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Cardiff and Vale  
University Health Board

# Cardiff and Vale UHB

# Annual Report

## 2023 – 2024



## Accessibility

If you require additional copies of this document, it can be downloaded in both English and Welsh versions from our website. Alternatively, if you require the document in an alternative format, we can provide a summary of this document in different languages, larger print or Braille. Please contact us using the details below:

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# 1. Welcome from our Chair and Chief Executive

Thank you for taking the time to read the Health Board's Annual Report for 2023-2024. The Annual Report provides us with the opportunity to share the progress made by the Health Board team with the support of a wide range of stakeholders and the community we serve, towards the achievement of our Annual Plan and the Shaping our Future Wellbeing Strategy. But also, to reflect upon some of the challenges impacting our team and those relying on us to support and care for them, often when they are at their most vulnerable.

In September 2023, following a period of co-production and consultation with our colleagues and stakeholders, our refreshed strategy, Shaping our Future Wellbeing, was approved by the Board. This strategy provides us with a high-level description of what we want to achieve by 2035, and the strategic objectives on which we will focus to get us there. Each of the strategic objectives include key milestones that we aim to deliver on over the next five and ten years. The strategy aims to bolster our unwavering commitment to rectifying disparities in access and outcomes. It encompasses the implementation of robust care models, a focus on quality, adoption of innovative healthcare technologies, digitisation efforts, modern infrastructure, and adherence to best practice. These multifaceted endeavours are essential to realising our ambitions and effectively serving the needs of the communities we serve.

Our vision is that a person's chance of leading a healthy life should be the same wherever they live and whoever

they are. We recognise the negative impacts of the cost-of-living crisis and the legacy of Covid-19, and as a Health Board, continue to progress towards the long-held ambition of addressing long-standing inequalities in outcomes between those living in the most and least deprived of our areas, and with ethnic minority communities and other marginalised groups. Our colleagues have also been affected by these external factors but continue to work tirelessly to meet the ever-increasing health and care needs of the citizens of Cardiff and the Vale of Glamorgan with great dedication, expertise and compassion and we wish to record here our thanks and pride in their unceasing commitment. We also recognise that as a result of the levels of demand, combined with our infrastructure and staffing challenges, individuals sometimes find access to our services and their experience within them difficult. We would like to thank the people of Cardiff and the Vale of Glamorgan for their continued support and feedback as we seek to continuously learn and improve the quality of access, care, treatment and experience for everyone. We have challenging times ahead, but we are confident that by tackling these challenges together, we can support people to live healthier lives and reduce the unfair differences in the prevalence of illness and health outcomes we see in our communities today.

NHS Wales has experienced periods of industrial action across 2023/24. As a Health Board we recognise colleagues right to take industrial action and our commitment throughout is to ensure the continued safe delivery of care to our patients. We would like to record our thanks and gratitude to our teams that have delivered and supported one

another remarkably well during these challenging periods and have ensured the safe continuation of our services. Through effective partnership working and collaboration we have sustained a safe response to these periods, and we acknowledge the hard work and commitment that this has required from colleagues.

As a Health Board we continue to place a particular focus on improving access to planned care and reducing waiting times for patients. Positive progress is being made and throughout this year we have met or exceeded requirements and sustained an improvement trajectory for our planned care services. Additionally, work to reduce our waiting lists has also made good progress, including for those waiting for cancer treatment.

The Health Board continues to place a consistent and persistent focus on all aspects of urgent and emergency care. Our teams are showing sustained improvement in these areas, and we have maintained our commitment to our objectives under the Six Goals programme throughout 2023/24. Our Medical Same Day Emergency Care (MSDEC) has achieved a significant milestone, surpassing the national set ambition for the percentage of the medical intake seen. Our stroke performance has seen a significant improvement and within this year we were awarded the highest rating (A) by the Sentinel Stroke National Audit Programme (SSNAP). Additionally, our Urgent Primary Care Centres (UPCC) have successfully covered 86% of the Health Board's geographical area with UPCC appointments and it is our intention to ensure this level of coverage and utilisation is maintained. Furthermore, throughout 2023/24 we have made significant and sustained improvement in ambulance handover times which has

resulted in greater patient safety and enabled a faster community response to people in need of emergency care.

2023/24 has seen the launch of a new multi-agency and multi-professional integrated urgent response service, Safe @ Home. This service forms part of our long-term solution to address the current gap in our range of intermediate care services and its goal is to provide an immediate and safe alternative to ambulance conveyance, EU (Emergency Unit) attendance and admission to hospital when it is safe and appropriate to do so. This partnership initiative presents a new opportunity to improve our offering of healthcare and support to our patients in the community.

The Health Board also launched a tool for classroom based physical activity in school children aged 4-6 years old, QuickChange. This tool was created through the collaborative working of our Local Public Health Team and our Podiatry Team and aims to encourage strength, balance and mindfulness. The tool reflects our commitment to embedding the sustainability principles set out in the Wellbeing of Future Generations Act and we are proud to be facilitating this opportunity to improve the wellbeing of generations to come. The Covid-19 pandemic has significantly highlighted the importance of mental health support, particularly for young people. The Hangout was opened by the Health Board in September 2023 in partnership with mental health charity Platform. The Hangout provides an opportunity to redefine how children and young people access mental health and wellbeing support when they need it in a non-clinical setting. The Hangout also acts as an activity hub for young people. 2023 also saw the opening of the new Paediatric Trauma Unit in the Children's Hospital for Wales with the goal of

improving the way we deliver patient care and providing a better working environment for our teams.

Within this year we have also seen the roll out of the Buvidal Drug Pilot through our Buvidal Psychological Support Service (BPSS). The Buvidal drug is used to treat opioid dependence in patients who are receiving medical, social and psychological support. This pilot has produced positive findings and has demonstrated that BPSS is an effective model that enables many patients to transform their lives and relieve their dependence on opioids.

In August 2023 the Health Board became a Member of the Florence Nightingale Foundation (FNF) Academy, a global initiative that helps develop, support and retain nurses and midwives. Our Health Board endorses the core principles of the Florence Nightingale Foundation in its pursuit of excellence in healthcare and our collaboration will empower nurses and midwives to reach new heights and deliver even better patient care.

December 2023 saw the official opening of the Canolfan Iechyd Genomig Cymru by the Minister for Health and Social Services. Funded by Welsh Government, the state-of-the-art facility co-locates some of Wales' leading experts in the field of genomics: Genomics Partnership Wales, the All-Wales Medical Genomics Service (AWMGS), Pathogen Genomics Unit and Public Health Genomics Programme, and Wales Gene Park. This collaborative environment will be home to world-class clinical and research laboratories, purpose-built clinical spaces, and will drive innovation forward. This will support Wales in becoming a leading nation in this area of health care, whilst ultimately

improving the lives of the patients who use these services and bringing huge benefits to the Welsh population.

Successes like this would not have been possible without flexible and innovative colleagues who have supported and created these changes, and many more. They have provided better outcomes for people and a significant decrease in the time it takes to be assessed, treated or admitted.

These are just a few examples of so many where colleagues, partners, patients and people have worked collaboratively, often in challenging circumstances, with great enthusiasm professionalism and creativity to deliver, improve and adapt services. We are continually inspired and impressed, and we thank you all for your continued support over the past year. We look forward to strengthening our work in partnership and to listen, understand and learn so that we can continue to improve and make a positive difference those who work with and depend upon us.



A handwritten signature in cursive script, appearing to read 'S Rankin'.

**Suzanne Rankin**  
Chief Executive



A handwritten signature in cursive script, appearing to read 'C Janczewski'.

**Professor Charles Janczewski**  
UHB Chair



## 2. Cardiff and the Vale Health Board Profile

### 2.1 About Us

Cardiff and the Vale University Health Board is one of the largest NHS organisations in Europe. Established in 2009, it provides a range of health and wellbeing services to its population. We spend around £1.86 billion every year on providing our communities with the full range of health and wellbeing services including:

- **Primary and community-based services:** GP practices, Dentists, Pharmacy and Optometry and a host of community led therapy services via community health teams. We also provide step-down, step-up community hospital care from St Davids and Barry Hospitals.
- **Acute services through our two main University Hospitals and Children's Hospital:** providing a broad range of medical and surgical treatments and interventions.
- **Public Health:** we support the communities of Cardiff and the Vale with a range of public health and preventative health advice and guidance.
- **Tertiary centre:** we also serve a wider population across Wales and often the UK with specialist treatment and complex services such as neurosurgery and cardiac services.

The diagram below illustrates the various services we provide.

#### Public Health

Improving the health of our population and reducing inequalities. Providing preventative health care information and advice including access to health and well-being services.

#### Primary, Community and Intermediate Care

Offering first line health services at GP surgeries, dentists, optometrists, pharmacists and a range of therapy and community based services accessible as close to home as possible.

#### Acute and Tertiary Care

Providing unscheduled or emergency care. Elective care and specialist services to a wider population across Wales, including diagnostics and therapeutic services.

#### Corporate Services

Providing the support services required to run an integrated health system across Cardiff and Wales ensuring patient safety, governance, quality assurance, performance and excellent delivery of all services.

## 2.2 Our Mission and Vision

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Our Vision, for the people we serve, is through working together, we will help improve lives so that by 2035 people are healthier and unfair differences in health outcomes are reduced. The care we provide for people who need our services and those delivering services will be outstanding, with outcomes and experience for all that compare with the highest performing peer organisations. Everyone should have the best possible opportunity to live a healthy and fulfilling life - where the unfair differences in health outcomes, which impact on life expectancy, are reduced. We will achieve this by working with local communities and the Public Services Board partners to tackle the issues that cause preventable illness and premature death.

To achieve our vision, we have developed our strategic objectives – the Health Board’s wellbeing objectives - which reflect our commitment to embedding the sustainability principles set out in the Wellbeing of Future Generations Act in the way that we work together to deliver them.

We also aspire to provide outstanding healthcare, where the outcomes reflect that we are a highly research- active University Health Board and are comparable with high-performing peers. We will measure our performance against health care organisations that are like us in terms of the size and complexity of the Health Board’s services, teaching and research, at UK and international level.

## 2.3 Our Board

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Our Board consists of 20 members, including Chair, Vice Chair and Chief Executive. The Health Board has 11 Independent Members, all of whom are appointed by the Minister for Health and Social Services, and three Associate Members.

The Board provides leadership and direction to the organisation and is responsible for governance, scrutiny and public accountability, ensuring that its work is open and transparent by holding its meetings in public.

In addition to their responsibilities and accountabilities set out in their terms and conditions of appointment, Board members also fulfil a number of Champion roles where they act as ambassadors for these matters.

The Board is supported by a number of Committees, each chaired by an Independent Member.

Our Committee meetings have continued to be held virtually during the year. Members of the public have been able to view recordings of our virtual Committee meetings since February 2022 via our website. The Committees, which meet in public, provide their minutes to each Board meeting to contribute to its assessment of assurance and to provide scrutiny against the delivery of objectives.

From May 2022 we resumed holding our Board meetings in public, with members of the public being able to observe public meetings of the Board in person since 26 May 2022.

Copies of the papers and minutes are available from the Director of Corporate Governance and are also on the Health Board's website (see link: <https://cavuhb.nhs.wales/about-us/governance-and-assurance/board-meetings/>). The website also contains a summary of each Committee's responsibilities and Terms of Reference. All actions required by the Board and Committees are included in an Action Log and at each meeting progress is monitored. These Action Logs are also published on the Health Board's website.

All Committees annually review their Terms of Reference and Work Plans to support the Board's business, in addition to producing an Annual Report to demonstrate compliance with their respective Terms of Reference. Committees also work together on behalf of the Board to ensure that work is planned cohesively and focusses on matters of greatest risk that would prevent us from meeting our mission and objectives. To ensure consistency and links between Committees, the Health Board has a Governance Co-ordinating Group, chaired by the Chair of the Health Board.



# Our Board Members

## Independent Members



**Professor Charles Janczewski**  
Chair



**Professor Ceri Phillips**  
Vice-Chair



**Susan Lloyd-Selby**  
Independent Member -  
Local Authority



**David Edwards**  
Independent Member -  
Information Communication  
& Technology



**Akmal Hanuk**  
Independent Member -  
Local Community



**Sara Moseley**  
Independent Member -  
Third (Voluntary) Sector



**Dr Rhian Thomas**  
Independent Member -  
Capital & Estates



**John Union**  
Independent Member -  
Finance



**Mike Jones**  
Independent Member -  
Trade Union

## Executive Directors and Officer Members



**Suzanne Rankin**  
Chief Executive



**Professor Meriel Jenney**  
Interim Executive  
Medical Director



**Catherine Phillips**  
Executive Director  
of Finance



**Abigail Harris**  
Executive Director of  
Strategic Planning



**Dr Fiona Jenkins MBE**  
Executive Director of  
Therapies & Health Sciences



**Claire Beynon**  
Executive Director of  
Public Health



**Jason Roberts**  
Executive  
Nurse Director



**Paul Bostock**  
Chief Operating  
Officer



**Rachel Gidman**  
Executive Director of  
People and Culture

## Other Directors



**Matt Phillips**  
Director of Corporate  
Governance

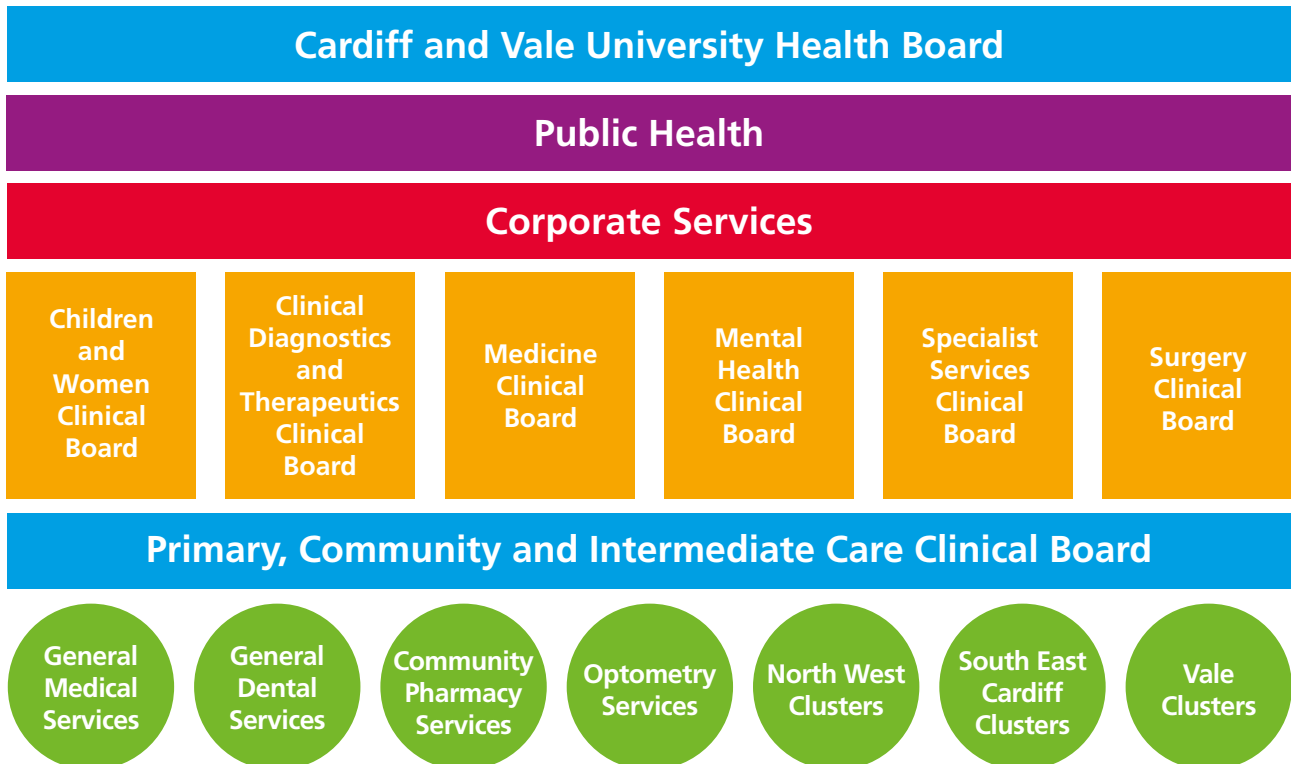


**David Thomas**  
Director of Digital and  
Health Intelligence

## 2.4 Our Structure

We have a workforce of around 17,862 staff who consistently deliver high quality services to all of our patients. Our organisation is structured and designed into seven Clinical Boards which were created in June 2013 and have been successful in providing strong leadership

in clinical areas and have resulted in the acceleration of operational decision-making, greatly enhancing the outcomes for patients in their care. The Clinical Boards are held to account via the Executive Directors.



Our corporate and planning services are an integral part of the overall structure and smooth running of the Health Board. These include:

- Strategy, Planning and Commissioning
- Finance including Capital, Estates and Facilities
- Workforce and Organisational Development
- Digital Health Intelligence
- Communications, Arts, Health Charity and Engagement
- Corporate Governance
- Research & Development and Innovation & Improvement

Scrutiny of the Corporate Services directorates is through a combination of governance, Executive Director and senior management accountability and progress is mapped against key projects within their areas of expertise.

## 2.5 The Population We Serve

### 2.5.1 Demographics

Nearly 500,000 people live in Cardiff and the Vale of Glamorgan.

Cardiff has a relatively young population, mainly due to the student population in the city. The proportion of older people is slightly higher than the Wales average in the Vale; the number of older people and the proportion of people who are older is increasing across both areas.

Previous trends in population growth in our area have slowed, with a projected increase of 3-4% over the next 10 years, or around 15-20,000 more residents.

Every year, people migrate into and out of both Cardiff and the Vale. In 2021-22 the net effect of this was around 500 people moving into each of our local authority areas from elsewhere in the UK; there was also a significant increase in the number of international migrants moving into our area, with a net effect of over 10,000 people moving into Cardiff and over 500 into the Vale from overseas. Combined, this made up over half the number of international migrations into Wales as a whole. Migration includes the reception of Ukrainian refugees, the Afghan Citizens Resettlement Scheme (ACRS) and other asylum seeker populations.

