	0	0	0	0	0	0
Add reversal of impairment of assets held for sale	0	0	0	0	0	0
Less impairment of assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0
Balance carried forward 31 March 2023	0	0	0	0	0	0

11.3 Right of Use Assets

The organisation's right of use asset leases are disclosed across the relevant headings below. Most are individually insignificant, however, five are significant in their own right:
 - Blaenavon Primary Care Resource Centre (LHB lease) held under Land & Buildings NBV at 31 March 2024 £1,341k
 - Rhydymney Integrated H&SC Resource Centre (LHB lease) held under Land & Buildings NBV at 31 March 2024 £2,317k
 - Ty Gwent held under Land & Buildings NBV at 31 March 2024 £1,213k
 - Biochemistry Managed Service Contract held under Plant & Machinery NBV at 31 March 2024 £2,441k
 - NHH Energy scheme (previously classified as an off balance sheet PFI scheme) held under Plant & Machinery NBV at 31 March 2024 £2,180k

	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
2023-24									
Cost or valuation at 31 March	813	16,854	0	0	8,473	559	1,660	0	28,359
Lease prepayments in relation to RoU Assets	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases from PPE Note	0	0	0	0	0	0	0	0	0
Operating Leases Transitioning	0	0	0	0	0	0	0	0	0
Cost or valuation at 1 April	813	16,854	0	0	8,473	559	1,660	0	28,359
Additions	0	1,768	0	0	585	533	385	0	3,271
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	-6,442	0	0	0	-232	0	0	-6,674
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	0	0	0	0	0
At 31 March	813	12,180	0	0	9,058	860	2,045	0	24,956
Depreciation at 31 March	98	2,118	0	0	1,519	269	488	0	4,492
Transfer of Finance Leases from PPE Note	0	0	0	0	0	0	0	0	0
Operating Leases Transitioning	0	0	0	0	0	0	0	0	0
Depreciation at 1 April	98	2,118	0	0	1,519	269	488	0	4,492
Recognition	0	0	0	0	0	0	0	0	0
Transfers from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	-1,169	0	0	0	-211	0	0	-1,380
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	0	0	0	0	0
Provided during the year	98	2,019	0	0	1,619	281	457	0	4,474
At 31 March	196	2,968	0	0	3,138	339	945	0	7,586
Net book value at 1 April	715	14,736	0	0	6,954	290	1,172	0	23,867
Net book value at 31 March	617	9,212	0	0	5,920	521	1,100	0	17,370
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	606	296	0	0	0	0	0	0	902
Other Public Sector Market Value Leases	11	1,153	0	0	0	0	0	0	1,164
Private Sector Peppercorn Leases	0	0	0	0	0	0	0	0	0
Private Sector Market Value Leases	0	7,763	0	0	5,920	521	1,100	0	15,304
Total	617	9,212	0	0	5,920	521	1,100	0	17,370

11.3 Right of Use Assets

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

- Blaenavon Primary Care Resource Centre (LHB lease) held under Land & Buildings NBV at 31 March 2023 £1,468k
- Brynmawr Medical Centre held under Land & Buildings NBV at 31 March 2023 £2,839k
- Rhyimey Integrated H&SC Resource Centre (LHB lease) held under Land & Buildings NBV at 31 March 2023 £2,732k
- Blaenavon Primary Care Resource Centre (managed GP practice lease) held under Land & Buildings NBV at 31 March 2023 £1,242k
- Biochemistry Managed Service Contract held under Plant & Machinery NBV at 31 March 2023 £2,709k

	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
2022-23									
Cost or valuation at 31 March	0	0	0	0	0	0	0	0	0
Lease prepayments in relation to RoU Assets	0	266	0	0	157	18	0	0	441
Transfer of Finance Leases from PPE Note	0	424	0	0	0	0	517	0	941
Operating Leases Transitioning	813	15,071	0	0	6,853	342	1,143	0	24,222
Cost or valuation at 1 April	813	15,761	0	0	7,010	360	1,660	0	25,604
Additions	0	1,471	0	0	1,463	199	0	0	3,133
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	-91	0	0	0	0	0	0	-91
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	-287	0	0	0	0	0	0	-287
At 31 March	813	16,854	0	0	8,473	559	1,660	0	28,359
Depreciation at 31 March	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases from PPE Note	0	108	0	0	0	0	13	0	121
Operating Leases Transitioning	0	0	0	0	0	0	0	0	0
Depreciation at 1 April	0	108	0	0	0	0	13	0	121
Recognition	0	0	0	0	0	0	0	0	0
Transfers from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	-108	0	0	0	0	0	0	-108
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	0	0	0	0	0
Provided during the year	98	2,118	0	0	1,519	269	475	0	4,479
At 31 March	98	2,118	0	0	1,519	269	488	0	4,492
Net book value at 1 April	813	15,653	0	0	7,010	360	1,647	0	25,483
Net book value at 31 March	715	14,736	0	0	6,954	290	1,172	0	23,867
RoU Asset Total Value Split by Lessor									
Lessor	Land £000	buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
NHS Wales Peppercorn Leases	0	0	0	0	0	0	0	0	0
NHS Wales Market Value Leases	0	0	0	0	0	0	0	0	0
Other Public Sector Peppercorn Leases	704	314	0	0	0	0	0	0	1,018
Other Public Sector Market Value Leases	11	1,875	0	0	0	0	0	0	1,886
Private Sector Peppercorn Leases	0	0	0	0	0	0	0	0	0
Private Sector Market Value Leases	0	12,547	0	0	6,954	290	1,172	0	20,963
Total	715	14,736	0	0	6,954	290	1,172	0	23,867

11.3 Right of Use Assets continued

Quantitative disclosures

	2023-24			2022-23	
	LAND £000	BUILDINGS £000	OTHER £000	TOTAL £000	£000
Maturity analysis					
Contractual undiscounted cash flows relating to lease liabilities					
Less than 1 year	0	1,531	2,179	3,710	4,234
2-5 years	2	3,641	3,907	7,550	10,489
> 5 years	11	4,668	1,478	6,157	8,949
Less finance charges allocated to future periods	-2	-762	-316	-1,080	-1,200
Total	11	9,078	7,248	16,337	22,472
Lease Liabilities (net of irrecoverable VAT)				2023-24	2022-23
Current				3,445	4,008
Non-Current				12,892	18,464
Total				16,337	22,472
Amounts Recognised in Statement of Comprehensive Net Expenditure				2023-24	2022-23
Depreciation				4,474	4,479
Impairment				0	0
Variable lease payments not included in lease liabilities - Interest expense				274	232
Sub-leasing income				-2	-2
Expense related to short-term leases				713	552
Expense related to low-value asset leases (excluding short-term leases)				936	858
Amounts Recognised in Statement of Cashflows (net of irrecoverable VAT)					
Interest expense				-274	-232
Repayments of principal on leases				-4,099	-4,577
Total				-4,373	-4,809