Cardiff is more ethnically diverse than most of the rest of Wales, with just over a quarter of people identifying as not White British in the 2021 Census. The corresponding figure for the Vale of Glamorgan was 8%. In Cardiff this includes sizeable populations reporting Black African, Indian, Pakistani, Bangladeshi, Arab and Chinese ethnicity; along with non-British white ethnicities. Both Cardiff and the Vale contain some of the most affluent areas of Wales, alongside

some of the most deprived. In Cardiff, there are pockets of deprivation throughout the city, but many are located in the 'southern arc', including Ely, Caerau, Grangetown, Riverside, Llanrumney and St Mellons; in the Vale again there are scattered pockets of deprivation throughout, with a higher concentration in the central Vale, in and around Barry. 23.1% of adults in Cardiff and 30% of adults in the Vale can speak Welsh.

### 2.5.2 Health in Our Area

We can get a picture of the health of our residents through assessments such as the Well-being assessments (for Cardiff and the Vale) and the Population needs assessment for the region, along with individual health needs assessments and routine and bespoke surveillance data.

Particular issues in our area which impact on people's health are:

#### **Wider determinants**

- Air quality
- Adverse weather events (heatwaves, flooding) due to climate change
- Access to healthy and affordable food
- Access to affordable high-quality housing
- Access to nature and green spaces, and biodiversity loss
- High quality public transport, and walking and cycling networks
- Social isolation and loneliness

#### **Health behaviours**

- Tobacco and vape (e-cigarette) use
- Immunisation uptake
- Being physically active regularly
- Achieving and maintaining a healthy weight
- Alcohol consumption

#### **Healthcare**

- Timely access to primary and secondary care

Over three-quarters of adults (76%) in our area reported being in good or very good health, the highest in Wales. Nearly a third (31%) of people said they were limited by one or more long-term illness, though again this was the lowest rate in Wales. Life expectancy for men in our area is nearly 79 years, and for women is 83, both above the Wales average.

The number of people living with long term conditions is increasing, along with the number living with more than one illness. The number of new cases of type 2 diabetes in particular is forecast to increase significantly in the coming decade, with diet, smoking and overweight known risk factors.

It is estimated that over a fifth of deaths in England and Wales are avoidable, due to preventable or treatable conditions.

### **2.5.3 Inequalities in Health and Health Outcomes**

Within Cardiff and Vale there is a stark difference in life expectancy between people living in our least and most deprived areas, some of the worst in Wales. If you live in one of our least deprived areas you can expect to live 8.3 years longer as a woman or 9.3 years longer as a man, than someone in our most deprived areas. Despite a concerted effort to reduce this gap over the past decade, the gap has actually increased.

This gap is even wider when looking at the years of life which are healthy – healthy life expectancy – for which people in our most deprived areas can expect to have between 14 and 18 fewer years of healthy life than someone living in our most affluent areas.

Along with poorer health outcomes, the majority of the factors determining health described above are also worse in more deprived areas.

Reducing inequalities and prioritising prevention run throughout our revised long-term strategy, Shaping our future Well-being. Operational delivery of our population health priorities is described in our local public health plan which is updated annually.

### **2.5.4 Human Rights**

The Health Board has an Equality, Diversity and Human Rights Policy which sets out the organisational commitment to promoting equality, diversity and human rights in relation to employment. It also ensures staff recruitment is conducted in an equal manner.

### **2.5.5 Citizen Voice Body (Llais)**

Throughout this year we have worked closely with the new Citizen Voice Body (Llais), the national independent body set up by Welsh Government to give the people of Wales a stronger voice in their health and social care services.

We work together with Llais to discuss the delivery and development of the services we provide, and we welcomed reports from them and are grateful for their advice, challenge and support.

For more information, please contact:

Llais Cardiff  
Parc Ty Glas, Llanishen  
Cardiff  
CF14 5DU  
Telephone: 02920 750112  
Email: [enquiries@llaiscymru.org](mailto:enquiries@llaiscymru.org)

## 2.6 Principles of Remedy

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The Health Board has fully embraced the regulations which guide the handling and response to concerns (complaints and incidents) launched by Welsh Government in April 2011. In addition, the Health Board's approach to dealing with concerns very much reflects the 'Principles of Remedy' published by the Public Services Ombudsman for Wales.

### a) Getting it right

- We acknowledge when we identify things that could have been improved.
- We consider all relevant factors when deciding the appropriate remedy, ensuring fairness for the complainant and, where appropriate, for others who have suffered injustice or hardship as a result of the same maladministration or poor service.
- We apologise and explain the maladministration or poor service.
- We try to understand and manage people's expectations and needs.
- We always try to deal with people professionally and sensitively.

### b) Being customer focused

- We acknowledge and accept responsibility for failure if and when it occurs.
- We explain clearly why the failure happened and express sincere regret for any resulting injustice or hardship.

### c) Being open and accountable

- We try to be open and transparent
- We strive to treating people without bias, unlawful discrimination or prejudice.

### d) Acting fairly and proportionately

- We consider all forms of remedy (such as an apology, an explanation, remedial action, or financial compensation).

### e) Putting things right

- We are focussed upon using information on the outcome and themes from concerns to improve services.

### f) Seeking continuous improvement

- We seek to offer a proportionate, reasonable investigation and response that aims to identify the opportunities for service improvement.

## 2.7 Our Strategy

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In September 2023 our refreshed strategy, *Shaping our Future Wellbeing*, was approved by the Board, a copy of which can be accessed via the following link: [Home - Shaping our Future Wellbeing](#)

This strategy provides us with a high-level description of what we want to achieve by 2035 and the strategic objectives on which we will focus to get us there. Each of the strategic objectives have key milestones that we will aim to deliver over the next five and ten years to deliver the Health Board's strategy. This strategy builds on *Shaping Our Future Wellbeing 2015 - 2025*, developed in 2013 and still reflects many of its underlying principles. We have challenging times ahead, but we are confident that by tackling these challenges together, we can support people to live healthier lives and reduce the unfair differences in the prevalence of illness and health outcomes we see in



our communities today. We aspire to deliver outstanding care and treatment for people when they need it, where they need it; care that compares well with the best in the world, but to do so, we need to transform how we deliver services over the next decade and beyond.

We are a values-driven organisation and our goals will only be realised if our values are at the heart of everything we do. Created by colleagues, patients and

their families and carers, our values are:

- We are kind and caring
- We are respectful
- We have trust and integrity
- We take personal responsibility

Within the refreshed Strategy, we have set four strategic objectives, the achievement of which will enable us to realise our vision for better health and outstanding care. These are:



**Putting People First** - We will be a great place to train, work and live, where we listen to and empower people to live healthy lives. By 2035, colleagues would recommend us a great place to work, our workforce will reflect the diversity of our communities and more people will be living healthier lives.



**Providing Outstanding Quality** - We will provide outstanding services which are equitable, timely and safe, where people are treated with kindness and are supported to achieve the outcomes that matter to them. We will have reduced inequities in prevention, improved access to clinical services and clinical outcomes.



**Delivering in the Right Places** - By 2035 we will be using real time integrated data to inform joint decision making and multi-disciplinary team working, giving people access to and ownership of their data to enable them to manage their health and wellbeing. We will be well on our journey to provide care in the right place, in facilities that are fit for purpose, flexible and promote recovery.



**Acting for the Future** - We will work to ensure that what we do today does not compromise the wellbeing of our future generations. We will protect the environment and develop and use new technologies, treatments and techniques to provide the best possible health outcomes and sustainable health care into the future. By 2030 we will have reduced the Health Board's carbon footprint by 34% (currently under review) and will have increased our research and clinical innovation activities.

To deliver our strategy we will work in a way that is participatory. This means enabling and empowering people to be involved in shaping our plans and taking an active role in their care and health as equal partners. Co-production will be at the heart of how we improve our services and we will act on regular and timely feedback from those who use and deliver our services. We will actively seek the participation of our partners in the planning and delivery of services

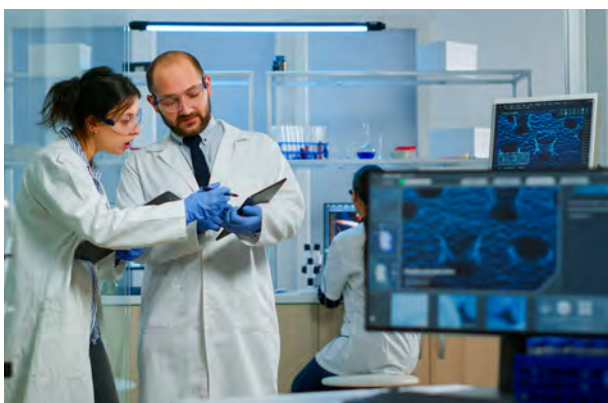
– this includes everyone who works in the Health Board, NHS partners, local authority and third sector partners, and university partners. We will participate effectively in the formal partnerships of which we are members – the Cardiff and Vale of Glamorgan Public Services Boards (PSBs) and the Cardiff and Vale of Glamorgan Regional Partnership Board (RPB), our regional service planning and delivery partnerships (South East Wales health boards and,

for tertiary and specialist services, our partnership with Swansea Bay UHB), Cardiff University Partnership, and collaborative commissioning partnerships such as Welsh Health Specialist Services Commissioner (WHSSC).

Prevention will be at the centre of our pathways of care; preventing illness in the first place, intervening early and addressing preventable deterioration when a health condition is diagnosed. We will work in a way that anticipates people's needs, using integrated real-time data to plan and deliver personalised health care and treatment plans for all the family, and using intelligence to accurately predict changing demand to help us plan and manage our services into the future.

## 2.8 Research and Development

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The Health Board is proud of its long-standing University status designation and its history of delivering pioneering, high-quality clinical research and development (R&D). This upholds one of the core principles of the ongoing NHS and Health Board strategy, namely, to embrace R&D and innovation to generate new knowledge and drive change and transformation within healthcare.

Embracing research across the organisation not only allows patients better access to study participation but also the potential for novel therapeutics that can alter disease trajectory. The downstream benefits of trials include change in practice, education, clinical experience, financial gain, staff recruitment, retention and reputational growth.

Given the size of the budget, R&D punches well above its weight. Recruiting and retaining staff remains a challenge, as is the case across the whole NHS and healthcare system. Our performance far exceeds other University Health Boards in Wales and accounts for approximately 40% of all recruitment in Wales.

169 'hosted' studies were approved to open this year, however we believe we can achieve more. There is a need to expand the delivery team to be able to support the number of trials our investigators want to deliver. We plan to continue to explore opportunities to develop a larger, sustainable delivery workforce that can meet demand.

In part, this will be powered by developing our own investigators leveraging grant income. This year Cardiff and Vale researchers have continued to achieve success in securing large National Institute of Health Research (NIHR) Grants. These include the The ELIPSE Study - a randomized controlled trial comparing the clinical and cost-effectiveness of lymph node removal in patients undergoing curative surgery for localized high-risk prostate cancer. The project has secured £2 million via the NIHR Health Technology Assessment grant and being led by Krishna Narahari. The study will open across to recruitment across the UK in 2024-25.

Nine investigator led research projects were developed and set up this year by Cardiff and Vale staff. It is hoped the success of our own investigators will continue to grow with the support of the Joint Research Office and collaboration with our academic partners at Cardiff University.

Another important collaboration which continues to mature is the Cardiff Cancer Research Hub which is a collaborative between CAV, Velindre Cancer Centre (led by Mererid Evans) and Cardiff University (led by Awen Gallimore). This will not only provide a wider access to medium and high-risk early phase trials and advanced cell therapies but also the opportunity to develop bench to bedside therapies, reverse translation and novel diagnostics.

The publication of the Lord O'Shaughnessy review 'Commercial clinical trials in the UK' has led to a shift in emphasis in both NIHR and HCRW and is an attempt to address the fall in commercial trial activity in the UK. Both Moderna and BioNTech are looking to invest in the UK, focusing particularly on vaccine trials. HCRW have entered into a collaboration with BioNTech to facilitate the delivery of their vaccine trials pipelines. Cardiff and Vale in collaboration with Velindre are building up the infrastructure to support delivery of these studies. This is a great opportunity, not only for patients, but also has downstream benefits for preventative healthcare and the burden on the NHS in Wales. CV UHB are leading on the development of a vaccine program in Wales with a vaccine centre based in the Clinical Research Facility led by Andrew Freedman

Building reputational resilience as a leading research active organisation is vital for attracting and retaining talented

healthcare professionals. An indicator of this is publishing in international high impact journals to this end our researchers have published in the three leading global journals in healthcare, the New England Journal of Medicine, Journal of the American Medical Association and Lancet over the last year.

There are many additional opportunities around developing expertise in the delivery of unscheduled care trials, advanced therapies and using some of the excellent infrastructure that exists in Cardiff such as Cedar Health Technology Research Centre, High Consequence Infectious Diseases unit (HCID), the Wales Research and Diagnostic PET Imaging Centre (PETIC) and Cardiff University Brain Research Imaging Centre (CUBRIC).

## 2.9 Innovation and Partnerships



The identification, implementation and wide deployment of innovative solutions to improve health outcomes is not something that a single Health Board or NHS organisation can achieve individually. Collaboration and partnership is crucial, be that with colleagues within the organisation, who can help identify and prioritise the need, or with external organisations be they within the NHS, commercial, 3rd and not-for-profit sectors, and Government and arm's length bodies. We have continued to work closely with

our extended peer group across Wales to identify opportunities to help simplify and accelerate the development, adoption and implementation of novel solutions across all areas of the Health Board, in both clinical and non-clinical areas. Having contributed to the Government's strategy published in 2023, Wales Innovates: Creating a Stronger, Fairer, Greener Wales, we have actively engaged in the development and operationalisation of the next stage implementation plan. In particular, at a national level, good progress has been made on identifying areas to adopt common aims and a harmonised approach; for example, in the creation of a central programme directory, a potential approach to intellectual property management, policy frameworks, funding opportunities and adoption. We also created a 'bitesize' introduction to innovation training package, that has been well received by colleagues, with the intention to 'stimulate the creative juices' and help everyone understand better where the innovation opportunities may be in their area and how the innovation team could support the exploration of those and help turn them into reality. Rewardingly, this initiative was the catalyst to a wider national initiative to develop a range of additional, accredited modules, at various levels for Wales.

Locally, we have also continued to ongoing activities, such as the Cardiff Capital Region funded, 'Endoscopy Challenge' with a view to addressing waiting lists by the development of enabling technological solutions and approaches; the Small Business Research Initiative Wales project to develop a system that can process exhaled Entonox (pain-relieving gas) to reduce

unnecessary exposure; and colleagues who have been working on innovative pathway changes in conjunction with the Bevan Commission. Looking to the future, we are continually exploring new ways of partnership working and held our first 'showcase' event. Working with the Life Science Hub Wales we brought together, in the University Hospital Llandough, a number of companies a range of products all of which have application in the area of dementia along with clinical and non-clinical colleagues to explore how these may be applied within our organisation. Similarly, in another 'first' we are exploring a multi-way partnership with several large Pharma companies to see how we can improve lipid management and control in patients with heart failure. Currently in the planning phase we aim to 'go live' in 2024.

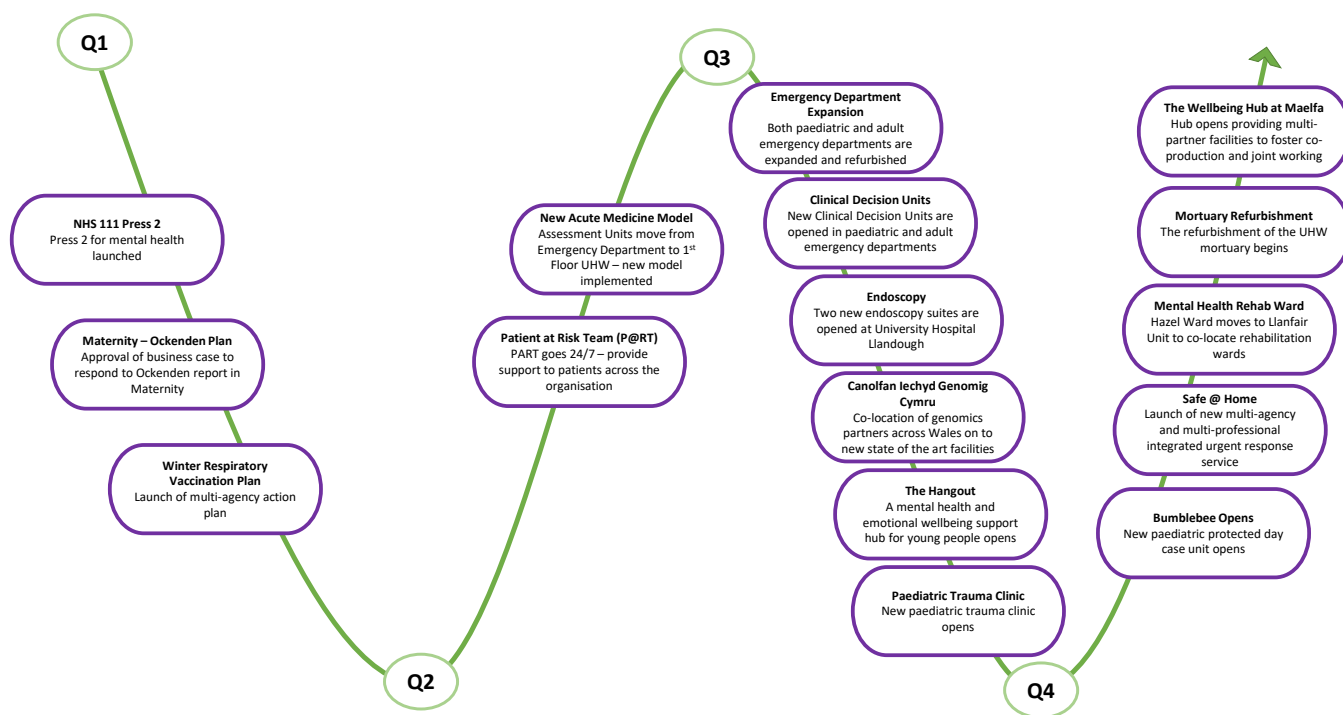
Recognising the move to work more closely with colleagues and organisations in social care and the shift to integrated care models, our Regional Innovation Coordination Hub team have continued to work closely with our Regional Partnership board. Here we have identified and helped support awareness and adoption of best practice, for example in social prescribing, through direct contact with teams, convening and facilitating workshops, as well as through 'storytelling' through written and film media. The team also directly supported other initiatives, in addition to social prescribing, in the area of end of life care, by helping individuals spend that time in an appropriate setting, and in the development of a digital care record approach to enable correct identification of individuals across health and social care record systems. These important projects will also continue to be supported this year.