**12. Intangible non-current assets
2023-24**

	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 2023	3,547	0	7,772	0	0	0	11,319
Revaluation	0	0	0	0	0	0	0
Reclassifications	35	0	0	0	0	548	583
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	(438)	(438)
Additions- purchased	50	0	716	0	0	953	1,719
Additions- internally generated	0	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	(101)	0	(5,564)	0	0	0	(5,665)
Gross cost at 31 March 2024	3,531	0	2,924	0	0	1,063	7,518
Amortisation at 1 April 2023	1,129	0	5,099	0	0	0	6,228
Revaluation	0	0	(114)	0	0	0	(114)
Reclassifications	35	0	0	0	0	0	35
Reversal of impairments	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
Provided during the year	737	0	1,612	0	0	0	2,349
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	(101)	0	(5,564)	0	0	0	(5,665)
Amortisation at 31 March 2024	1,800	0	1,033	0	0	0	2,833
Net book value at 1 April 2023	2,418	0	2,673	0	0	0	5,091
Net book value at 31 March 2024	1,731	0	1,891	0	0	1,063	4,685
NBV at 31 March 2024							
Purchased	1,731	0	1,891	0	0	1,063	4,685
Donated	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0	0
Total at 31 March 2024	1,731	0	1,891	0	0	1,063	4,685

**12. Intangible non-current assets
2022-23**

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2022	1,838	0	7,535	0	0	0	9,373
Revaluation	0	0	0	0	0	0	0
Reclassifications	1,718	0	0	0	0	0	1,718
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions- purchased	66	0	955	0	0	0	1,021
Additions- internally generated	0	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	(75)	0	(718)	0	0	0	(793)
Gross cost at 31 March 2023	3,547	0	7,772	0	0	0	11,319
Amortisation at 31 March bf	714	0	3,448	0	0	0	4,162
NHS Wales Transfers	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0
Amortisation at 1 April 2022	714	0	3,448	0	0	0	4,162
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
Provided during the year	490	0	2,369	0	0	0	2,859
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	(75)	0	(718)	0	0	0	(793)
Amortisation at 31 March 2023	1,129	0	5,099	0	0	0	6,228
Net book value at 1 April 2022	1,124	0	4,087	0	0	0	5,211
Net book value at 31 March 2023	2,418	0	2,673	0	0	0	5,091
NBV at 31 March 2023							
Purchased	2,418	0	2,673	0	0	0	5,091
Donated	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0	0
Total at 31 March 2023	2,418	0	2,673	0	0	0	5,091

Additional Disclosures re Intangible Assets

Disclosures:

i) Donated Assets

Aneurin Bevan University LHB has not received any donated intangible assets during the year.

ii) Recognition

Intangible assets acquired separately are initially recognised at fair value. The amount recognised for internally-generated intangible assets is the sum of the expenditure incurred to date when the criteria for recognising internally generated assets has been met (see accounting policy 1.7 for criteria).

iii) Asset Lives

The useful economic life of Intangible non-current assets are assigned on an individual asset basis. Software is generally assigned a 5 year UEL and the UEL of internally generated software is based on the professional judgement of LHB professionals and Finance staff.

iv) Additions during the period

Intangible assets acquired during the period amounted to £1.719m; this was primarily on software licence renewals and new purchases.

v) Disposals during the period

Fully amortised software and licences with a GBV of £5.665m were disposed of as no longer in use, during the year.

13 . Impairments

	2023-24 Property, plant & equipment £000	2023-24 Right of Use Assets £000	2023-24 Intangible assets £000	2022-23 Property, plant & equipment £000	2022-23 Right of Use Assets £000	2022-23 Intangible assets £000
Impairments arising from :						
Loss or damage from normal operations	0	0	0	0	0	0
Abandonment in the course of construction	0	0	438	0	0	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)	31,284	0	0	10,557	0	0
Reversal of Impairments	(19,552)	0	0	(26,479)	0	0
Total of all impairments	11,732	0	438	(15,922)	0	0

Analysis of impairments charged to reserves in year :

Charged to the Statement of Comprehensive Net Expenditure	9,732	0	438	(19,470)	0	0
Impairments as a result of revaluation/indexation charged to Revaluation Reserve	2,000	0	0	3,548	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
Total	11,732	0	438	(15,922)	0	0

2023-24	Impairment amount £000	Reason for impairment £000	Nature of Asset £000	Valuation basis £000	Charge to SoCNE £000	Charge to reserve £000
Indexation - Land	2,397	Indexation loss	Operational	Existing Use	397	2,000
Tredegar HWBC (Bevan Health Centr	13,403	Assets Valued on Coming Into Use	Operational	Fair Value	13,403	0
Endoscopy Redevelopment, RGH	5,978	Assets Valued on Coming Into Use	Operational	Fair Value	5,978	0
YYF Unified Breast Unit	5,796	Assets Valued on Coming Into Use	Operational	Fair Value	5,796	0
RAAC at NHH	3,199	Economic Loss / Assets Valued on Coming Into Use	Operational	Fair Value	3,199	0
Grange House Wellbeing Centre, LGH	511	Assets Valued on Coming Into Use	Operational	Fair Value	511	0
WCCIS Phase 2 - abandonment of AL	438	Abandoned development	Intangible AUC	Fair Value	438	0
Total Impairment	31722				29722	2000

Reversal of Impairments

Grange University Hospital	(16,154)		Operational	Indexation	(16,154)	
Ysbyty Aneurin Bevan	(2,318)		Operational	Indexation	(2,318)	
Neville Hall	(536)	Indexation - reversal of impairment in previous years	Operational	Indexation	(536)	
Royal Gwent	(200)		Operational	Indexation	(200)	
St Cadocs	(153)		Operational	Indexation	(153)	
Llanfrechfa Grange	(135)		Operational	Indexation	(135)	
Various Community Sites	(56)		Operational	Indexation	(56)	
Total Reversal of Impairments	-19552				-19552	0
Net credit to SoCNE	12170				10170	2000

14.1 Inventories

	31 March	31 March
	2024	2023
	£000	£000
Drugs	3,095	2,819
Consumables	6,482	6,471
Energy	267	286
Work in progress	0	0
Other	0	0
Total	9,844	9,576
Of which held at realisable value	0	0

14.2 Inventories recognised in expenses

	31 March	31 March
	2024	2023
	£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

15. Trade and other Receivables

Current	31 March 2024 £000	31 March 2023 £000
Welsh Government	2,246	1,517
WHSSC / EASC	2,911	1,019
Welsh Health Boards	3,971	3,175
Welsh NHS Trusts	5,901	4,309
Welsh Special Health Authorities	1,044	1,010
Non - Welsh Trusts	24	66
Other NHS	267	213
2019-20 Scheme Pays - Welsh Government Reimbursement	604	141
Welsh Risk Pool Claim reimbursement		
NHS Wales Secondary Health Sector	93,727	109,290
NHS Wales Primary Sector FLS Reimbursement	920	111
NHS Wales Redress	502	587
Other	791	0
Local Authorities	5,468	9,756
Capital receivables - Tangible	0	0
Capital receivables - Intangible	0	0
Other receivables	12,766	16,714
Provision for irrecoverable debts	(1,942)	(1,763)
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	7,373	6,017
Other accrued income	0	0
Sub total	136,573	152,162
Non-current		
Welsh Government	0	0
WHSSC / EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Welsh Special Health Authorities	0	0
Non - Welsh Trusts	0	0
Other NHS	0	0
2019-20 Scheme Pays - Welsh Government Reimbursement	0	0
Welsh Risk Pool Claim reimbursement;		
NHS Wales Secondary Health Sector	142,085	76,333
NHS Wales Primary Sector FLS Reimbursement	0	2
NHS Wales Redress	0	0
Other	744	0
Local Authorities	0	0
Capital receivables - Tangible	0	0
Capital receivables - Intangible	0	0
Other receivables	1,237	1,131
Provision for irrecoverable debts	0	0
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	0	0
Other accrued income	0	0
Sub total	144,066	77,466
Total	280,639	229,628

15. Trade and other Receivables (continued)

Receivables past their due date but not impaired

	31 March 2024 £000	31 March 2023 £000
By up to three months	1,922	2,415
By three to six months	383	360
By more than six months	1,570	1,331
	<u>3,875</u>	<u>4,106</u>

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

Balance at 1 April	(1,763)	(1,870)
Transfer to other NHS Wales body	0	0
Amount written off during the year	20	0
Amount recovered during the year	0	3
(Increase) / decrease in receivables impaired	(176)	119
Bad debts recovered during year	(22)	(15)
Balance at 31 March	<u>(1,942)</u>	<u>(1,763)</u>

In determining whether a debt is impaired, consideration is given to the age of the debt and the results of actions taken to recover the debt, including reference to credit agencies.

Receivables VAT

Trade receivables	2,091	1,899
Other	195	92
Total	<u>2,286</u>	<u>1,991</u>

16. Other Financial Assets

	Current		Non-current	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	£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	35	34	452	487
Derivatives	0	0	0	0
Other (Specify)				
Right of Use Asset Finance Sublease	24	24	215	239
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
Total	59	58	667	726

RoU Sub-leasing income Recognised in Statement of Comprehensive Net Expenditure

	2023-24	2022-23
RoU Sub-leasing income	-2	-2

17. Cash and cash equivalents

	2023-24	2022-23
	£000	£000
Balance at 1 April	4,704	1,720
Net change in cash and cash equivalent balances	(559)	2,984
Balance at 31 March	4,145	4,704
Made up of:		
Cash held at GBS	4,122	4,681
Commercial banks	0	0
Cash in hand	23	23
Cash and cash equivalents as in Statement of Financial Position	4,145	4,704
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in Statement of Cash Flows	4,145	4,704

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

Lease Liabilities (ROUA) -£6.135m
 Lease Liabilities (short-term and low value leases) £0.465m
 PFI liabilities: £0.478m

The movement relates to cash, no comparative information is required by IAS 7 in 2023-24.

18. Trade and other payables

Current	31 March	31 March
	2024	2023
	£000	£000
Welsh Government	22	44
WHSSC / EASC	4,681	3,125
Welsh Health Boards	5,964	3,461
Welsh NHS Trusts	5,416	6,088
Welsh Special Health Authorities	39	80
Other NHS	7,477	4,559
Taxation and social security payable / refunds	16,072	17,761
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	56,658	58,923
Local Authorities	19,638	27,191
Capital payables- Tangible	6,493	7,189
Capital payables- Intangible	147	206
Overdraft	0	0
Rentals due under operating leases	0	0
RoU Lease Liability	3,445	4,008
Obligations under finance leases, HP contracts	0	0
Imputed finance lease element of on SoFP PFI contracts	638	1,036
Impact of IFRS 16 on SoFP PFI contracts	108	0
Pensions: staff	10,718	9,797
Non NHS Accruals	74,734	88,638
Deferred Income:		
Deferred Income brought forward	0	0
Deferred Income Additions	0	0
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	0	0
Other creditors	0	0
PFI assets –deferred credits	0	0
Payments on account	(10,088)	(9,982)
Sub Total	202,162	222,124
Non-current		
Welsh Government	0	0
WHSSC / EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Welsh Special Health Authorities	0	0
Other NHS	0	0
Taxation and social security payable / refunds	0	0
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	0	0
NI contributions payable to HMRC	0	0
Non-NHS payables - Revenue	0	0
Local Authorities	0	0
Capital payables- Tangible	0	0
Capital payables- Intangible	0	0
Overdraft	0	0
Rentals due under operating leases	0	0
RoU Lease Liability	12,892	18,464
Obligations under finance leases, HP contracts	0	0
Imputed finance lease element of on SoFP PFI contracts	1,590	2,228
Impact of IFRS 16 on SoFP PFI contracts	1,406	0
Pensions: staff	0	0
Non NHS Accruals	0	0
Deferred Income :		
Deferred Income brought forward	0	0
Deferred Income Additions	0	0
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	0	0
Other creditors	0	0
PFI assets –deferred credits	0	0
Payments on account	0	0
Sub Total	15,888	20,692
Total	218,050	242,816

It is intended to pay all invoices within the 30 day period directed by the Welsh Government.