# Part 1

# Performance Report

## Key Service Changes delivered in 2023/24



## 3. Performance Overview

### 3.1 Introduction

The Health Board submitted its final Annual Plan set in a three-year context in March 2023. Delivery of the plan over the last 12 months has continued to be challenging and we have continued to work hard, in conjunction with our partners, to recover and improve the delivery of healthcare services. Additionally, the Health Board successfully published our refreshed strategy 'Shaping our Future Wellbeing to 2035' in July 2023. This strategy demonstrates our shared vision and purpose, reaffirms our organisational values, and creates the strategic framework for delivery in short, medium, and long-term contexts. Our emphasis has continued to be on ensuring that quality and value underpin our approach with a commitment to preserving or improving patient safety, quality,

access to services and staff wellbeing. This Performance Overview section provides a summary of some of the key organisational achievements, challenges and risks over the past year.

### 3.2 Statement from the Chief Executive

Our organisational performance over the 2023-24 period was characterised by gradual and steady recovery as our teams balanced the lasting impacts of the Covid-19 pandemic with the prerogative of recovery and redesigning our services for the future. The Health Board's approach to performance was underpinned by the Ministerial Priorities and the "accountability conditions" issued later in 2022/23. A note on our approach and delivery against each of these priorities is provided below, with the detail provided throughout the Performance Overview and wider content of the Annual Report.

## A Healthier Wales - as the overarching policy context



A Healthier Wales sets out a long-term vision that everyone in Wales should live longer, healthier and happier lives. It proposes a whole-system approach to health and social care which is equitable, and where services are designed around individuals and groups based on their unique needs and what matters to them, as well as quality and safety outcomes. The delivery of this ethos has continued to be integral to both our planning and delivery of services and has underpinned the creation of our strategy 'Shaping our Future Wellbeing to 2035'.

### Population health

Our commitment to improving population health has been shaped around our plan 'Shaping our Future Population Health'. Published in February 2022, this plan has helped us to set out a system approach to identify and address current and future population health issues, improve health, prevent ill health, and reduce inequalities in health outcomes among residents and communities in our area.

### NHS recovery

Our progress with recovering and redesigning services has been significant while we continue to address the

challenges resulting from the Covid-19 response in conjunction with our workforce challenges. We have seen sustained commitment to achieving our objectives under the Six Goals for Urgent and Emergency Care programme as well as to our objectives for Planned and Elective Care. Delivery of services has been in line with our Annual Plan commitments in most areas. Further detail on our achievements and areas that require continued improvement, is provided within the Performance Appraisal section below.

### Mental Health and emotional wellbeing

Mental Health and Emotional Wellbeing services have seen a significant increase in referrals over the past year and we are proud that despite this we have delivered core targets for assessment and treatment. Our focus continues to be on improvements in services, such as Neurodevelopment where we have a need to reduce waiting times and continue to strengthen our cohesion with education services.

### Supporting the health and care workforce

The health and wellbeing of our people continues to be of the utmost importance. The impact of the pandemic has had wide ranging and deep implications for our teams. Over the last year we have remained committed to supporting and enhancing the wellbeing of our people. Our ambition continues to be to make the Health Board a great place to work and we continue to make progress on embedding the ambitions set out within Our People and Culture Plan launched in 2022.

## NHS Finance and managing within resources

The Annual Report sets out how the Health Board has managed its financial resources during the financial year 2023/2024.

## Working alongside Social Care

The challenges facing our Health and Social Care system can only be addressed through close, open and supportive partnership working. Over the last year the Health Board has embedded this approach throughout our partner organisations at operational, strategic and Executive level. The development of a Regional Incident Management Team to address pressing shared issues, underscores the importance the Health Board has placed on close working with Local Authority partners, with senior teams meeting twice a month to work on initiatives including joint workforce planning and the commissioning of additional social care capacity over Winter.

## 3.3 Integrated Medium-Term Plan (IMTP)

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Within Wales and across the UK, we are operating within the most challenging circumstances that the NHS has faced since its inception. This is primarily a result of the legacy of Covid and Brexit, the volatile economic environment, the impact of the cost-of-living crisis on our staff and our residents, and the increased demand upon our services

In 2023/2024, against the backdrop of unprecedented and uncertain circumstances, our organisation

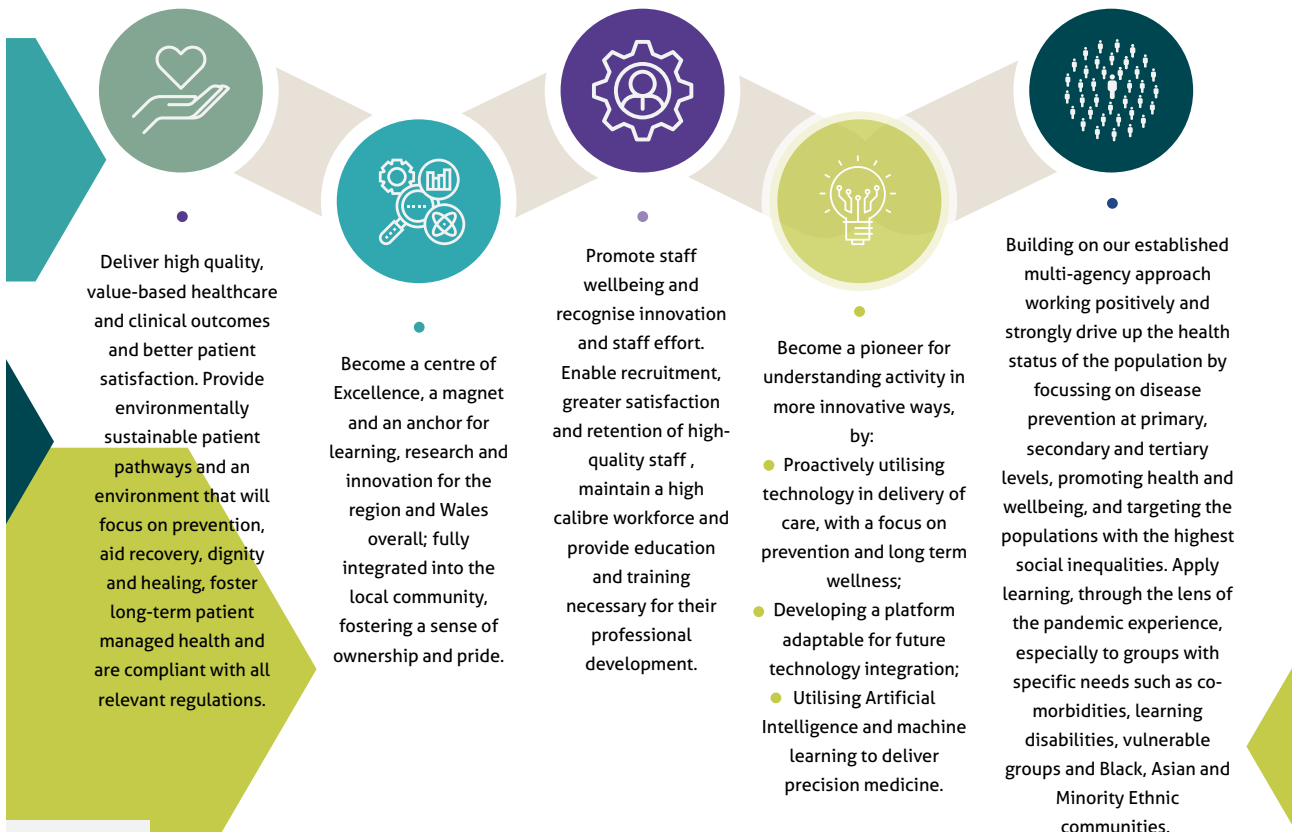
submitted an annual plan within a three-year context. We were unable to deliver the level of recurrent savings that we set out in our 2022/2023 plan or mitigate escalating cost pressures.

Delivery of the 2023/24 financial plan has been challenging and the delivery of the 2024/25 Annual Plan will see a continuation of our drive to deliver a robust financial sustainability programme and spend more money on prevention as per our strategy in what continues to be a very difficult operational and financial environment.

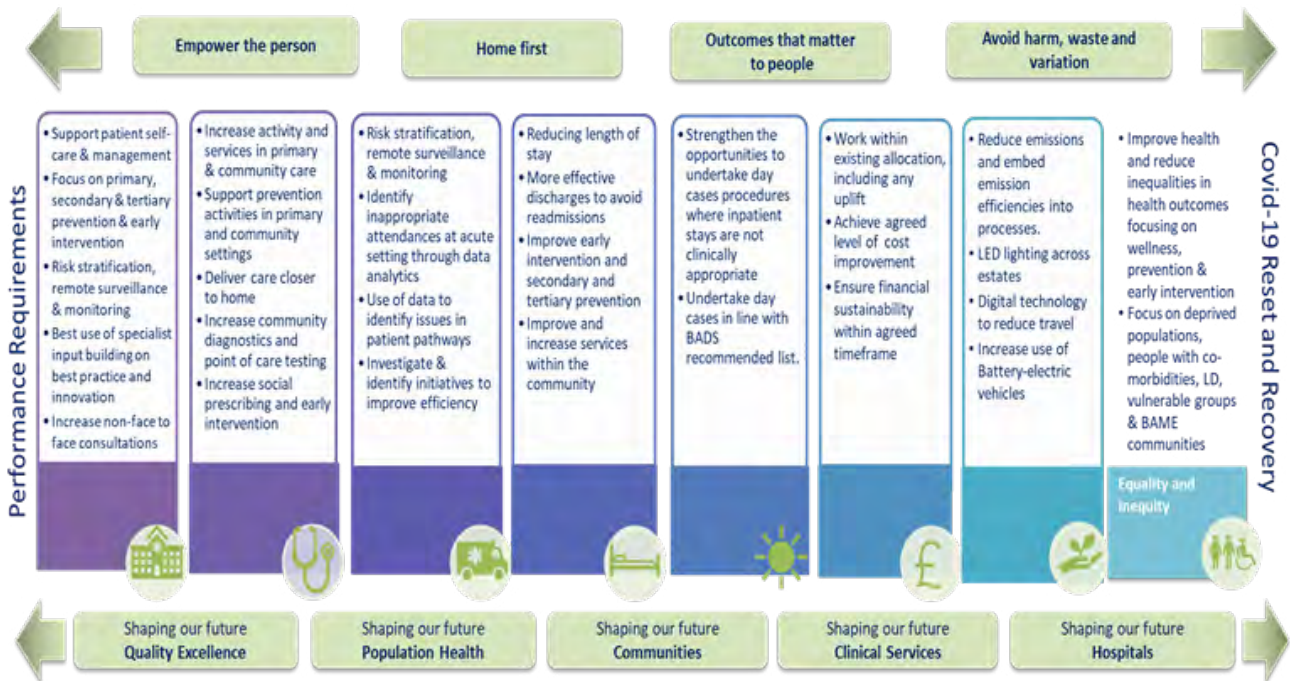
The Annual Plan was informed by our Commissioning Intentions (as summarised in the diagrams below). The Commissioning Intentions for 2024-2027 were informed by the Primary Care Cluster and Pan-Cluster Plans in conjunction with the Cardiff and Vale of Glamorgan population needs assessments and the Wellbeing assessments of the two local authority areas to ensure we are delivering outcomes that matter to our population. These highlight the specific health needs of our population and are supported by the needs profiles for our three localities. The Commissioning Intentions form the bridge between our 10-year strategy and IMTP by continuing to outline our strategic objectives but also look towards the future priorities for our organisation. Our commissioning intentions were agreed by the Board in July 2023 and were been updated alongside our strategy refresh.



## Diagrams showing a summary of our Commissioning Intentions



Similarly, our Annual Plan responds to the commissioning requirements of our neighbouring health boards and the Welsh Health Specialised Services Committee (WHSSC) for the specialist and tertiary services we provide for their populations and patients.



In response to the Health Board’s Annual Plan, the Welsh Government has issued a number of Accountability Conditions which are required to be met and which require the following “Five Ways of Working” sustainable development principles of the Well-being of Future Generations Act to be central to the Health Board’s approach.

### Five Ways of Working



### 3.4 Performance Appraisal and Assessment

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The Health Board's overall performance was characterised by a number of improvements in access and quality within urgent and emergency, specialist and mental health pathways alongside continued challenges in planned care services. The delivery of improvements, despite the impact of sustained and significant periods of industrial action, give cause for reassurance that the organisation is progressing towards its objectives albeit at a slower rate than originally planned. Challenges across Health and Social care, particularly in relation to workforce pressures and a reduction in social care capacity, have proved extremely difficult to overcome. In order to mitigate these as well as possible, the Health Board has sought to keep our focus on quality and candour at all times.

To assess our performance, we have reviewed our delivery ambitions that were outlined in our annual plan. Figure 1 provides a high-level picture of achievement against some of the key performance ambitions we set ourselves this year. Where the ambition has not been achieved further explanation of the performance can be found in the Delivery and Performance Analysis section. The remaining measures require further work, particularly in relation to planned care performance and feature as revised priorities in our 2024/25 annual plan.

### 3.5 Financial Performance Trends

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The health board has a statutory obligation to remain within its resources on a three year rolling measure. After several years on deficit the health board managed to meet this requirement at the end of 2021-22.

The target was not met in 2022-23 as Covid pandemic funding decreased at a time when the health board coped with inflationary pressures and system pressures in part incurred as a legacy of the Covid pandemic period.

The target was again not met in 2023-24 as a result of the significant pressures the health board faced in year as it continued to deliver services from an operational footprint still predominantly designed to address Covid demands and infection control.

The Health Board's financial statements have been prepared in accordance with the 2023-24 NHS Wales Manual for Accounts.

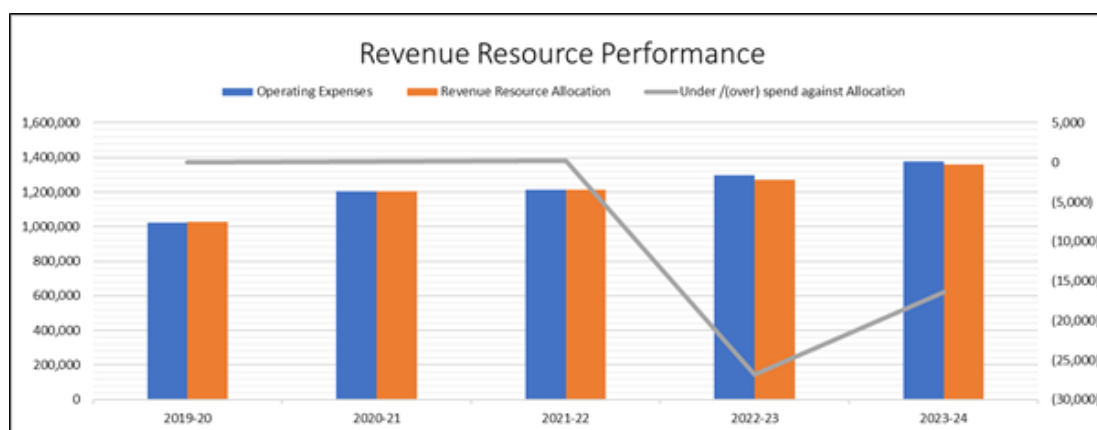
The accounting policies contained in that manual follow the 2023-24 Financial Reporting Manual (FRM) in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, to the extent that they are meaningful and appropriate to the NHS in Wales.

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 Cardiff and Vale University Health Board will continue in operation. Consequently, the going concern basis has been adopted

## Performance against the 3 year financial break even duty

|         | Year end position surplus / (deficit) £'m | Rolling 3 year break even duty surplus / (deficit) £'m | Pass or fail financial duty |
|---------|---|--|-----------------------------|
| 2014/15 | (21.364)                                  | n/a  | n/a                         |
| 2015/16 | 0.068                                     | n/a  | n/a                         |
| 2016/17 | (29.243)                                  | (50.539)   | Fail                        |
| 2017/18 | (26.853)                                  | (56.028)   | Fail                        |
| 2018/19 | (9.872)                                   | (65.968)   | Fail                        |
| 2019/20 | 0.058                                     | (36.667)   | Fail                        |
| 2020/21 | 0.090                                     | (9.724)  | Fail                        |
| 2021/22 | 0.232                                     | 0.380  | Pass                        |
| 2022/23 | (26.789)                                  | (26.467)   | Fail                        |
| 2023/24 | (16.404)                                  | (42.961)   | Fail                        |

| Revenue Resource Performance  | 2019-20<br>£'000 | 2020-21<br>£'000 | 2021-22<br>£'000 | 2022-23<br>£000 | 2023-24<br>£000 |
|---|------------------|------------------|------------------|-----------------|-----------------|
| <b>Net operating costs for the year</b>   | 1,043,916        | 1,220,369        | 1,228,135        | 1,309,705       | 1,388,556       |
| Less general ophthalmic services expenditure and other non-cash limited expenditure | (17,276)         | (13,388)         | (14,237)         | (13,361)        | (13,794)        |
| Less unfunded revenue consequences of bringing PFI schemes onto SoFP                | (1,028)          | (1,028)          | (222)            | (222)           | (222)           |
| Less unfunded revenue consequences of bringing RoJ Leases onto SoFP                 | 0                | 0                | 0                | 0               | 0               |
| <b>Total operating expenses</b>   | 1,025,612        | 1,205,955        | 1,213,676        | 1,296,122       | 1,374,540       |
| Revenue Resource Allocation   | 1,025,670        | 1,206,045        | 1,213,908        | 1,269,333       | 1,358,136       |
| <b>Under /(over) spend against Allocation</b>                                       | 58               | 90               | 232              | (26,789)        | (16,404)        |



## Capital Resource Limit

The health board continues to manage within its annual Capital Resource allocation through the proactive management of the health board Capital Management Group which oversees capital bids and progress on major capital projects to appropriately flex expenditure plans and utilise each year's capital allocation effectively.

|         | Capital Resource Limit | Actual year end position surplus / (deficit) £'000 | Rolling 3 year break even duty surplus / (deficit) £'000 | Pass or fail financial duty |
|---------|------------------------|--|--|-----------------------------|
| 2021/22 | 70,989                 | 41   | 233  | Pass                        |
| 2022/23 | 55,410                 | 88   | 233  | Pass                        |
| 2023/24 | 45,603                 | 72   | 201  | Pass                        |