The Capital Payables - Tangible figure includes balances that have been agreed with Welsh NHS Trusts, as part of the Agreement of Balances process, totalling £53k.

In 2023/24, the PFI Contract liabilities have been adjusted due to the IFRS16 requirement to reflect the impact of RPI increases within the scheme obligations. The liability is now split out over 4 lines.

18. Trade and other payables (continued).

Amounts falling due more than one year are expected to be settled as follows:	31 March	31 March
	2024	2023
	£000	£000
Between one and two years	3,182	4,352
Between two and five years	4,810	6,585
In five years or more	7,896	9,755
Sub-total	<u>15,888</u>	<u>20,692</u>

19. Other financial liabilities

Financial liabilities	Current		Non-current	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	£000	£000	£000	£000
Financial Guarantees:				
At amortised cost	0	0	0	0
At fair value through SoCNE	0	0	0	0
Derivatives at fair value through SoCNE	0	0	0	0
Other:				
At amortised cost	0	0	0	0
At fair value through SoCNE	0	0	0	0
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

20. Provisions

	At 1 April 2023	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2024
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current									
Clinical negligence-									
Secondary care	80,878	(10,810)	4,456	652	33,576	(25,049)	(19,563)	0	64,140
Primary care	79	0	0	0	820	(105)	(3)	0	791
Redress Secondary care	331	0	(1)	0	363	(288)	(142)	0	263
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	479	0	0	0	436	(631)	(247)	0	37
All other losses and special payments	0	0	0	0	821	(821)	0	0	0
Defence legal fees and other administration	2,306	0	0	181	1,402	(1,314)	(621)		1,954
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	385			41	401	(401)	(103)	74	397
2019-20 Scheme Pays - Reimbursement	6			0	1	0	0	0	7
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	449			0	1,278	0	0	0	1,727
Other	2,367		0	0	1,429	(3)	(1,282)		2,511
Total	87,280	(10,810)	4,455	874	40,527	(28,612)	(21,961)	74	71,827
Non Current									
Clinical negligence-									
Secondary care	74,527	0	0	(652)	76,834	(948)	(7,734)	0	142,027
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	2,770	0	0	0	545	(356)	0	68	3,027
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	775	0	0	(181)	587	(104)	(60)		1,017
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	2,627			(41)	0	0	0	0	2,586
2019-20 Scheme Pays - Reimbursement	136			0	461	0	0	0	597
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	351		0	0	272	(140)	(90)		393
Total	81,186	0	0	(874)	78,699	(1,548)	(7,884)	68	149,647
TOTAL									
Clinical negligence-									
Secondary care	155,405	(10,810)	4,456	0	110,410	(25,997)	(27,297)	0	206,167
Primary care	79	0	0	0	820	(105)	(3)	0	791
Redress Secondary care	331	0	(1)	0	363	(288)	(142)	0	263
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	3,249	0	0	0	981	(987)	(247)	68	3,064
All other losses and special payments	0	0	0	0	821	(821)	0	0	0
Defence legal fees and other administration	3,081	0	0	0	1,989	(1,418)	(681)		2,971
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	3,012			0	401	(401)	(103)	74	2,983
2019-20 Scheme Pays - Reimbursement	142			0	462	0	0	0	604
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	449			0	1,278	0	0	0	1,727
Other	2,718		0	0	1,701	(143)	(1,372)		2,904
Total	168,466	(10,810)	4,455	0	119,226	(30,160)	(29,845)	142	221,474

Expected timing of cash flows:

	In year to 31 March 2025	Between 1 April 2025 and 31 March 2029	Thereafter	Total
				£000
Clinical negligence-				
Secondary care	64,140	142,027	0	206,167
Primary care	791	0	0	791
Redress Secondary care	263	0	0	263
Redress Primary care	0	0	0	0
Personal injury	37	3,026	0	3,063
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	1,954	1,018	0	2,972
Pensions relating to former directors	0	0	0	0
Pensions relating to other staff	397	2,586	0	2,983
2019-20 Scheme Pays - Reimbursement	7	35	562	604
Restructuring	0	0	0	0
RoU Asset Dilapidations CAME	0	0	0	0
Other Capital Provisions	1,727	0	0	1,727
Other	2,511	393	0	2,904
Total	71,827	149,085	562	221,474

The expected timing of cash flows are based on best available information; but they could change on the basis of individual case changes. The claims outstanding with the Welsh Risk Pool are based on best estimates of settlement of claims provided by the Health Board's legal advisors. The Health Board estimates that in 2024/25 it will receive £65,272K and in 2025/26 and beyond £142,829K from the Welsh Risk Pool in respect of clinical negligence and personal injury payments.

Other provisions include: Continuing Healthcare Independent Review Panel (IRP) & Ombudsman claims £393K. The estimation method used to calculate the provision for 2023/24 is consistent with the methodology used in 2022/23. In the continuing absence of detailed assessment information the Health Board has used a mixture of actual assessments and the application of an expected success factor and average weekly costs to determine whether an individual claimant provision would be established. Other provisions include an amount for Ancillary Staff Banked Annual Leave Payments, potential VAT payment to HMRC and Capital provision. The total Health Board provision also includes an amount of £270K which relates to 33 Redress cases where offers have been made to the families but not yet accepted or breach and causation have been proven.

20. Provisions (continued)

	At 1 April 2022	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2023
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current									
Clinical negligence:-									
Secondary care	56,805	(16,033)	(8,975)	52,699	42,660	(11,816)	(34,462)	0	80,878
Primary care	41	0	0	0	40	(2)	0	0	79
Redress Secondary care	126	0	(117)	0	516	(148)	(46)	0	331
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	599	0	0	0	786	(598)	(308)	0	479
All other losses and special payments	0	0	0	0	34	(34)	0	0	0
Defence legal fees and other administration	2,239	0	0	327	1,953	(1,334)	(879)		2,306
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	395			684	50	(392)	(415)	63	385
2019-20 Scheme Pays - Reimbursement	11			0	0	(5)	0	0	6
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	449	0	0	0	449
Other	3,067		0	0	(13)	(5)	(682)		2,367
Total	63,283	(16,033)	(9,092)	53,710	46,475	(14,334)	(36,792)	63	87,280
Non Current									
Clinical negligence:-									
Secondary care	123,659	0	0	(52,699)	5,380	(696)	(1,117)	0	74,527
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	3,262	0	0	0	36	(262)	(321)	55	2,770
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	1,042	0	0	(327)	144	(50)	(34)		775
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	3,311			(684)	0	0	0	0	2,627
2019-20 Scheme Pays - Reimbursement	745			0	0	(3)	(606)	0	136
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	405		0	0	137	(97)	(94)		351
Total	132,424	0	0	(53,710)	5,697	(1,108)	(2,172)	55	81,186
TOTAL									
Clinical negligence:-									
Secondary care	180,464	(16,033)	(8,975)	0	48,040	(12,512)	(35,579)	0	155,405
Primary care	41	0	0	0	40	(2)	0	0	79
Redress Secondary care	126	0	(117)	0	516	(148)	(46)	0	331
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	3,861	0	0	0	822	(860)	(629)	55	3,249
All other losses and special payments	0	0	0	0	34	(34)	0	0	0
Defence legal fees and other administration	3,281	0	0	0	2,097	(1,384)	(913)		3,081
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	3,706			0	50	(392)	(415)	63	3,012
2019-20 Scheme Pays - Reimbursement	756			0	0	(8)	(606)	0	142
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	449	0	0	0	449
Other	3,472		0	0	124	(102)	(776)		2,718
Total	195,707	(16,033)	(9,092)	0	52,172	(15,442)	(38,964)	118	168,466

The expected timing of cash flows are based on best available information; but they could change on the basis of individual case changes. The claims outstanding with the Welsh Risk Pool are based on best estimates of settlement of claims provided by the Health Board's legal advisors. The Health Board estimates that in 2023/24 it will receive £82,013,376 and in 2024/25 and beyond £74,980,511 from the Welsh Risk Pool in respect of clinical negligence and personal injury payments.

Other provisions include: Continuing Healthcare Independent Review Panel (IRP) & Ombudsman claims £426,553. The estimation method used to calculate the provision for 2022/23 is consistent with the methodology used in 2021/22. In the continuing absence of detailed assessment information the Health Board has used a mixture of actual assessments and the application of an expected success factor and average weekly costs to determine whether an individual claimant provision would be established.

Other provisions include an amount for Ancillary Staff Banked Annual Leave Payments, potential VAT payment to HMRC and Capital provision. The total Health Board provision also includes an amount of £340,184 which relates to 50 Redress cases where offers have been made to the families but not yet accepted or breach and causation have been proven.

Provision (Continued)

Pensions tax annual allowance – Scheme Pays arrangements 2019/20

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

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

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

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

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

The Health Board have included a Scheme Pay provision of £604,453 (as notified by Welsh Government) within these accounts.

21. Contingencies

21.1 Contingent liabilities

	2023-24 £'000	2022-23 £'000
Provisions have not been made in these accounts for the following amounts :		
Legal claims for alleged medical or employer negligence:-		
Secondary care	271,446	337,156
Primary care	547	1,251
Redress Secondary care	3	0
Redress Primary care	0	3
Doubtful debts	0	0
Equal Pay costs	0	0
Defence costs	4,244	4,625
Continuing Health Care costs	1,483	1,379
Other	0	0
Total value of disputed claims	277,723	344,414
Amounts (recovered) in the event of claims being successful	(272,258)	(339,412)
Net contingent liability	5,465	5,002

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 £66m from the value of legal claims in 2022-23, while the number of claims has increased from 224 in 2022-23 to 236 in 2023-24.

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 £0.393m provision made for probable continuing care costs relating to 69 outstanding phase 3 to 8 claims received by 31st March 2024. This compares with the 2022/23 provision of £0.427m and 52 outstanding phase 1 to 8 claims.

Note 21.1 also sets out the £1.483m contingent liability for possible additional continuing care costs relating to those claims if they are all settled and in full, comparing adversely with the £1.379m reported for 2022/23.

There are still 13 new (Phase 8) claims, which have been received whereby the assessment process remains incomplete, as we are still awaiting full details to support the claims. The assessment process is highly complex and involves a multi-disciplinary teams and for those reasons can take many months. At this stage, the HB does not have enough information to make a judgement on the likely success or otherwise of these claims, however, they may result in additional costs to the HB, which cannot be quantified at this time.

The Health Board are also aware of an incident from 2019 that has been investigated by the Health and Safety Executive. The HSE have yet to make an enforcement decision and as such can not be quantified at this time.

21.2 Remote Contingent liabilities	2023-24	2022-23
	£000	£000
Guarantees	0	0
Indemnities	24,064	33,808
Letters of Comfort	0	0
	<hr/>	<hr/>
Total	<u>24,064</u>	<u>33,808</u>

The remote contingent liabilities cost consists of 3 medical negligence cases and 1 GP Indemnity case in 2023-24 (11 medical medical negligence cases in 2022-23). 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	2023-24	2022-23
	£000	£000
	0	0
	<hr/>	<hr/>
Total	<u>0</u>	<u>0</u>

22. Capital commitments

Contracted capital commitments at 31 March

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

	2023-24	2022-23
	£000	£000
Property, plant and equipment	25,569	54,039
Right of Use Assets	0	0
Intangible assets	173	689
	<hr/>	<hr/>
Total	<u>25,742</u>	<u>54,728</u>

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 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 2024	
	Number	£
Clinical negligence	339	27,570,923
Personal injury	122	1,227,151
All other losses and special payments	162	840,374
Total	623	29,638,448

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

Case Type	In year claims in excess of £300,000		Cumulative amount £
	Case Number	£	
Cases in excess of £300,000:			
Medical Negligence	MN/107/3636	307,970	317,891
Medical Negligence	MN/107/3228	335,100	345,200
Medical Negligence	MN/107/3721	603,501	699,738
Medical Negligence	MN/107/0905	2,927,075	3,348,998
Medical Negligence	MN/107/2957	874,191	1,039,724
Medical Negligence	MN/107/2754	4,239,790	4,685,760
Medical Negligence	MN/107/2012	329,270	958,516
Medical Negligence	MN/107/3477	839,436	885,840
Medical Negligence	MN/107/3253	995,303	1,032,161
Medical Negligence	MN/107/3309	3,407,775	3,994,620
Medical Negligence	MN/107/2594	4,653,438	4,806,234
Personal Injury	PI/107/3465	371,116	374,896
Other Losses		756,007	756,007
	No of cases	£	£
Sub-total	13	20,639,972	23,245,585
All other cases paid in year	610	8,998,476	30,351,538
Total cases paid in year	623	29,638,448	53,597,123