## Public Sector Payment Performance

The UHB met its public sector performance target in 2023-24 and continued to improve its NHS payment compliance within this overall level of performance.

| Public Sector Payment Performance      | 2019-20<br>Number | 2020-21<br>Number | 2021-22<br>Number | 2022-23<br>Number | 2023-24<br>Number |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>NHS</b>                             |                   |                   |                   |                   |                   |
| Total bills paid                       | 8,216             | 7,488             | 6,314             | 7,864             | 7,305             |
| Total bills paid within target         | 6,401             | 6,169             | 5,072             | 6,684             | 6,353             |
| Percentage of bills paid within target | 77.9%             | 82.4%             | 80.3%             | 85.0%             | 87.0%             |
| <b>Non-NHS</b>                         |                   |                   |                   |                   |                   |
| Total bills paid                       | 305,232           | 288,413           | 306,094           | 362,856           | 313,943           |
| Total bills paid within target         | 292,518           | 275,422           | 284,850           | 345,405           | 303,193           |
| Percentage of bills paid within target | 95.8%             | 96.2%             | 93.1%             | 95.2%             | 96.6%             |
| <b>Total</b>                           |                   |                   |                   |                   |                   |
| Total bills paid                       | 313,448           | 293,901           | 312,408           | 370,720           | 321,248           |
| Total bills paid within target         | 298,919           | 281,591           | 289,922           | 352,089           | 309,546           |
| Percentage of bills paid within target | 95.4%             | 95.8%             | 92.8%             | 95.0%             | 96.4%             |

| Public Sector Payment Performance      | 2019-20<br>£000 | 2020-21<br>£000 | 2021-22<br>£000 | 2022-23<br>£000 | 2023-24<br>£000 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>NHS</b>                             |                 |                 |                 |                 |                 |
| Total bills paid                       | 233,809         | 275,720         | 299,775         | 344,958         | 362,462         |
| Total bills paid within target         | 222,077         | 265,247         | 286,700         | 336,633         | 351,782         |
| Percentage of bills paid within target | 95.0%           | 96.2%           | 95.6%           | 97.6%           | 97.1%           |
| <b>Non-NHS</b>                         |                 |                 |                 |                 |                 |
| Total bills paid                       | 646,369         | 786,048         | 880,894         | 1,024,980       | 1,033,511       |
| Total bills paid within target         | 621,255         | 758,016         | 842,548         | 980,609         | 994,919         |
| Percentage of bills paid within target | 96.1%           | 96.4%           | 95.6%           | 95.7%           | 96.3%           |
| <b>Total</b>                           |                 |                 |                 |                 |                 |
| Total bills paid                       | 880,178         | 1,061,768       | 1,180,669       | 1,369,938       | 1,395,973       |
| Total bills paid within target         | 843,332         | 1,023,263       | 1,129,248       | 1,317,242       | 1,346,701       |
| Percentage of bills paid within target | 95.8%           | 96.4%           | 95.6%           | 96.2%           | 96.5%           |

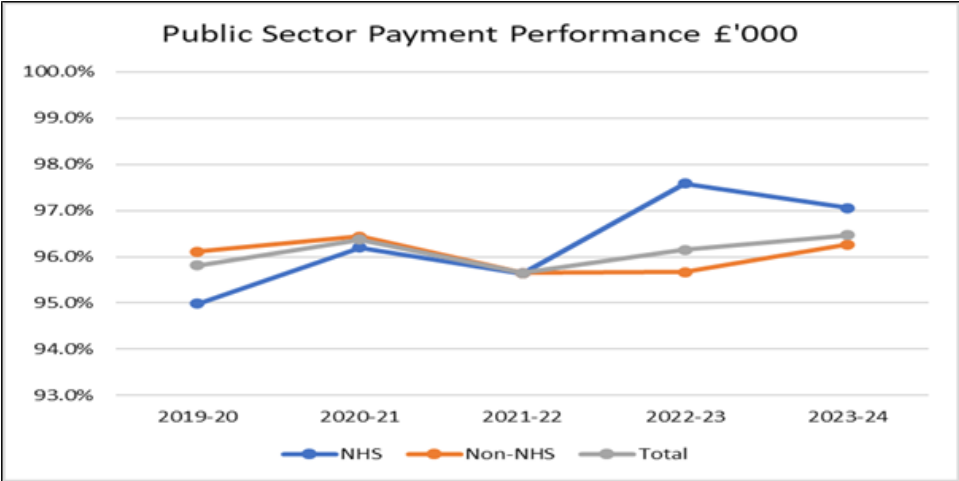
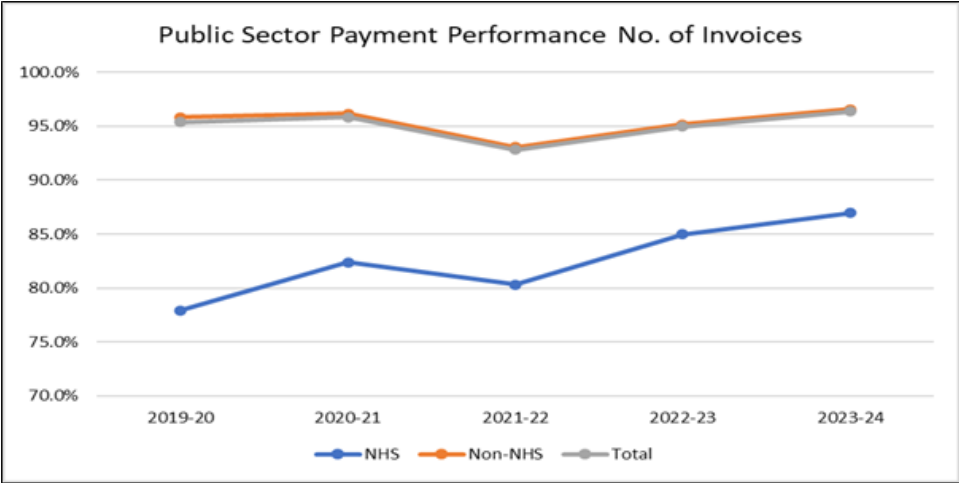
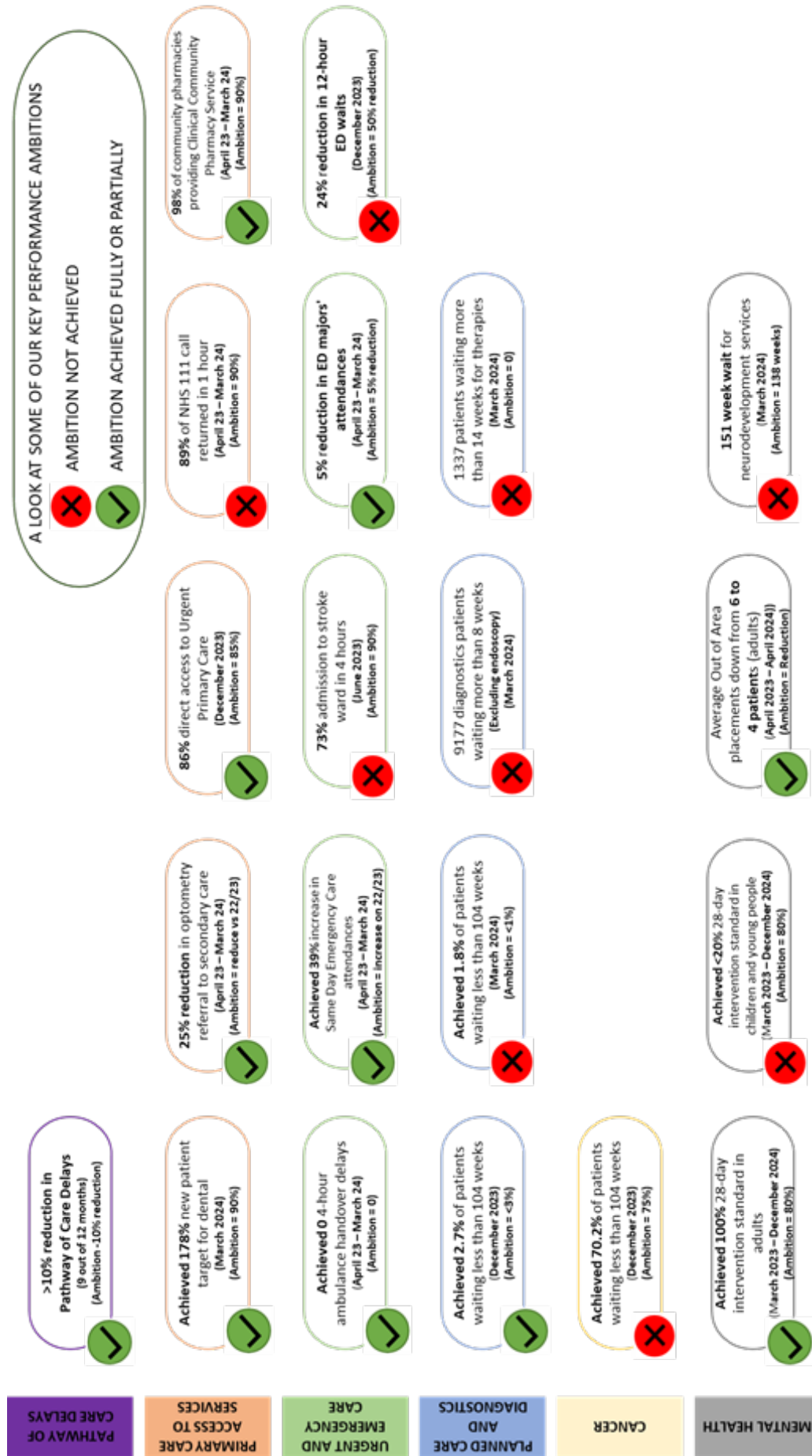


Figure 1 – Snapshot performance against some key ambitions



## 3.6 Delivery and Performance Analysis

### 3.6.1 Operational Performance Analysis

#### Urgent and Emergency Care

Our focus on Urgent and Emergency Care has led to some significant improvements in key services over the last year. We have continued to utilise our 6 Goals for Urgent and Emergency Care Delivery Board to implement clinically led and outcomes focused changes. Our approach to this work spans primary, community, acute and tertiary services. Primary and community care teams continue to be the foundation of our urgent and emergency care system. During 2023/24 the Health Board provided over 225,000 district nursing visits which have helped to support our patients receive care in their usual place of residence. Our community teams have increased the access options available to our patients. This has included the launch of our Safe @ Home pilot scheme, this is a new multi-agency and multi-professional integrated urgent response service which aim is to provide an immediate and safe alternative to ambulance conveyance, EU attendance and admission to hospital when it is safe and appropriate to do so. The team is comprised of GPS, WAST practitioners, Nurses, Therapists and Support workers

We have continued to support primary care with the expansion of Urgent Primary Care Centres (UPCC), these centres have provided valuable additional capacity to help improve access for patients and to relieve pressure on General Medical Services (GMS) practices. There are now over 1100 UPCC appointments available per week in Cardiff and the Vale, with 86% of GP practices having direct access.

Access to primary and community care has also continued to evolve through the introduction of NHS 111 and the continued delivery of our CAV 24/7 service. Call volumes to CAV OOH service have increased with an average of over 15,100 per month.

As a Health System we have faced similar pressures to other parts of Wales with a particular challenge in discharging patients and ensuring that there is availability of Social Care workforce and community support for patients no longer requiring acute hospital care. Working with partners across Health and Social Care has continued to be of the highest organisational importance. Partnership working is embedded throughout the Health Board and includes daily operational meetings with Local Authority and Integrated Discharge Services. At the end of the year we had 221 patients who had delayed transfers out of hospital.

2023/24 was a year in which the Health Board delivered on its commitment to begin transformation of the care we deliver within our Emergency Department. A reorganisation programme has reconfigured the department, providing additional capacity in triage, minors, paediatrics and provided space for the introduction of Clinical Decision Units for both adults and children. Whilst there is still much improvement to be made, these changes will provide the basis for our continued commitment to transform the patient experience within our urgent and emergency care system.

The Health Board has continued to be a positive outlier in Wales in relation to ambulance handover performance. We remain the only Health Board to have no patients waiting longer than 4 hours on an ambulance and our average lost

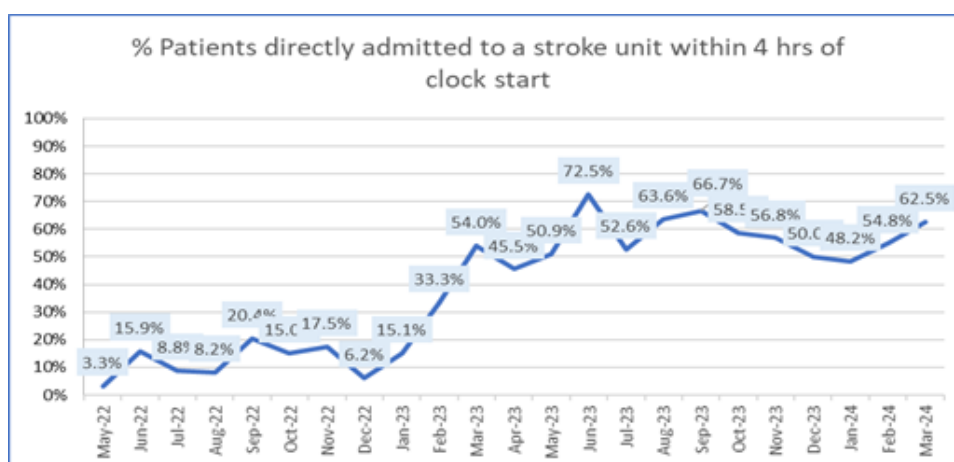


minutes per arrival reduced from 30 minutes in 2022/23 to 22 minutes in 2023/24. These improvements have been delivered by a system wide response but with significant clinical leadership from teams. Despite this improvement, we are focused on reducing these waits further as well as improving patient experience by reducing the time it takes to be assessed and treated or admitted in our emergency department. This is particularly important as we know the number of patients waiting for over 12 hours before admission or discharge is still far above our expected standard.

Avoiding unnecessary hospital admissions has been a focus over the last year and progress has been achieved through the continued delivery of our 7-day Same Day Emergency Care (SDEC) Units and virtual wards.

Our performance in some of the key emergency pathways, such as stroke and hip fractures, has been a real success of 2023/24. Figures 2 and 3 show the improvements in the % of stroke who are admitted to the stroke ward within 4 hours and the % of patients who receive a CT scan within 1 hour.

**Figure 2 – Stroke Ward admission within 4 hours**



**Figure 3 – Stroke patients CT scanned within 1 hour**

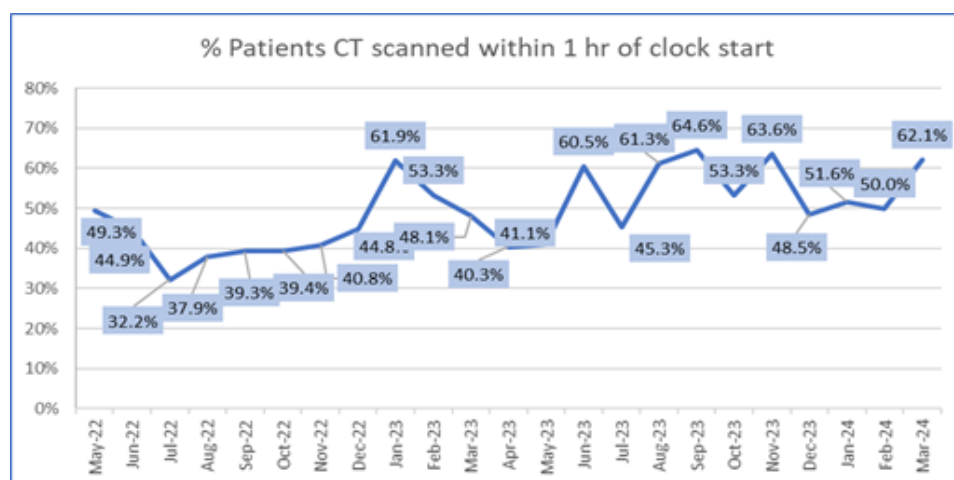
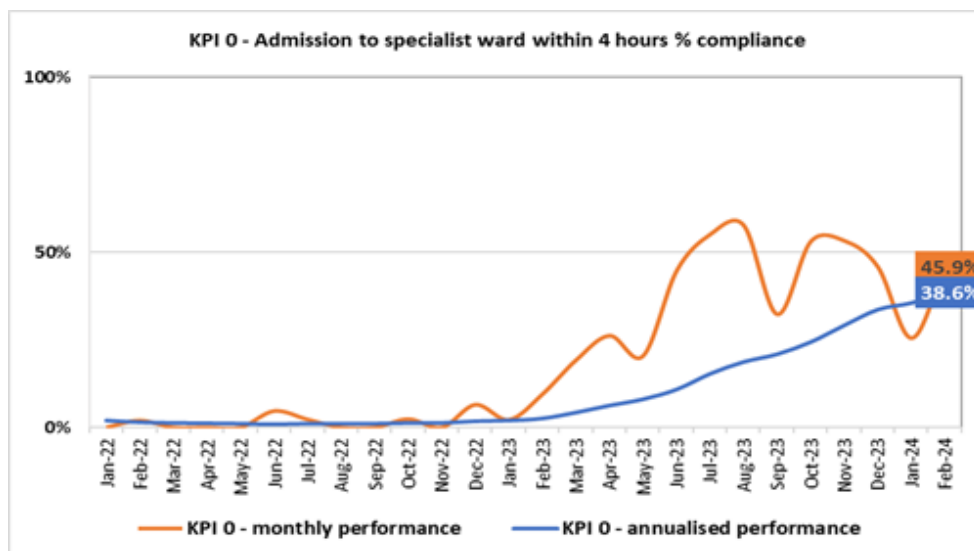


Figure 4 shows the improvement that has been made in ensuring that patients with a hip fracture are admitted to the ward within 4 hours. The graph shows how our performance improvement each month means we are far exceeded the average from the top performing hospitals across the UK in this measure.

**Figure 4 – Hip patients admission to ward within 4 hours**



## Cancer

Performance within Cancer Services has been gradually improving when compared to previous years. Referrals have increased by 8% this year when compared the previous year. Whilst we have not met our ambition to have 75% of patients treated within 62 days, we did deliver our highest ever performance of 70.2% of patients during December 2023. Since January 2024 we have seen a reduction in the number of patients waiting over 62 and 104 days for treatment, in addition to a reduction in the overall waiting list size. Our approach to delivering these improvements has been aligned to the national cancer pathways. The Cancer team have broken our performance reporting down by pathway stage which has driven improvements in time to first outpatient appointment and time to diagnostics, in addition to the progress made in reducing the backlog of patients over 62 and 104 days.