24. Right of Use / Finance leases obligations

24.1 Obligations (as lessee)

Amounts payable under right of use asset leases:

2023-24

	LAND	BUILDINGS	OTHER	TOTAL
	31 March	31 March	31 March	31 March
	2024	2024	2024	2024
	£000	£000	£000	£000
Minimum lease payments				
Within one year	0	1,531	2,179	3,710
Between one and five years	2	3,641	3,907	7,550
After five years	11	4,668	1,478	6,157
Less finance charges allocated to future periods	-2	-762	-316	-1,080
Minimum lease payments	11	9,078	7,248	16,337
Included in:				
Current borrowings	0	1,402	2,043	3,445
Non-current borrowings	11	7,676	5,205	12,892
	11	9,078	7,248	16,337
Present value of minimum lease payments				
Within one year	0	1,402	2,043	3,445
Between one and five years	1	3,250	3,755	7,006
After five years	10	4,426	1,450	5,886
Present value of minimum lease payments	11	9,078	7,248	16,337
Included in:				
Current borrowings	0	1,402	2,043	3,445
Non-current borrowings	11	7,676	5,205	12,892
	11	9,078	7,248	16,337

2022-23

	LAND	BUILDINGS	OTHER	TOTAL
	31 March	31 March	31 March	31 March
	2023	2023	2023	2023
	£000	£000	£000	£000
Minimum lease payments				
Within one year	0	2,209	2,025	4,234
Between one and five years	1	6,076	4,412	10,489
After five years	12	7,156	1,781	8,949
Less finance charges allocated to future periods	-2	-954	-243	-1,199
Minimum lease payments	11	14,487	7,975	22,473
Included in:				
Current borrowings	0	2,053	1,955	4,008
Non-current borrowings	11	12,434	6,020	18,465
	11	14,487	7,975	22,473
Present value of minimum lease payments				
Within one year	0	2,053	1,955	4,008
Between one and five years	1	5,631	4,281	9,913
After five years	10	6,803	1,739	8,552
Present value of minimum lease payments	11	14,487	7,975	22,473
Included in:				
Current borrowings	0	2,053	1,955	4,008
Non-current borrowings	11	12,434	6,020	18,465
	11	14,487	7,975	22,473

24.2 Right of Use Assets / Finance lease receivables (as lessor)

The Local Health Board has no finance leases receivable as a lessor.

Amounts receivable under right of use assets / finance leases:	2023-24	2022-23
	31 March	31 March
	2024	2023
	£000	£000
Gross Investment in leases		
Within one year	26	26
Between one and five years	106	106
After five years	118	144
Less finance charges allocated to future periods	(11)	(13)
Minimum lease payments	239	263
Included in:		
Current financial assets	24	24
Non-current financial assets	215	239
	239	263
Present value of minimum lease payments		
Within one year	24	24
Between one and five years	99	98
After five years	116	141
Less finance charges allocated to future periods	0	0
Present value of minimum lease payments	239	263
Included in:		
Current financial assets	24	24
Non-current financial assets	215	239
	239	263

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 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.

Commitments under off-SoFP PFI contracts	Off-SoFP PFI contracts	Off-SoFP PFI contracts
	31 March 2024 £000	31 March 2023 £000
Total payments due within one year	0	0
Total payments due between 1 and 5 years	0	0
Total payments due thereafter	0	0
Total future payments in relation to PFI contracts	<u>0</u>	<u>0</u>
Total estimated capital value of off-SoFP PFI contracts	<u>0</u>	<u>0</u>

25.2 PFI schemes on-Statement of Financial Position

Capital value of scheme included in Fixed Assets Note 11	£000
	626
Contract start date:	Feb-00
Contract end date:	Feb-25

Chepstow Community Hospital - a new community hospital including the provision of ancillary support services. This scheme commenced in 1998 with unitary charge payments being made for a period of 25 years from February 2000. The obligation for the scheme is £468k.

Capital value of scheme included in Fixed Assets Note 11	£000
	3,932
Contract start date:	Mar-04
Contract end date:	Mar-36

Monnow Vale Health and Social Care Facility - a new health and social care facility. This scheme commenced in 2006 with unitary charge payments being made for a period of 30 years from 2006. The obligation for the scheme is £3,226k. In 2023/24, the liability for the scheme was increased by £1,618k due to the IFRS16 requirement to reflect the impact of RPI increases within the scheme obligation.

Capital value of scheme included in Fixed Assets Note 11	£000
	96
Contract start date:	Sep-99
Contract end date:	Jun-24

Nevill Hall Hospital Day Surgery - a purpose built day unit including the provision of medical equipment for the unit. The PFI partner has responsibility for maintaining the building and replacing the equipment used with the unit. The scheme commenced in 1998 with unitary charge payments being made for a period of 25 years from 1999. The obligation for the scheme is £48k. In 2023/24, the liability for the scheme was increased by £444k 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:

	On SoFP PFI Capital element 31 March 2024	On SoFP PFI IFRS 16 impact on PFI Finance Charge 31 March 2024 £000	On SoFP PFI Imputed interest 31 March 2024 £000	On SoFP PFI Service charges 31 March 2024 £000
Total payments due within one year	638	108	80	2,888
Total payments due between 1 and 5 years	523	462	338	2,856
Total payments due thereafter	1,067	944	222	5,080
Total future payments in relation to PFI contracts	<u>2,228</u>	<u>1,514</u>	<u>640</u>	<u>10,824</u>

	On SoFP PFI Capital element 31 March 2023	On SoFP PFI IFRS 16 impact on PFI Finance Charge 31 March 2023 £000	On SoFP PFI Imputed interest 31 March 2023 £000	On SoFP PFI Service charges 31 March 2023 £000
Total payments due within one year	1,036	0	166	3,235
Total payments due between 1 and 5 years	1,025	0	209	5,592
Total payments due thereafter	1,203	0	157	6,553
Total future payments in relation to PFI contracts	<u>3,264</u>	<u>0</u>	<u>532</u>	<u>15,380</u>

	31/03/2024 £000
Total present value of obligations for on-SoFP PFI contracts	15,206

25.3 Charges to expenditure	2023-24	2022-23
	£000	£000
Service charges for On Statement of Financial Position PFI contracts (excl interest costs)	2,394	2,346
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	<u>2,394</u>	<u>2,346</u>

The LHB is committed to the following annual charges

PFI scheme expiry date:	£000	£000
Not later than one year	1,953	0
Later than one year, not later than five years	0	1,950
Later than five years	726	671
Total	<u>2,679</u>	<u>2,621</u>

The estimated annual payments in future years will vary from those which the LHB is committed to make during the next year by the impact of movement in the Retail Prices Index.