## Planned Care and Diagnostics

We have worked hard to reduce our waiting lists across planned care. Improvements have been made in spite of the challenging operational pressures across the Health Service and the unprecedented breadth of industrial action. Our delivery of service change has been led through our planned care programme and this includes close regional working across South East Wales in specialities such as Ophthalmology, Orthopaedics and Endoscopy. The total number of patients waiting for treatment on a Referral to Treatment (RTT) waiting list has increased to 147,620 in March 2024. On the key ministerial priorities was the reduction in the number of patients waiting over 2 years for treatment. The Health Board was able to meet the standard of having less than 3% of the waiting list waiting over 2 years in December. We made further progress over winter, reducing this to less than 2% in March. This meant we had 2681 patients

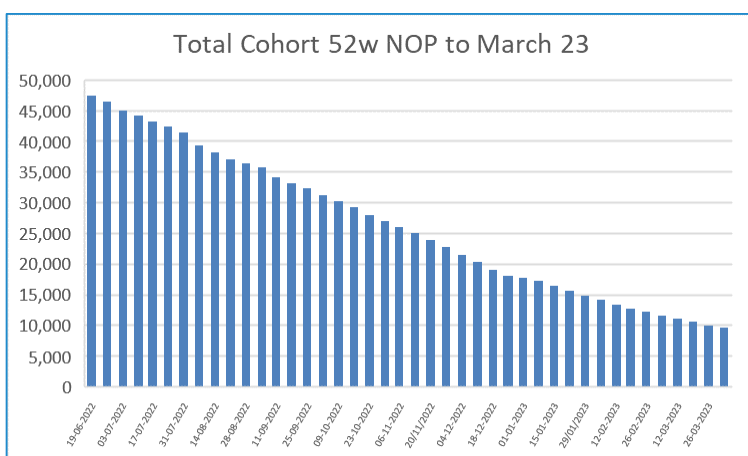
waiting on RTT waiting lists greater than two years and allow we were pleased to reduced the number of specialities reporting these long waits from 14 to 7 over the year, we know patients are still waiting too long and we continue to make this a priority for the coming year.

Despite our reductions in extremely long waiting patients (over 2 years), the number of patients waiting over 52 weeks for treatment has increased to 31,124. This is due to a combination of increased demand, operational pressures, industrial action and a focus on the extremely long waiting patients.

Within our outpatient clinics we have been concerned at the high number of patients who are awaiting a follow up appointment. We know that there is potential clinical risk within this cohort of patients and have been working hard to improve the position. Each follow up has a target date, in April 2024 over 54,000 patients had waited over twice as long as their target date. This number has reduced to 28,000 in March 2024. Whilst still far too high, there is a concerted effort to reduce all follow up delays during 2024/25.

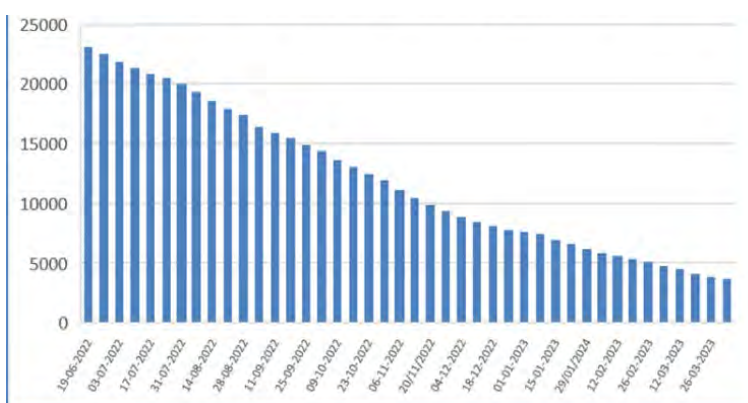
Further detail on the improvements made to reduce waiting times can be found in figures 5, 6, and 7 below.

**Figure 5 – number of patients waiting longer than 52 weeks for a new outpatient appointment**

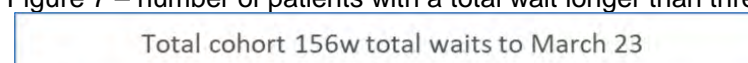


**Figure 6 – number of patients with a total wait longer than two years**

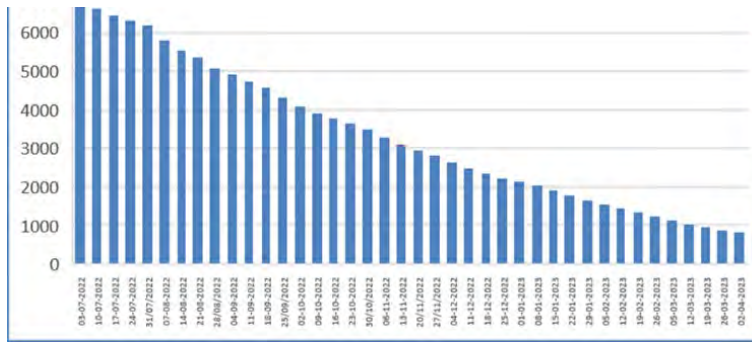
**Figure 6 – number of patients with a total wait longer than two years**



**Figure 7 – number of patients with a total wait longer than three years**



**Figure 7 – number of patients with a total wait longer than three years**



We have continued our focus on Children’s services, paying particular attention to the disproportionate impact long waiting times can have on a child’s development and opportunity to live a healthy life. The number of children on an RTT waiting list has reduced from 11,442 in March 2023 to 10,697 in March 2024.

We have continued our focus on Children’s services, paying particular attention to the disproportionate impact long waiting times can have on a child’s development and opportunity to live a healthy life. The number of children on an RTT waiting list has reduced from 11,442 in March 2023 to 10,697 in March 2024.

increased significantly, peaking at over 14,000. This has not been a universal picture with improvements in 8-week waits for Echos, Holter tapes, Angiograms and CT scans. The main drivers for the increases in diagnostic waits have been MRI and non-obstetric Ultrasound with the latter accounting for nearly half our total reported 8-week breaches. In addition to these, Endoscopy capacity has been focused on Cancer, Urgent and long waiting surveillance patients and the impact of this has been a deterioration in the number of 8-week waits for colonoscopy, flexi sigmoidoscopy and gastroscopy.

Diagnostics are a fundamental part of the planned care pathway and our overall performance in the last year has been below the standards we have aspired to. Figure 8 shows the total number of patients waiting over 8 weeks for a diagnostics test has

**Figure 8 – Diagnostic Waits**

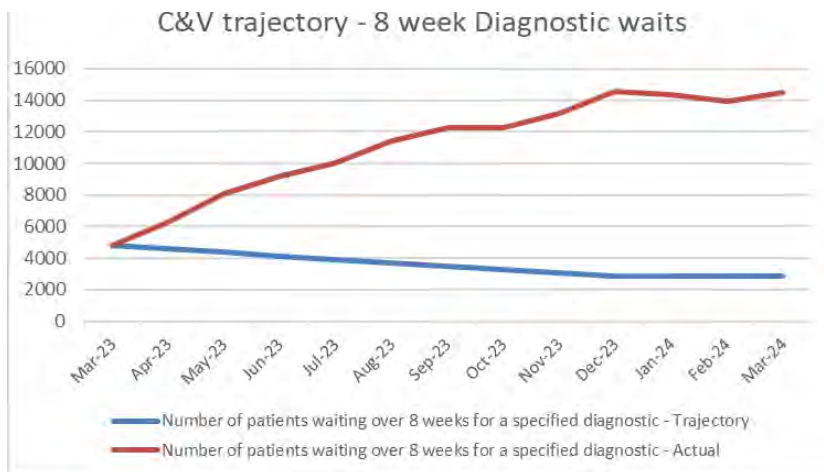
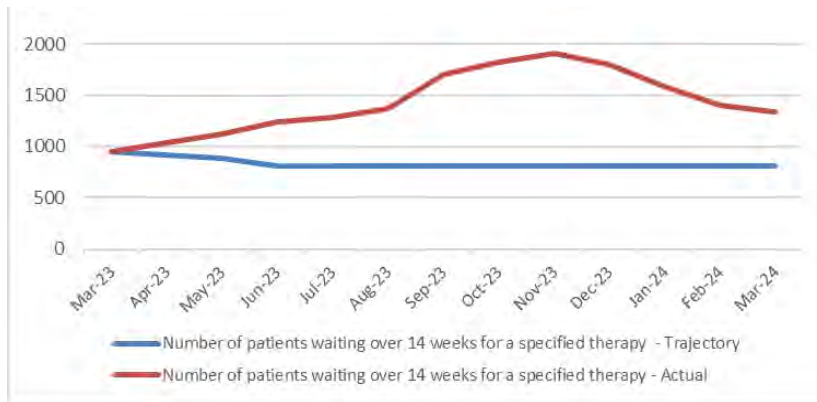


Figure 9 shows the reduction in the number of patients waiting longer than 12 weeks for therapies which has increased from 952 in March 2023 to 1337 in March 2024.

Figure 9 shows the reduction in the number of patients waiting longer than 14 weeks for therapies which has increased from 952 in March 2023 to 1337 in March 2024

**Figure 9 - >14-week therapy waits**



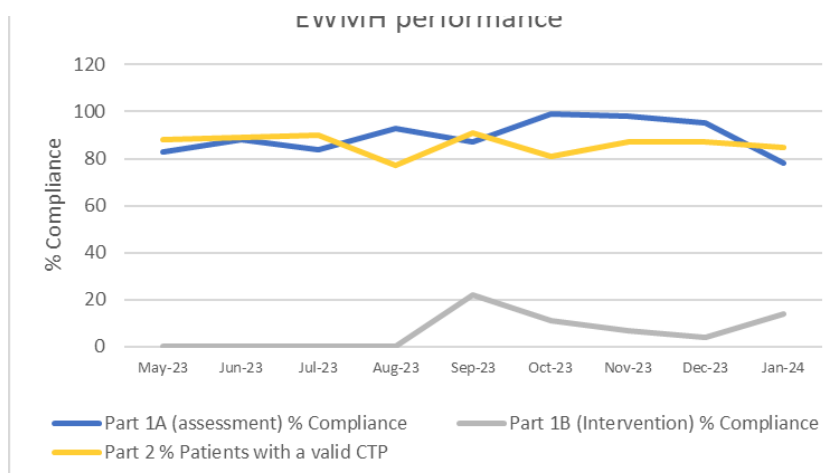
## Mental Health

Demand for Adult and Children’s Mental Health Services has continued to be high, for example referrals in to adult services again increasing by over 10% on the previous year and being over 40% up on 2020 levels.

Within Children’s Emotional Wellbeing and Mental Health we have largely met

the 28-day assessment standard but consistently fallen below the 28-day intervention standard. Our challenges are a combination of workforce pressures and increased demands and our teams have set out an improvement trajectory to reduce these waits during 2024/25.

**Figure 10 – Children’s Emotional Wellbeing and Mental Health Performance**



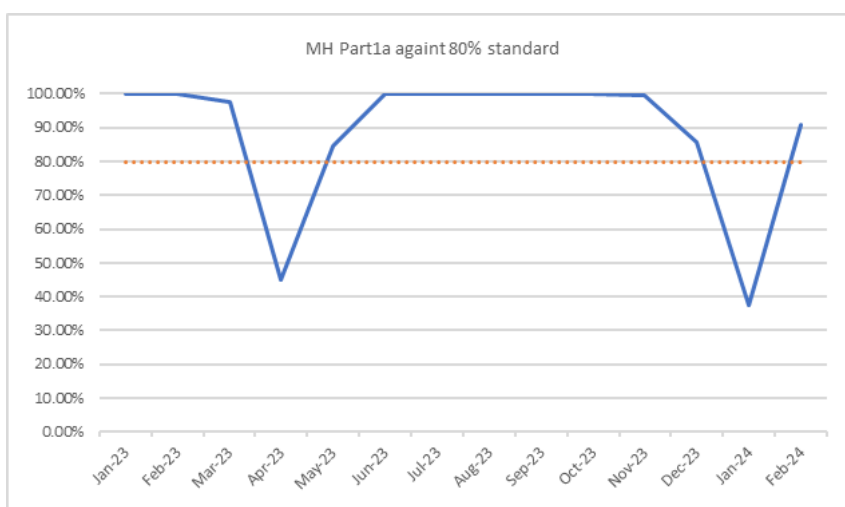
Neurodevelopmental services provide multidisciplinary assessment, inte information and advice for children and young people who may have a

Neurodevelopmental services provide multidisciplinary assessment, intervention, information and advice for children and young people who may have a neurodevelopmental disorder, and their families. Since the start of the pandemic the referrals to these services have increased significantly and this had led to patients waiting a long time for assessment. Our teams have implemented a number of improvements

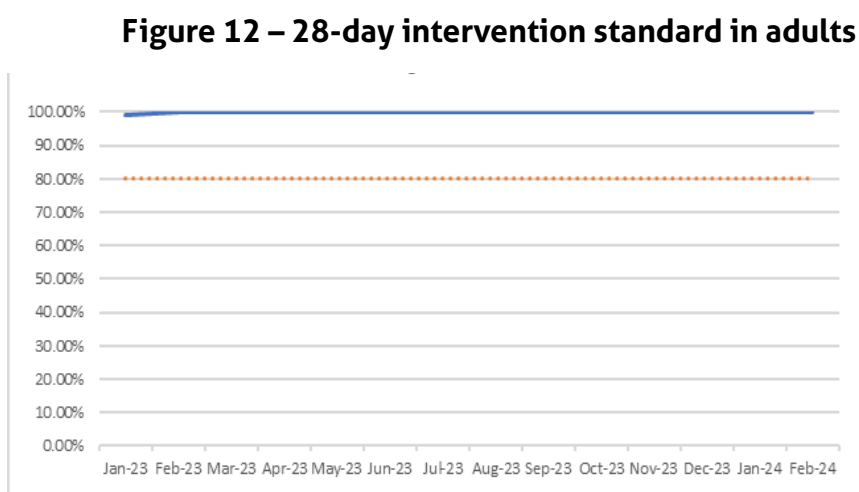
in 2023 which has helped to reduce the overall number of patients waiting and we have plans to reduce the long waits in 2023/24 but these are still significant.

Within adult services, we have consistently delivered on both the 28-day assessment and intervention standards. This delivery has not been without some challenges as the increases in demand have caused fluctuations in performance.

**Figure 11– 28-day assessment standard in adults**



**Figure 12 – 28-day intervention standard in adults**



Adult and Paediatric Eating Disorder services have seen a reduction in the size of their waiting lists and the number of weeks wait for their longest waiting patient. Psychological Therapy services have seen a decrease in the number of patients on their waiting lists and a decrease in the proportion of patients waiting

Adult and Paediatric Eating Disorder services have seen a reduction in the size of their waiting lists and the number weeks wait for their longest waiting patients. Psychological Therapy services have seen a decrease in the number of patients on their waiting lists and a decrease increase in the proportion of patients waiting less than 26 weeks for an appointment.

The end of 2023 saw the Health Board extend the use NHS 111 by launching our Mental Health line which provides specialist support and onward direction for patients who would benefit from accessing primary or secondary mental health services. During 2023/24 the volume of calls has increased with over 200 calls per week being received in March 2024.

### Primary and Community Planned Care

Primary and Community Services have remained under significant pressure during 2023/24 and this has been characterised by an increase in the number of GP practices reporting high escalation levels. Despite these pressures, the Health Board has continue to prioritise the delivery of services in the community as part of our drive to deliver care closer to home for patients. Some key performance measures include:

- 98% of all eligible community pharmacies providing Clinical Community Pharmacy Services
- 32% increase in the number of pharmacy independent provided consultations
- 98% of GP practices achieving the core access standards (in hours)

- 139% achievement of the standard of new patient appointments in Dental
- A decrease in referrals from optometry to secondary care of 25%

## 3.7 Quality Performance Analysis

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Quality is at the heart of all that we do – our services must be safe for our patients and provide good patient experience and outcomes. We recognise the importance in ensuring we have a key emphasis on quality in the services that we deliver and we are creating a culture that is committed to learning and continuous organisational development through measurement of evidence-based practice to deliver demonstrable improvements in patient care.