25.4 Number of PFI contracts

	Number of on SoFP PFI contracts	Number of off SoFP PFI contracts
Number of PFI contracts	3	0
Number of PFI contracts which individually have a total commitment > £500m	0	0

PFI Contract	On / Off- statement of financial position
Number of PFI contracts which individually have a total commitment > £500m	0

25.5 The LHB has no Public Private Partnerships

26. Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. The LHB is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which these standards mainly apply. The LHB has limited powers to invest and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the LHB in undertaking its activities.

Currency risk

The LHB is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The LHB has no overseas operations. The LHB therefore has low exposure to currency rate fluctuations.

Interest rate risk

LHBs are not permitted to borrow. The LHB therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the LHB's funding derives from funds voted by the Welsh Government the LHB has low exposure to credit risk.

Liquidity risk

The LHB is required to operate within cash limits set by the Welsh Government for the financial year and draws down funds from the Welsh Government as the requirement arises. The LHB is not, therefore, exposed to significant liquidity risks.

27. Movements in working capital

	2023-24 £000	2022-23 £000
(Increase)/decrease in inventories	(268)	(850)
(Increase)/decrease in trade and other receivables - non-current	(66,541)	48,026
(Increase)/decrease in trade and other receivables - current	15,588	(18,413)
Increase/(decrease) in trade and other payables - non-current	(4,804)	16,983
Increase/(decrease) in trade and other payables - current	(19,962)	(1,166)
Total	(75,987)	44,580
Adjustment for accrual movements in fixed assets - creditors	1,791	3,423
Adjustment for accrual movements in fixed assets - debtors	(34)	0
Adjustment for accrual movements in right of use assets - creditors	6,135	0
Adjustment for accrual movements in right of use assets - debtors	(24)	0
Other adjustments	(943)	(21,227)
	(69,062)	26,776

28. Other cash flow adjustments

	2023-24 £000	2022-23 £000
Depreciation	47,475	47,415
Amortisation	2,349	2,859
(Gains)/Loss on Disposal	331	(530)
Impairments and reversals	10,170	(19,470)
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	(136)	(210)
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	(17)
Non-cash movements in right of use assets	0	0
Non-cash movements in provisions	83,168	(11,799)
Other movements	32,067	28,435
Total	175,424	46,683

Other movements are Notional funding received for the

- LHB notional 6.3% Staff Employer Pension Contributions and
- 2019/20 Pensions Annual Allowance Charge Compensation Scheme

funded directly to the NHSBA Pensions Division by Welsh Government.

29. Events after the Reporting Period

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on 11th July 2024; post the date the financial statements were certified by the Auditor General for Wales.

30. Related Party Transactions

The Welsh Government is regarded as a related party. During the year the LHB have had a significant number of material transactions with the Welsh Government and with other entities for which the Welsh Government is regarded as the parent body, namely

	2023-24		As at 31st March 2024	
	Expenditure to related party	Income from related party	Amounts owed to related party	Amounts due from related party
	£000	£000	£000	£000
Welsh Government	65	6,993	22	2,246
Betsi Cadwaladr University Health Board	1,474	138	293	13
Cardiff & Vale University Health Board	44,303	3,199	2,454	1,181
Cwm Taf University Health Board	22,114	2,657	1,704	1,088
Hywel Dda University Health Board	1,253	346	544	41
Powys Teaching Health Board	373	14,658	62	1,316
Swansea Bay University Health Board	3,762	1,154	906	332
Velindre NHS Trust	85,357	11,055	3,289	5,218
Welsh Ambulance Services NHS Trust	10,305	257	1,803	27
Public Health Wales NHS Trust	1,588	4,253	377	654
Welsh Health Specialised Services Committee	208,689	13,948	4,681	2,911
Health Education and Improvement Wales (HEIW)	40	14,596	7	901
Digital Health and Care Wales (DHCW)	7,549	1,307	32	143

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	2023-24		As at 31st March 2024	
	Expenditure to related party	Income from related party	Amounts owed to related party	Amounts due from related party
	£000	£000	£000	£000
Blaenau Gwent County Borough Council	4,476	1,360	2,952	378
Caerphilly County Borough Council	19,212	13,413	5,524	3,395
Monmouthshire County Council	7,453	1,955	2,421	780
Newport City Council	11,673	2,096	5,328	436
Torfaen County Borough Council	10,684	1,557	3,052	264

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

Aneurin Bevan Local Health Board Charitable Fund	39	1,257	8	378
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A number of the LHB's Board members have interests in related parties as follows:

Member	Related Organisation	Relationship with Related Party	2023-24		As at 31st March 2024	
			Expenditure to related party	Income from related party	Amounts owed to related party	Amounts due from related party
			£000	£000	£000	£000
Nicola Prygodzicz	Velindre NHS Trust	Sister is a Senior Nurse in the Corporate Nursing Team	85,357	11,055	3,289	5,218
Robert Holcombe	JW Bowkett (Electrical Installation) Ltd	Son was an employee until June 2023	536	0	169	0
	Torfaen County Borough Council	Member of Torfaen CBC Land Access Forum	10,684	1,557	3,052	264
Peter Carr	Digital Health & Care Wales	Chair of National Laboratory Information Management Systems 2.0 Programme Board	7,549	1,307	32	143
Philip Robson	Hospice of Valleys	Trustee	475	0	4	0
Richard Clark	Torfaen Voluntary Alliance	Company Secretary and Trustee	142	0	0	0
	Torfaen County Borough Council	Elected Member, Deputy Leader and Executive Member for Children, Families and Education	10,684	1,557	3,052	264
Penny Jones	Monmouthshire County Council	Councillor	7,453	1,955	2,421	780
Martin Blakebrough	Kaleidoscope	Chief Executive	50	413	26	51

31. Third Party assets

The LHB held £32,719.58 cash at bank and in hand at 31 March 2024 (31st March 2023, £23,655.85) which relates to monies held by the LHB on behalf of patients. Cash held in patient Investment Accounts amounted to £0 at 31st March 2024 (31st March 2023, £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 2024 amounted to £3.5m (£2.5m as at 31st March 2023).

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 **£5,461K** which is split 72% Aneurin Bevan Health Board and 28% Monmouthshire County Council. The costs incurred under the pooled budget is declared in the memorandum trading account.

Gwent Wide Integrated Community Equipment Service

The Health Board has entered into a pooled budget with the 5 Local Authorities in the Gwent area, namely Blaenau Gwent, Caerphilly, Monmouth, Newport and Torfaen County Borough Councils, for the provision of an effective integrated GWICES (Gwent Wide Integrated Community Equipment Service) to service users who are resident in the partners' localities. Under the arrangement funds are pooled under section 33 of the NHS (Wales) Act 2006 for the joint equipment store in the Gwent area. The Health Board accounts for its share of the assets, liabilities, income and expenditure arising from the activities of the pooled budget, identified in accordance with the pooled budget agreement. The LHB's contribution is **£971K** for 2023/24 (£891K in 2022/23).

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 **£272K** for 2023/24 (£223K in 2022/23).

Gwent Frailty Programme

The Health Board has entered into a pooled budget with 5 Local Authorities in the Gwent area, namely Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen County councils, for the provision of a Gwent wide integrated health and social care Frailty service, for service users who are resident in the partners' localities. Under the arrangement funds are pooled under section 33 of the NHS (Wales) Act 2006 for the purpose of establishing a consistent service for the Gwent area. The Health Board accounts for its share of the assets, liabilities, income and expenditure arising from the activities of the pooled budget, identified in accordance with the pooled budget agreement. The LHB's contribution is **£9,892K** for 2023/24 (£9,493K in 2022/23).

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 **£41,298K** for 2023/24 (£36,563K in 2022/23).

Pooled Budget memorandum account for the period 1st April 2023 - 31st March 2024

Monnow Vale

	Cash	Own Contribution	Grants	Total
	£	£	£	£
Funding				
Aneurin Bevan Health Board	0	2,863,450	0	2,863,450
Monmouthshire County Council	425,860	882,742	0	1,308,602
Total Funding	425,860	3,746,192	0	4,172,052
Expenditure				
Aneurin Bevan Health Board	0	3,220,491	0	3,220,491
Monmouthshire County Council	658,462	788,398	0	1,446,860
Total Expenditure	658,462	4,008,889	0	4,667,350
Net (under)/over spend	232,602	262,697	0	495,298

33. Operating segments

IFRS 8 requires bodies to report information about each of its operating segments.

Whilst the organisation is structured into divisions, the performance management and the allocation of resources flow from the Board of Aneurin Bevan University Health Board.

There are no hosted services within the health board. Divisions do not manage capital programmes, have any autonomy in relation to balance sheets or produce discrete accounts.

For the purposes of IFRS 8 it is therefore deemed that there is no requirement to report any operating segments.

34. Other Information

34.1. 6.3% Staff Employer Pension Contributions - Notional Element

The value of notional transactions is based on estimated costs for the twelve month period 1 April 2023 to 31 March 2024. This has been calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions between April 2023 and February 2024 alongside Health Board/Trust/SHA data for March 2023.

Transactions include notional expenditure in relation to the 6.3% paid to NHS BSA by Welsh Government and notional funding to cover that expenditure as follows:

	2023-24	2022-23
	£000	£000
Statement of Comprehensive Net Expenditure for the year ended 31 March 2024		
Expenditure on Primary Healthcare Services	662	585
Expenditure on Hospital and Community Health Services	31,403	27,842
Statement of Changes in Taxpayers' Equity For the year ended 31 March 2024		
Net operating cost for the year	32,065	28,427
Notional Welsh Government Funding	32,065	28,427
Statement of Cash Flows for year ended 31 March 2024		
Net operating cost for the financial year	32,065	28,427
Other cash flow adjustments	32,065	28,427
2.1 Revenue Resource Performance		
Revenue Resource Allocation	32,065	28,427
3. Analysis of gross operating costs		
3.1 Expenditure on Primary Healthcare Services		
General Medical Services	662	585
3.3 Expenditure on Hospital and Community Health Services		
Directors' costs	103	78
Staff costs	31,300	27,764
9.1 Employee costs		
Permanent Staff		
Employer contributions to NHS Pension Scheme	32,065	28,427
Charged to capital	0	0
Charged to revenue	32,065	28,427
18. Trade and other payables		
Current		
Pensions: staff	0	0
28. Other cash flow adjustments		
Other movements	32,065	28,427

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.



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Aneurin Bevan
University Health Board

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

11 July 2024

Representations regarding the 2023-24 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 2024 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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Bwrdd Iechyd Prifysgol Aneurin Bevan yw enw gweithredol Bwrdd Iechyd Lleol Prifysgol Aneurin Bevan
Aneurin Bevan University Health Board is the operational name of Aneurin Bevan University Local Health Board

- prepare them on a going concern basis on the presumption that the services of Aneurin Bevan University Health Board will continue in operation.
- ensuring the regularity of any expenditure and other transactions incurred.
- the design, implementation and maintenance of internal control to prevent and detect error.

Information provided

We have provided you with:

- full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to staff from whom you determined it necessary to obtain audit evidence;
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects Aneurin Bevan University Health Board and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements;
- the identity of all related parties and all the related party relationships and transactions of which we are aware; and
- our knowledge of all possible and actual instances of irregular transactions.

Financial statement representations

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

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

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

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

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

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Representations by Aneurin Bevan University Health Board

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

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by Aneurin Bevan University Health Board on 11 July 2024.

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
11 July 2024

Signed by:
Ann Lloyd CBE
Chair of the Health Board
11 July 2024