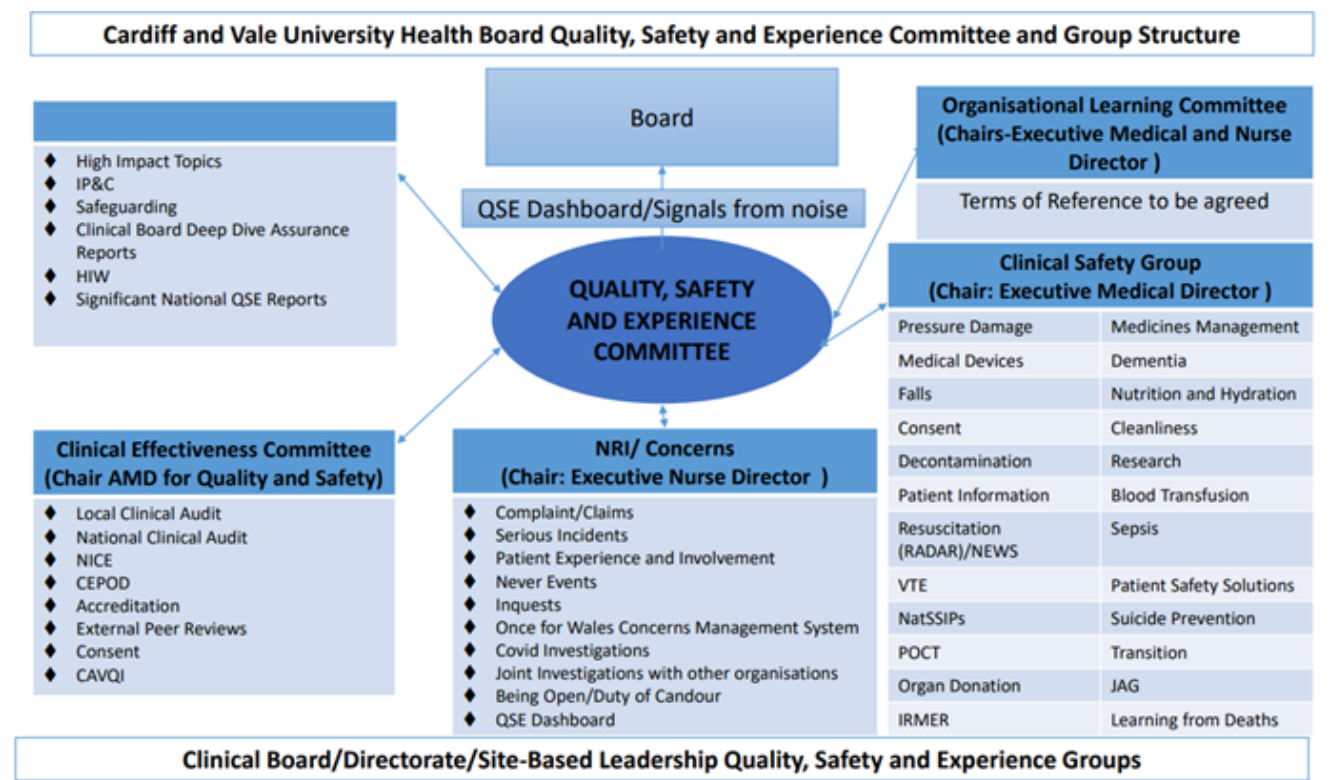
### Clinical Audit

Cardiff and Vale UHB is committed to delivering effective clinical audit in all the clinical services it provides. The Health Board sees clinical audit as essential to continually evolve, develop and maintain high quality patient-centred services. The organisation has adopted a policy on the governance and practice of clinical audit, which applies to all staff. Achieving the objectives set out in this strategy will ensure that the UHB policy is implemented and effective, resulting in sustained improvements to the quality of care provided to patient

In 2022 the UHB published a three-year clinical audit strategy. The aim of this strategy is to use clinical audit as a process to ensure clinical quality at all levels of the organisation over the next three years. The UHB clinical

audit forward plan incorporates all mandated national clinical audit as well as Tier 2 clinical audits undertaken to support assurance and inform quality improvement relating to quality and Patient Safety. The Clinical Audit forward plan is a rolling programme that evolves and changes throughout the year. The

2023 -24 clinical audit plans for each Clinical Board were presented to the UHB Audit committee in October 2023 and National clinical Audit results are presented to the Quality Safety and Experience Committee biannually via the UHB Clinical Effectiveness Committee.



It is worth highlighting that work remains ongoing as we implement the Organisational Learning Committee which has not yet been finalised, the committee will provide a senior level overview of identified learning ensuring it is robust and sustainable as well as providing senior level support to Health Board wide learning. The Organisational Learning Committee will capture learning from patient and staff feedback. Compliments, incidents, complaints, redress cases, Ombudsman cases, claims, inquests,

local and national audits, HIW reports and tendable data. The Organisational Learning Committee will work with the Innovation and Improvement team, universities, and other interested parties.

Further information in relation to our quality improvement initiatives is set out in your Duty of Quality report for 2023-2024.



## Quality Improvement Examples for 2023-2024

### Suicide & Self Harm

## Staying Safe from suicidal thoughts

- The Suicide Mitigation and Awareness Training continues to be rolled out beyond mental health in-patient services and into Mental Health community services. Discussions are under way regarding the potential for offering training outside of the mental health Clinical Board and what the governance of that would be.
- Mental Health Clinical Board has set up a Suicide Training Implementation Group to oversee and support the rollout process. This group now includes representation from Lived Experience.
- The Mental Health Clinical Board Director of Nursing has been tasked with setting up a Suicide and Self Harm sub-group to the Clinical Safety Group.



### Falls Prevention Community

- Promotion of Community Falls Prevention Pathway to partners in primary care, local authorities and third sector. continues
- Falls Prevention messages and services promoted on our social media and staff communication channels
- Elderfit - case study published on UHB website
- Falls Prevention Week – Falls prevention 'crime scene' exercise
- 'Ageing Well' community programme in development with health board Co-production Forum that includes partners from health, social care local authorities and third sector organisations.
- 'Compassionate Conversation' card developed for Allied Health Professionals's to facilitate conversations about falls and falls prevention.



- FaME courses delivered by Elderfit in Cardiff Council Hubs as per images below



## Inpatient

- Roll out of Falls Prevention and Management Training for clinical staff across Medicine.
- Review of various fall detection technologies and trial of 2 different products across 2 different ward settings in University Hospital Landough and St. David's Hospital.

## Suicide Prevention:

- The Suicide Mitigation and Awareness Training continues to roll out beyond mental health in-patient services and into MH community services.
- The Mental Health Clinical Board has set up a Suicide Training Implementation Group to oversee and support the rollout process. This group now includes representation from Lived Experience.

## Improving End of Life Care:

- Health Board wide education is ongoing including provision by our commissioned services City hospice and Marie Curie to community nursing teams and nursing homes. The hospital specialist palliative care Clinical Nurse Specialists provided over 100 hours of formal education in 23-24 including topics such as symptom management, Health Care Support Worker and End of life care, grief and loss, complex communication and complex discharge planning.
- The development and roll out of a standardised, structured process and information resource for informal carers who are supporting patients to go home for End-of-life care. This can be used by healthcare professionals to guide the conversations needed and the way informal carers are prepared for discharge, it is tailored to each patient and then goes home with the patient to reinforce all the information and discussions that have taken place and the information resource also acts as a communication tool between hospital and community Health care professionals.



## 3.8 Patient Experience

Cardiff and Vale University Health Board is committed to providing quality services in line with our strategic objectives and is therefore committed to improving patient experience. Whilst every effort is made to do what is right for our patients, there have been times when we have got it wrong, and it is essential that we listen to people's feedback in order to learn. "Patient experience" encapsulates all aspects of our clinical and non-clinical care including the care environment, staff attitude and communication, team working, access issues, involvement in decisions about treatment choices and our ability to be responsive and resolve problems quickly. It is also about treating patients with honesty, dignity and respect. It applies across all services provided to patients in the Health Board.

A number of different tools are utilised to capture patients' experiences including;

- Real time surveys
- Retrospective Surveys
- Proactive/Reactive Surveys

Under the National Health Service (Concerns, Complaints and Redress Arrangements) (Wales) Regulations 2011 (known as Putting Things Right or 'PTR') the Health Board is required to provide assurance and evidence to the organisation's community and stakeholders that we are continuing to deal with and learn from concerns.

### Total number of complaints received

Total = 4,259

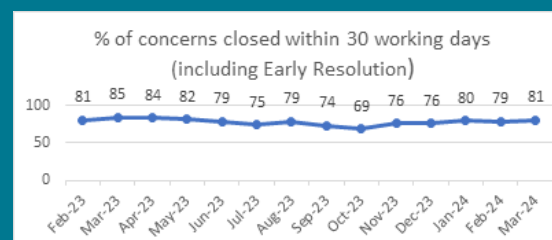
Formal = 2,136

Early Resolution = 2,123

### Top Themes arising from Complaints

1. Concerns around appointments (waiting times/cancellations)
2. Communication
3. Clinical Treatment and Assessment

### Percentage of formal Complaints responded to in 30 working days (NHS Delivery framework target of 75%)



### Never Events

6

### Nationally Reported Incidents

134

### Legal Claims Registered

130 new claims (Clinical negligence and Personal Injury)

### Public Service Ombudsman requests for a further response

3

### Compliments received

780



## What You Said, What We Did, Initiatives for 2023-2024

### PROBLEM

- ❖ After receiving the distressing diagnosis, I tried to get in touch by telephone with the department to discuss further, but couldn't get through to speak with anyone. Why is communication so poor?



### SOLUTION

- ✓ Introduced contact cards for each consultant to hand to patients so that they have the direct number for their secretary who will also have an answerphone facility should they be unable to answer.



### PROBLEM

- ❖ Why is there no mechanism in place to keep patients informed so at least they would be aware that there are problems as I believe this is simply ignoring people already in an anxious state.



### SOLUTION

- ✓ The Ophthalmology Department will display a screen should there be any delays in future, this will be available in the clinic for patients to be aware of the circumstances



### PROBLEM

- ❖ A theme for patients was often the Boredom of being in hospital



### SOLUTION

- ✓ Digital Library Trolley- Volunteer run library trolleys that go around the wards daily with books, Dvd's and players, puzzle books, Games and activities for Patients to borrow





### **3.10 Well-being of Future Generations (WFG) (Wales) Act Wellbeing Statement and Annual Reporting**

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During 2023-24 we reviewed and updated our well-being objectives under the Well-being of Future Generations (WFG) Act, with our new objectives reflecting our refreshed long-term strategy. Delivery of our strategy through our IMTP and annual plans, and monitoring through existing performance structures, is our mechanism for delivering our well-being objectives. The strategy and objectives were developed following extensive consultation and feedback from local residents, partner organisations, and our staff. The strategy itself is underpinned by the principles of prevention and participation, and we have set clear

milestones through to 2035 for improving health, reducing inequalities, and shifting more of our spend upstream towards prevention.

### **3.11 Governance Arrangements Relating to the WFG Act**

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As we start to implement our revised strategy, we have also taken the opportunity to review the internal governance arrangements for delivery of the WFG Act. Implementation of the Act in the UHB will sit within the governance structure for delivery of the Shaping our Future Well-being Strategy. The boards responsible for delivering each objective will also be responsible for one or more of the seven WFG goals, as mapped below. Our objectives also align with the objectives of the two Public Services Boards we sit on.

| Well-being objective/<br>strategic programme | WFG goal(s) responsible for  |
|--|--|
| Putting people first                         | A prosperous Wales<br>A Wales of vibrant culture and thriving Welsh language |
| Providing outstanding quality                | A healthier Wales<br>A more equal Wales                                      |
| Delivering in the right places               | A Wales of cohesive communities  |
| Acting for the future                        | A globally responsible Wales<br>A resilient Wales<br>A prosperous Wales      |

This revised governance approach will be implemented from Q1 2024/25, with continued leadership by the Executive Director of Public Health, and liaison with the Office of the Future Generations Commissioner, both integral to our approach.

In the partnership arena, we contribute to the statutory Well-being Assessments and Well-being Plans (one for Cardiff; one for the Vale) through our participation in the Public Service Boards, and deliver key actions in the plans, individually and together with partner organisations. When developing our IMTP or annual plan, we weave the requirements of the Act through the plan, and our decision-making processes require us to consider the implications of the legislation when making our decisions.

Prevention is embedded throughout our work, with additional specialist public health interventions described in our Local Public Health plan. In Q4 2023/24 we began work on a new long-term public health plan for our area, which

will be further developed and finalised during 2024/25, in conjunction with key partners.

### 3.12 Progress Against our Well-Being Objectives

Because our corporate objectives are our well-being objectives, progress against our well-being objectives is demonstrated through our routine performance reporting against our IMTP or annual plan, and ten-year strategy. You can find out more about our performance, and where it is reported, in the Performance section of this report.

### 3.13 Case studies for 'Long-Term' and 'Prevention'

Learning through the 'Leekit' - In February 2024, Food Sense Wales launched the 'Leekit' initiative, in collaboration with Brazil's Instituto Maniva, as a pilot project to engage children with local produce through cooking and learning. The project, inspired by Instituto Maniva's

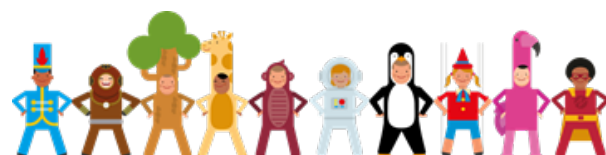
Tapiokit, was brought to Pentreban Primary School in Cardiff, showcasing the importance of leeks in Welsh culture and nutrition. This international effort, funded by the UNDP's Conscious Food Systems Alliance, aimed to merge Brazilian innovation food culture with Wales' heritage, under the guidance of the Cardiff and Vale University Health Board Dietetic Team, food historian Carwyn Graves, and supported by notable Welsh figures. For more information, visit the Food Sense Wales website: [Food Sense Wales works with food systems leaders in Brazil to develop and deliver the 'Leekit' project in Cardiff - foodsensewales.org.uk](https://foodsensewales.org.uk)



## QuickChange Animation: Collaborative Impact Intervention Project



This collaborative project has explored innovative fresh ideas from Cardiff and Vale UHBs Podiatry and Local Public Health Team professionals, working across clinical/non-clinical boundaries to put prevention at the forefront of our healthcare service provisions. The success of the pilot project has been recognised by the UK Public Health Register when they awarded QuickChange for 'Improving Public Health Practice to Reduce Health Inequalities', in October 2023, with the judges highlighting that it was a well-planned project, with good partnership working demonstrated throughout.





### 3.14 Welsh Language Regulations 2018

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The Welsh Language Standards have given the organisation the opportunity to improve the level of Welsh language services we provide for our patients, services users and the wider population. In 2023/2024, we continued to work with to improve and strengthen our compliance to the Welsh Language Standards. All Standards have been reviewed by the Health Board uses the Microsoft List software to monitor the implementation and progress of our actions to meet the Welsh Language Standards. The Equity and Inclusion Team report on matters related to the Welsh Language Standards to the People and Culture Committee who in turn provide assurances to Board. This includes risks associated with non-compliance and what steps they will take to ensure improved compliance with the Standards. The Health Board are currently compliant with 83 of the 120 standards. The final 40 of these standards which the organisation is not compliant with requires long term planning. The People and Culture team are working with all areas to ensure that the organisation is compliant during 2024/2025.

Key activities which have taken place in 2023-24 include:

- Developed and distributed the Welsh Language Phrase card which shows basic Welsh Language phrases to use when greeting over the phone. Nearly a 15,00 have distributed across the board.
- Continued to encourage staff members to sign up to the Welsh Language learning courses on offer by the Welsh Language Learning Centre.

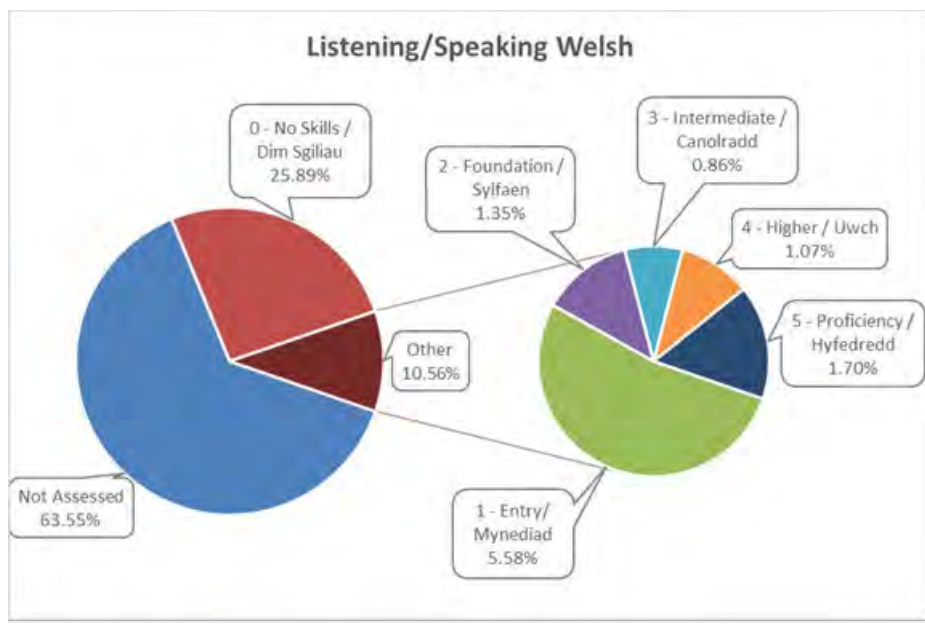
- Developed a 'Building Confidence' Welsh language course in partnership with the National Centre for Learning Welsh and Dysgu Cymraeg. The course aims to build the confidence of Welsh speaking staff to encourage them to use their Welsh language skills.
- Continued with promoting Welsh language lessons via specific awareness days including Shwmae Day, Welsh Language Rights Day, Welsh Language Music Day, Diwrnod Santes Dwynwen Day, and St David's Day.
- Established Rhwydiaith, which is a staff network for the Welsh language users.
- Working with Clinical Boards to improve the Welsh Language service they provide for the patients and service users.
- The Welsh Language Translation Team continued to provide an effective translation service for the Health Board, having translated over one million words last year.
- We have received a total of four complaints in 2023/2024 from the Welsh Language Commissioner. All concerns have undergone investigations followed by recommendations that the Board is expected to comply with. The recommendations that have been carried out has meant that the Health Board has worked to improve its compliance with the Welsh Language Standards around reception areas, phone services, health visiting services, and recruitment of staff with Welsh Language skills
- The organisation has advertised the following number of vacancies as essential:

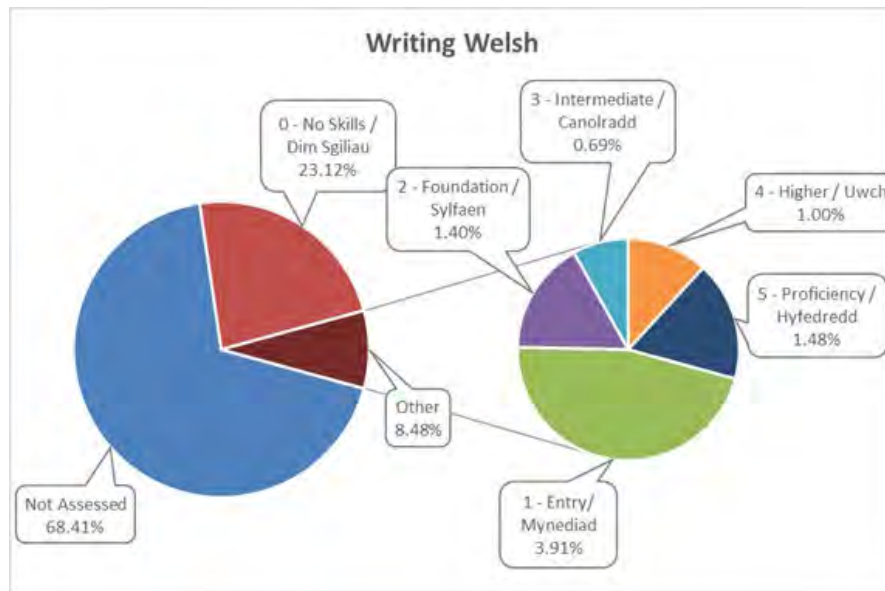
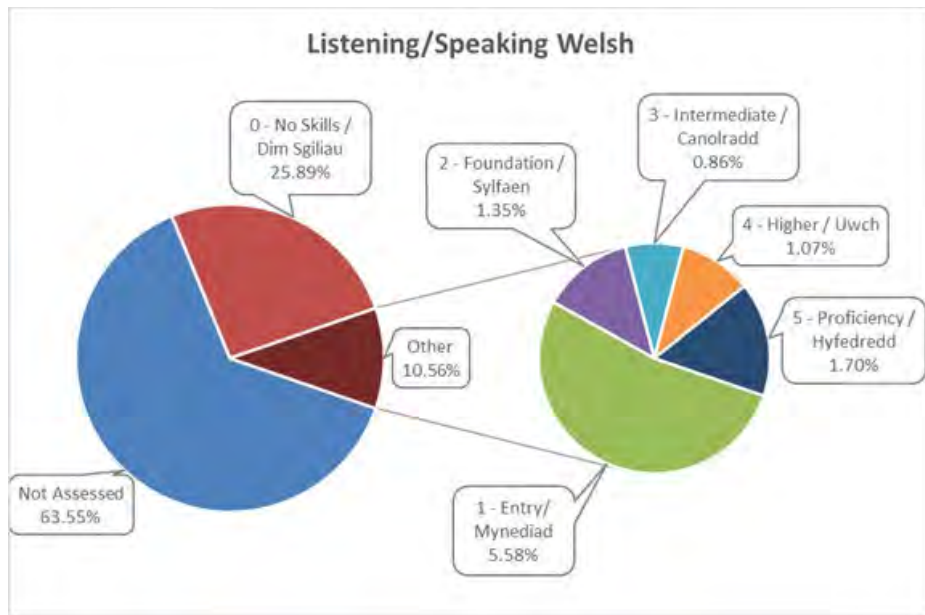
| Total number of vacancies advertised 2023-204 as:                   |             |
|---|-------------|
| Welsh language skills are essential                                 | 3           |
| Welsh language skills are desirable                                 | 2487        |
| Welsh language skills need to be learnt when appointed to the post  | 0           |
| Welsh language skills are not necessary                             | 49          |
| <b>Total Number of vacancies advertised 01/04/2023 - 31/03/2024</b> | <b>2539</b> |

## Workforce Welsh Language Skills registered 2023-2024



| Listening/Speaking Welsh     | Headcount    |
|------------------------------|--------------|
| 0 - No Skills / Dim Sgiliau  | 4624         |
| 1 - Entry/ Mynediad          | 997          |
| 2 - Foundation / Sylfaen     | 242          |
| 3 - Intermediate / Canolradd | 153          |
| 4 - Higher / Uwch            | 192          |
| 5 - Proficiency / Hyfedredd  | 303          |
| Not Assessed                 | 11351        |
| <b>Grand Total</b>           | <b>17862</b> |





## 3.15 Sustainability Report

### Environmental Sustainability

Delivering on our responsibilities to reduce our carbon footprint has been a priority for the Health Board since acknowledging the climate emergency in January 2019.

The impacts of climate change are already being felt globally including extreme weather events, sea level rises, mass species loss and extinction

events. These impacts will have dramatic effects in the UK and Wales impacting infrastructure, food availability, health and migration. Cardiff & Vale University Health Board recognised that urgent measures are necessary to safeguard our planet and ensure a sustainable future for generations to come.

The need to safeguard our planet is also recognised under our revised Shaping our Future Wellbeing Strategy [2023-2035 strategy: Living Well, Caring Well, Working Together](#), and has set an ambition to

reduce emissions in our control by 40% by 2027, 68% by 2035 and achieve carbon neutrality also by 2035. Cardiff and Vale University Health Board has an abundance of talented and dedicated staff who are striving to improve the Environmental sustainability of their departments and the organisation. The Cardiff & Vale Green Group has been established who meet regularly to promote work and generate ideas and initiatives to improve environmental sustainability across the entire health board.

As referenced below, the health board has a Decarbonisation Action Plan for 2024-2025 which sets out carbon reduction delivery plans, with key areas of focus around facilities, digital, estates, capital, and corporate activities. These have been derived from risk assessments in accordance with emergency preparedness and civil contingency requirements under the climate change Act.

In March 2024, our Board approved our [2024/25 Decarbonisation Action Plan](#). This goes further than ever before in recognising the levers that need to be pulled to manage and reduce our carbon emissions.

### Public Services Boards

The Vale of Glamorgan Public Services Board along with Public Sector partners in the Vale of Glamorgan have formally expressed their commitment to tackling climate change by agreeing a Vale Public Services Board Climate Change Charter (<https://www.valepsb.wales/Documents/Climate-Change/Climate-Emergency-Charter-English-Final.pdf>). The Charter signs partners up to a set of principles including leading by example, taking

positive action and reducing our impact, while recognising that approaches and plans for implementation within individual Organisations may differ. Similarly, the Public Service Board in Cardiff has identified carbon reduction as a key priority and a partnership programme has been developed, led by the Council. The Health Board is an active participant in this work.

### Cardiff and Vale Health Charity Impact

The Health Board's Health Charity have supported an award-winning programme to improve our environment, linked to our Biodiversity Plan. The development of the Orchard and Horiatio's Garden at UHL, and the meadow project at UHW are examples of the great work being done to use our outside green space for the health and wellbeing of our patients, staff and visitors.

### Progress and Successes in 2023/24

- Over the course of the year, we have seen more engagement from clinical staff on decarbonisation agenda, where membership of our Cardiff and Vale Green Group have grown, we have leaders appointed in Nursing, Therapies and Clinical practices, plus a number of Sustainability fellows and champions across the organisation.
- We also have seen departmental green groups activate, including ICU, EU, Dental, Clinical Diagnostics and Therapies, the Therapies profession and anaesthetics to name a selection. Therapies, an organisation of c900 people have their own action plan.
- A number of projects have been successfully implemented within departments. Notable examples are:

- In our ICU department, where they've gathered a comprehensive view of their carbon impact and are slowly working through opportunities to save carbon. The gains are small such as the 600kg p/a that will be saved through giving patients tap rather than sterile water. ICU have shared their learning with the community of experts.
- A multi disciplinary team of anaesthetists, clinical engineers, estates pharmacists and estates colleagues have built on their previous success in reducing the use of nitrous oxide, but reducing the use of Entonox by around 40%. Delivered during the second half of 2023, it could save around 2,250 tonnes of carbon per year, which is around 1% of the Health Board's annual carbon footprint.
- We have worked closely with national programmes, such as with the Nursing sustainability lead in Welsh Government and Bevan Commissions Let's Not Waste to support and implement actions.
- Our Value Based Healthcare team are embedding decarbonisation into their programme and a number of projects are expected to deliver in the coming year.
- The role that prevention can play in lowering carbon had been laid out in the second half of 23/24. An action around the carbon that could be saved through Diabetes prevention (amongst other things) appears in our 24/25 action plan.
- The carbon contribution of our operational priorities has been discovered this year, i.e. the carbon avoided through the running of the 6 Goals of Urgent and Emergency Care

and Planned Care programmes. To the end of Q3, these were delivering a c1,100 tonne carbon avoidance. Continuing to track this contribution is part of our 24/25 action plan. A particular focus this year is on reducing length of stay for which a carbon avoidance figure can be estimated. Finally, our Financial Sustainability programme is estimated to have avoided c4,000 tonnes through the end of Q3 2023/24. Continuing to track the programme is an action in our 24/25 plan.

- New joiners to the Health Board are receiving a briefing about decarbonisation during monthly induction events.

In total it is estimated that over 5,000 tonnes of carbon, or 2% of our footprint will have been avoided through various initiatives in 2023/24.

### Action Planning

The Health Board's vision is to be an exemplar in the delivery of sustainable healthcare, setting the pace that others will follow and learn from. Low environmental impact will be a business-as-usual consideration where all of our colleagues will be encouraged to make changes to working practices that will see our carbon emissions reduce initiative by initiative.

Our latest action plan builds on our experience since 2020, in particular how a step change can be made in avoiding new and reducing existing emissions. A separate climate adaptation plan will be published to manage the risks of the changing climate already being experienced.

It has been our experience that initiatives to reduce our carbon emissions tend to deliver small results. To exemplify, even a 50% reduction in our electricity consumption would reduce our emissions by just 2%. Therefore, action is needed across a wide range of areas by a large number of people in order to have the impact required. A cultural shift is therefore required so that all 16,000 colleagues understand the responsibility to act and make a number of small but frequent contributions that make a difference. The Health Board needs to create the environment from the top which will equip and encourage our colleagues to make a difference.

Measurement of the overall macro impact of this plan will come through the annual reporting that gets delivered to Welsh Government each September, where a year-on-year comparison can be made. It is estimated that up to 8,000 tonnes of CO<sub>2</sub>e could be avoided, or around 3% of our emissions.

A summary of the actions to be undertaken over the next year include:

- Through a diabetes prevention programme, track the carbon saving potential
- We will monitor the carbon avoidance/savings from our high priority operational programmes such as the 6 Goals of Urgent and Emergency Care
- We will publish a climate adaptation plan
- We will continue to build decarbonisation into our key decision making.
- We will continue to ask our Executive team to take an annual objective to reduce carbon emissions.
- We will embed carbon into our Quality Excellence programme

- We will respond to any recommended actions articulated by internal audit expected which are expected in Q1 24/25
- We will seek ways in which carbon can be embedded in our clinical board performance monitoring
- We will seek to increase our energy efficiency.
- We will promote healthy travel
- We will ensure Decarbonisation is included in any clinical service redesign

These actions, taken together, will enable us to establish the environment for the organisation to deliver emissions reduction and develop the culture within the organisation, with the aim that every one of our employees is acting to contribute to the achievement of carbon reduction. Improvements in carbon literacy, leadership, supporting transition and some carbon savings will be achieved by the end of this plan.

### Task Force on Climate-related Financial Disclosures (TCFD) Compliance Statement

CAVUHB considers climate change to be a principal risk, and has therefore complied with the TCFD recommendations and recommendations disclosures around as set out below:

#### Governance

The Senior Responsible Officer for decarbonisation is the Executive Director of Strategy & Planning. Climate change is currently being explored as a risk on our Strategic Planning risk register as the organisation is currently reviewing how risks are being managed strategically.

The Board's approach to risk management will be re-engineered during 2024/25

and it has been recognised that climate change will be a Board level risk under a strategic theme of Equality.

In the meantime, within the Strategy team, leadership is being shown in identifying the actions that need to be undertaken to avoid emissions, culminating in the creation of annual decarbonisation action plans.

The progress against our action plan gets reported to Finance & Performance committee quarterly. There is a Decarbonisation Delivery Group that meets quarterly (executive and deputy director level) to monitor progress against the plan and also a Decarbonisation Working Group to deliver the plan. With our corporate strategy refreshed in 23/24, the way in which strategic programmes will be governed will be reviewed during 24/25.

### **Risk Management**

Collaborative work is undertaken with our Public Health team to identify climate related risks as they relate to the health of our population. The proximity of these risks are necessitating action, therefore our 24/25 action plan commits to developing an adaptation plan.

It is recognised that climate change should be considered a Board level risk. A review of Board risk management is underway and climate will be included as a key risk to manage under the theme of Equalities.

### **Metrics and Targets**

It cannot be said that metrics are used per se to identify climate related risks. Projects have tended to commence through individual clinicians recognising

an opportunity to make a change which will have a climate benefit. These often originate through their peers elsewhere in the UK, or where alternative approaches are known.

Scope 1-3 emissions are disclosed below;

Scope 1: 24,400 tonnes

Scope 2: 5,700 tonnes

Scope 3: 188,000 tonnes

The NHS Wales set a target to reduce emissions (all scopes) by 16% by 2025 and 34% by 2030. There is no line of sight to the achievement of these target.

The Shaping Our Future Wellbeing Strategy has set an ambition that emissions under the control of Cardiff and Vale should reduce by 40% by 2027 and 68% by 2035. A plan is to be developed this year to understand how to tackle the 40% ambition.

Year on year emissions levels are calculated annually each September for submission to Welsh Government. A single method is used across the whole Welsh public sector to ensure consistency.

This is in line with the central government's TCFD-aligned disclosure implementation timetable for Phase 2. CAVUHB plans to provide recommended disclosures for Strategy in future reporting periods in line with the central government implementation timetable.

### **Carbon Reduction**

CAVUHB is committed to trying to achieve the challenging targets set out in the NHS Wales Decarbonisation Strategic Delivery

Plan, which sets out a series of aims and initiatives for Health boards in Wales to address in order to contribute towards Wales decarbonisation targets, including the aim for the public sector in Wales to be net zero by 2030.

The organisation uses the emissions measurement method required by Welsh Government in order to calculate its carbon emissions.

It is estimated that the Health Board has generated c218,000 tonnes CO<sub>2</sub>e in 2023/2024.

Since 2018, for the emissions that are under the control of the Health Board (scope 1 and scope 2 emissions), it is estimated that carbon emissions have reduced by around 7%. Emissions are broken down in the following categories for 2022/23:

| Sector                        | Emissions (tonnes CO <sub>2</sub> e) | % of total emissions |
|-------------------------------|--------------------------------------|----------------------|
| Buildings                     | 34,751                               | 15.96%               |
| Streetlighting                | 76                                   | 0.03%                |
| Fleet and equipment           | 415                                  | 0.19%                |
| Commuting                     | 5,664                                | 2.6%                 |
| Business travel               | 675                                  | 0.31%                |
| Waste                         | 1,789                                | 0.82%                |
| Supply Chain                  | 173,412                              | 79.66%               |
| F-gases and anaesthetic gases | 908                                  | 0.42%                |
| <b>Total</b>                  | <b>217,690</b>                       |                      |

By far the largest source of emissions at c80% come from the products and services used in order to deliver health services. Products and services include items such as medication, personal protection equipment, surgical devices, catering, etc. Everything needed to run a health service. To impact upon these emissions, action is needed across the breadth of our organisation.

The emissions for 2023/24 will be reported to Welsh Government in September 2024. It should be noted that the way in which emissions data is being reported upon is evolving. For example, currently emissions associated with a product are estimated based upon an emissions factor associated with the Standard Industry Code for the organisation that sells that product

and the money spent on that product. An exercise has taken place within NHS Wales Shared Services Partnership to review how vendors are allocated with emissions factors which could cause movements in supply chain emissions for 2023/24 when reported in September 2024 versus 2022/23. Furthermore, eventually, it is the aim of NHS Wales to be able to report on the actual emissions of a product.

### Aims for 2024-2025

Our latest plan has built on previous plans but has evolved further over the past year. It is set out over a 3 year context, aligning with the 2027 ambitions of the Shaping Our Future Wellbeing strategy. Evolution has come about through the close study of the elements



that make up our carbon footprint and simulating 'what if' scenarios against them to understand what needs to change. The evolution can be described in the following three ways:

1. Even though the plan is focused on mitigating our emissions we have set out an action to begin to tackle the **climate adaptation** challenge, by publishing an adaptation plan within the next year, ahead of any mandatory request from Welsh Government to do so. The need to do this is because despite our efforts to reduce emissions we know that planetary warming is now locked in and we will see more frequent periods of extreme heat and flooding, just as we already have in the last 12 months, and forecast to get worse. Extreme weather affects our estate, our staff and our residents, particularly the most vulnerable.
2. Being explicit about the role **preventing ill health** has to play in reducing our emissions. A new Prevention theme is presented with a specific intent to understand the carbon impact of prevention in the diabetes pathway initially. To create real change, we need a shift in our approach to health and healthcare, increasing the emphasis on preventing ill health and reducing the need for acute care. Doing so will create the greatest impact to our carbon footprint and environmental impact.
3. The final new introduction this year is the recognition that our efforts to be more **operationally efficient**, through our response to Welsh Government's '6 Goals of Urgent and Emergency Care' for example, are having an impact upon our emissions. Utilising technology, changing the ways our population receive follow-up appointments,

helping patients get optimised for surgery to reduce the likelihood of complications are just some of the ways our existing operational initiatives can impact upon our carbon footprint.

## 4. Quality Governance Arrangements

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An essential feature of our control framework is ensuring there is a robust system for measuring and reporting on the quality of our services. Our Quality Safety and Experience Committee provides timely evidence-based advice to the Board to assist it in discharging its functions and meeting its responsibilities with regards to quality and safety as well as providing assurance in relation to improving the experience of all those that come into contact with our services. All groups in the QSE structure report through the Clinical Safety Group or Clinical Effectiveness.

There have been a number of visits from Healthcare Inspectorate Wales (HEIW) and Llais over the last year in maternity services and our Emergency Unit with a number of actions and improvements required. The detail of external inspections is outlined in our Duty of Quality report for 2023-2024 along with detail regarding how quality is being embedded across the organisation including in our patient safety areas of work.

### 4.1 Digital & Transformation Quality Work

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Whilst the financial challenges in Wales are well publicised, progress continues to be made with digital plans as outlined in the Integrated Medium-Term Plan. Examples of digital, data and technology achievements contributing to Recovery in the last year include:

## Regional Shared Care Record Views of Health and Social Care Data

To deliver integrated services to people, we need integrated care records and information. In what we believe is first of type in Wales, a joint programme with the Vale and Cardiff Councils has developed 3 projects, one of which is a shared care record view combining multiple health and social care data sets – a Child & Young Person Lookup Tool. This aims to deliver:

- An **individual-focussed** tool, bringing together data from various Council and partner IT systems, enabling practitioners to view all involvements with a young person by participating services.
- The information displayed will be **identifiable and specific to one individual**

To deliver benefits in the following areas:

- **Safeguarding:** Improved access to relevant information for practitioners that will aid in making decisions. The viewer will be in use in Vale CRT initially.
- **Service planning:** Improved access to integrated strategic information

for managers to make decisions and plan services and interventions more effectively.

- **Savings:** we anticipate staff will save on average a day a week by having data readily available place in one place

## Electronic Test Requesting – Radiology Inpatients

Two Microsoft apps were developed in-house (in lieu of national solutions) to enable electronic test requesting for radiology (inpatients), one app to raise a request (512 exams can be requested from a single screen) and the other to support vetting and approval used by the radiology department.

In 12 months over 130,000 electronic requests were made, releasing the equivalent of over 20,000 hours pa clinical time to care and an estimated 700kg of CO2 equivalent to c2800 kWh.

## Scan4Safety

Scan4Safety is a national programme, delivered in partnership with NWSSP; it's aims are:

| <br>Right Patient                     | <br>Right Product | <br>Right Place | <br>Right Process               |
|--|--|---|--|
| Setting standards to make sure we always have the right patient and know what product was used with which patient, when. | Setting standards to make sure our staff have what they need, when they need it.                     | Setting standards to make sure that patients and products are in the right place.                   | Setting standards and implementing common ways of working to deliver better and more easily repeatable patient care. |

This programme of work digitizes manual processes, reducing waste (expired products), improving efficiency (automatically order what we need, when we need it); saves time on materials management and has reduced fire risk, as well as the standards-based benefits outlined in programme aims. We have just finished in cardiology.

## Desktop computing energy savings

By analysing our desktop estate energy consumption, we have identified and are working towards releasing a minimum saving of over £200k pa and 210 tonnes CO2 by automating power downs on equipment unused outside of the 5-day working week.

## Planned Care - Patient Reported Outcome Measures (PROMS)

Over 10,000 patients are completing PROMS across a number of service areas. One of these is our Primary Mental Health Support Service (PMHSS), a service for people aged 18 or over living with common mental health difficulties, such as depression and anxiety.

As a wider transformation, the use of PROMS in PMHSS has improved turnaround from referral to assessment to under ten days and waiting targets are consistently met.

## STAMP (system to track and manage patients)

In support of 6 Goals, a new system called STAMP was developed between Innovation and Improvement, Digital and Health Intelligence and clinical areas. This places the patient's journey at the heart of the digital picture and allows teams to effectively see where patients are and what they are waiting for giving a real time picture of the bed profile across the whole Health Board.

As well as releasing efficiency equivalent to £200k pa, from a patient's perspective, decisions are more rapid and delays for beds reduced, as we can more accurately forecast discharges across the week and aim to ensure more patients get to the right bed, first time.

## 5. Delivering in Partnership

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In many areas, the Health Board works with partners to develop and deliver plans for improving the health and well-being of our population, and to deliver services collaboratively. Our partners include other NHS Wales organisations, the two local authorities (Cardiff Council and the Vale of Glamorgan Council), the Third Sector and independent providers.

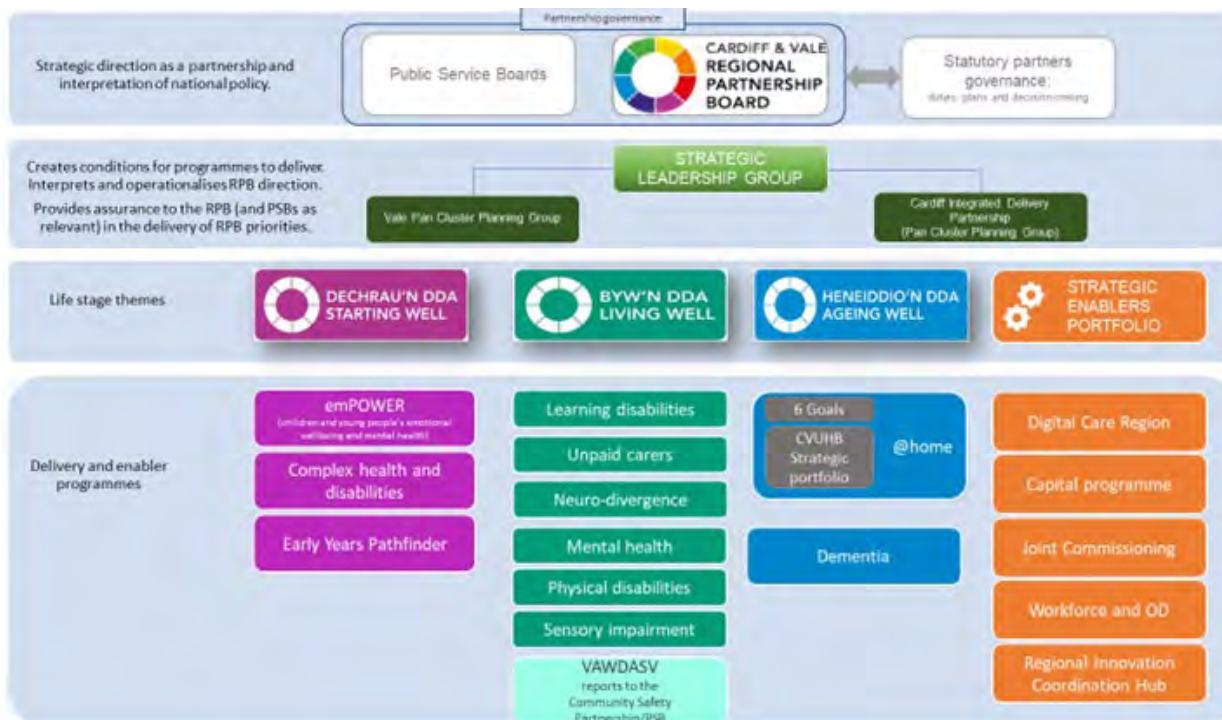
### 5.1 Cardiff and Vale Regional Partnership Board (CVRPB)

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The Health Board hosts the team that works on behalf of Regional Partnership Board (RPB) partners. During the year the team has supported health and care teams to deliver a range of initiatives and services designed to provide citizens with early help and support when they need it to keep people living safely and well in their own homes.

Cardiff and Vale Regional Partnership Board includes representatives from Cardiff and Vale University Health Board, Cardiff Council, the Vale of Glamorgan Council, the Welsh Ambulance Service NHS Trust, housing, third and independent sectors and unpaid carer representatives.

The Board is established under the requirements of the Social Services and Wellbeing Act (Wales) 2014 and operates with the following governance arrangements. Its purpose is to improve the wellbeing of the population and improve how health and care services are delivered.



The leadership team for the RPB is comprised of:

- Charles Janczewski, CVUHB Chair and RPB Chair,
- Sam Austin, Llamau Deputy Chief Executive and RPB Deputy Chair,
- Cllr Ash Lister, Cabinet Member for Social Services (Children), Cardiff Council and RPB Deputy Chair
- Cath Doman, Director of Health and Social Care Integration and RPB Regional Lead

CVUHB hosts the RPB partnership support team on behalf of the RPB and acts as the 'banker' and administrator for funding streams routed through the partnership, in particular the Regional Integration Fund of £19.2m.

The RPB's annual report for 23/24 can be found [here](#).

In the last 12 months, the RPB has achieved some significant milestones on behalf of the partnership:

- Joint Area Plan 2023-28
- Strategic Capital Plan 2023-33
- Unpaid carers charter <https://cavrp.org/carers-charter/>
- Launch of the Regional Information Sharing Site linking data across CVUHB, WAST and Cardiff Council

The RPB continues to lead significant partnership delivery programmes within the life stage portfolios of Starting Well, Living Well and Ageing Well, addressing its obligations to improve how health and care services are delivered. There are also a number of enabler programmes, in particular, the Digital Care Region and capital programmes.

## 5.2 Regional Healthcare Services

The last twelve months has seen the Health Board continue to work with neighbouring health boards to develop and implement regional service models where it makes sense to do so in order

to ensure that a service is sustainable, meets key standards, and delivers the best outcomes for patients.

The governance arrangements associated with this regional working in South-East Wales has been further matured to reflect not only the ongoing development of a planned regional treatment and diagnostic centre in Llantrisant but also that Velindre NHS Trust formally joined the collaboration in August 2023. This saw the historic work of the South East Wales Cancer Collaborative brought into scope under the guise of a new regional cancer programme.

During the last year we have seen particular progress with regards to Ophthalmology where an interim regional solution for the high-volume, low complexity cataract service was implemented. This resulted in a regional patient treatment list (PTL) being adopted and implemented through a regional booking and scheduling service. This culminated in the elimination of all over three year waits for the procedure across the region.

### 5.3 Specialised and Tertiary Services

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The Health Board continues to work closely with its partner Swansea Bay University Health Board, on the planning and delivery of specialised and tertiary services, through the Regional Specialised Services Provider Planning Partnership.

Over the last year the partnership team has undertaken a refresh of the tertiary services baseline assessment in both organisations and has

continued to progress the reviews on Hepato-Pancreato-Biliary Surgery and Oesophago-Gastric Cancer Surgery. The team have also worked with colleagues across Wales and NHS England to develop a service specification for Specialised Infectious Disease Services, and to develop an action plan to support the implementation of the service specification for Specialised Adult Endocrinology Services.

The team continues to progress the development of partnership models to ensure that all patients in South Wales have equitable access to safe, effective and sustainable specialised services.

This includes development of a governance framework to support the establishment of a South Wales Specialised Services Collaborative Partnership Board. The purpose of the Board will be to lead the development of a partnership strategy for specialised services, and to oversee the delivery of services provided in partnership between the two organisations.

The partnership team also administer the Health Board's Tertiary Services Development Group. Over the last year, the group has considered a number of proposals to develop new services (Gene therapy for Haemophilia B) and secure existing services (Porphyria). Following review by the group, WHSSC have agreed to consider the following services for commissioning:

- Primary Ciliary Dyskinesia
- Selective Internal Radiation Therapy
- Transjugular Intrahepatic Portosystemic Stent-Shunt,

## 6. Our People

### 6.1 Workforce Management

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Our staff are fundamental to ensuring we can do what we need to do for our patients, families and communities. We are immensely grateful for all that our staff do and the hard work and commitment they continue to show. As an organisation employing over 17,000 people, we cannot just depend on bringing new people into our workforce; we need to improve how we retain, manage, develop and look after the wellbeing of our existing workforce.

### 6.2 Attract & Recruit

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The shortages of key professionals and workers in the NHS is well publicised and is a challenge faced by all NHS organisations nationally. The inability to recruit staff with the right skills and experience can be a serious constraint to providing high quality patient care. During 23-24 we have focused on the following 3 key themes to ensure we are able to attract and retain the staff required to deliver our services to a high standard:

#### Promotion of NHS Job Opportunities

A large number of the population are unaware that the NHS has over 350 different roles available for employment. There has been a large focus over the past year on ensuring that we reach as many prospective candidates as we can to promote the large and diverse number of job opportunities we have on offer. The response has been overwhelming and many of those we communicated with would now consider pursuing a career with Cardiff and Vale UHB.

#### Shortage Professions

We have worked closely with a number of universities, colleges, schools and many public sector career assistance organisations which has had a big impact on recruiting to many of our long-term vacancies. Our largest proportion of the workforce is nursing staff and there has been a great success in reducing our vacancy factor from over 13% to below 5%.

#### Inclusive Recruitment

A key focus in 2023-4 has been to continue developing and maintaining close links with those groups within the local community that are not represented as well within our workforce. We also wanted to improve the opportunities for those who may perceive they have a disadvantage when applying for jobs against other candidates.

Some of the key achievements over the past year have included:

- **DFN Project Search** – a alternative to traditional school-based education and helps people transition into work. Many people with learning disabilities and autism find the transition to the workplace difficult after leaving school. This initiative helps young people grow their



*DFN Project Search Interns*

confidence and secure meaningful, paid employment. In 2023/2024 we are hosting 14 interns over UHW and UHL sites, and hopefully the interns that are interested in being employed will achieve this at the end of the placements in their chosen areas.

"Working alongside Charlotte and training her has been a rewarding experience. Charlotte has been a hardworking and enthusiastic member of the housekeeping team and it has been an absolute pleasure to train Charlotte."

- *Gina Mather*  
*Operational Services Manager*

"It has been a real pleasure to be involved with Project Search and the team. The help that the interns have given in processing the returned medication has been invaluable and has saved us both time and money. I would recommend anyone to sign up for the project and become involved.

- *Ruth Holland*  
*Senior Pharmacy Technician*

- **Apprenticeships** – 2023/24 has been a positive year for the Apprenticeship Academy, we are finalists in the Apprenticeship Awards Cymru 2024, and we have been awarded two 'Engage to Change' Awards. This year we have appointed 14 new recruit apprentices through administration, digital, build service engineer, healthcare support worker and healthcare science routes. In addition, 13 apprentices

have completed and been offered permanent roles in their host department or in another area.

- **Schools and Colleges** – Partnered with Cardiff Commitment and Careers Wales to promote NHS roles to young people, we attended 26 school and college events. In addition, we presented virtually to over 2000 pupils to showcase the diverse roles and opportunities that the NHS offers, with many pupils in areas of deprivation. These events will plant the seeds of roles that are on offer for our future workforce.
- **Cessation of Agency Health Care Support Workers (HCSW)**  
- A comprehensive and continuous recruitment campaign for Bank HCSWs has enabled the UHB to cease the use of Agency HCSWs across the UHB where the monthly expenditure was around £500k per month.

## 6.3 Retaining our People

A wide range of initiatives have been developed and implemented to improve the retention of our people in the last year including;

- Appointment of a Retention and Organisational Development Lead to work with key stakeholders internally and externally, to utilise the retention toolkit, identify priority areas, implement the retention action plan, while ensuring best practice, effective monitoring and evaluation
- Enhancement and Development of the leadership and management development offer for the organisation
- **Healthcare Support Worker (HCSW) Induction Programme**- has continued to run at increased capacity

to support the UHB's recruitment needs. By the end of 2023/24 at least 565 HCSW will have attended this training this year

- **Assistant Practitioner roles**  
- 2023/24 has seen further significant progress in relation to the implementation of unregulated Assistant Practitioners (AP) at Agenda for Change Band 4.

## 6.4 Workforce Wellbeing

The health and wellbeing of our people remains our priority and we remain committed to supporting, and enhancing the wellbeing of our people.

Examples include:

- The launch of 'My Health Passport' in October 2023, to provide staff who have a long-term health condition or disability with a means to capture any support or adjustments that they feel would help them in the workplace. The passport can be shared by the individual with their line manager, enabling a conversation to generate a better understanding of their wellbeing needs in the workplace, and how these can be supported



- Financial Wellbeing and the Cost of Living-the UHB has been pro-active in continuing to support its employees during these challenging times: The work of the UHB was recognised by being awarded the 'payroll partner-public sector' of the year by Wales Credit Union in October 2023.



## 6.5 Equity, Diversity and Inclusion

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

The current Strategic Equality Plan (SEP), Caring about Inclusion 2020-2024, has a number of key delivery objectives and demonstrates our commitment to embedding equality, diversity, human rights, and Welsh Language into Cardiff and Vale University Health Board business processes. The SEP is closely aligned to our 'Shaping Our Future Wellbeing', our 'People and Culture' plan, our Intergrated Medium-Term Plan, as well as the Well-being of Future Generations Act 2015. This is the final year of the current four-year plan.



During 2023-24, we continued to strive to create a more inclusive organisation for our staff and our communities through a range of means, including engaging with staff and community groups, raising awareness of inequalities through keynote speakers, awareness sessions and partnership working with Public Health Wales and community groups, and celebrating the diversity of our workforce and community. Some of the key highlights of the past year include:

- Creation and cross-organisation sharing of our third iteration of an Inclusion Calendar, which highlights key dates throughout the year to raise awareness and celebrate our diversity.
- Taking forward the Anti-racist Wales Action Plan through co-producing our CAVUHB Anti-racist Action Plan alongside our One Voice Staff Network and trade union partners.
- Attending Pride Cymru alongside colleagues from across NHS Wales.
- Supporting the development of our staff networks including:
  - o One Voice Staff Network – for our staff from ethnic minority communities
  - o Access Ability – for our staff with disabilities and long-term health conditions
  - o LGBTQ+ Staff Network – for our LGBTQ+ staff
  - o Rhwydiaith – for our staff who are Welsh users or learners
  - o Future Generations Network – to support and develop our leaders of the future
- Facilitating an Equity & Inclusion Summit for our Senior Leadership Board.
- Engaging with our communities, including hosting Equity and Inclusion stalls at our career's fayres.

- Continuing the development of our Inclusion Ambassador programme, aimed to support senior leaders, including at Executive and Board level, to better understand the lived experience of our diverse workforce. The programme to support each of the protected characteristics and Welsh language.

The Health Board will continue to go beyond our legal obligations, applying the principles that sit within the Equality Act and the Public Sector Equality Duty to all our thinking, planning and decision making for the benefit of all our people, both in our organisation and our communities.

## 6.6 The People and Culture Plan

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Our strategy, Shaping Our Future Wellbeing, sets out our ambition to be a great place to train, work and live, where we listen to and empower people to live healthy lives. One of our strategic objectives is Putting People First - which includes our teams, patients and population - because we know that people are at the centre of everything we do.

The People and Culture Plan is key to this because we are dependent on our workforce if we are to meet our population's health and care needs effectively but this won't happen by keeping to the status quo; we need to transform the way we attract, retain, develop and support our workforce through a culture of compassionate and inclusive leadership and with a focus on wellbeing.

The People and Culture Plan sets out the actions we said we would take over the three-year period 2022-2025 and is made up of 7 themes:

1. Seamless workforce models
2. Engaged, motivated and healthy workforce
3. Attract, recruit and retain
4. Building a digitally ready workforce
5. Excellent education and learning
6. Leadership and succession
7. Workforce supply and shape

We have just come to the end of the second year of the Plan. In the first year, progress was mainly focused around the work of the People and Culture team, but in 2023 we have seen a real difference with more emphasis on embedding the Plan across the organisation and it has

become our 'business as usual'.

In 2024-25 we will continue to build on what has been achieved in Years 1 and 2, focusing on the Health Board priorities and ensuring that quality, improvement and efficiencies are at the forefront of our activities. However, we continue to face a number of challenges and will address these by adopting a streamlined approach to maximise opportunities for collaborative working, reduce silo working and duplication, and ensure that our efforts are focused on the areas where they will make the most difference.

As an organisation we will aim to deliver excellence in all that we do so that staff, patients and our populations have the best experience and outcomes. Our People and Culture Plan will help us achieve this aim.

The graphic features the title 'People and Culture Plan 2022-2025' in large pink letters. Below the title is an illustration of a diverse group of people, including a man in a black shirt, a woman in a yellow dress, a woman in a blue dress with a cane, an older man in a white shirt, a woman in a red top, a man in a purple shirt, a young boy in a yellow shirt, a man in blue scrubs with a stethoscope, and a woman in blue scrubs. In the top right corner, there is a circular logo with a group of people and the text 'Llunio ein Gweithlu i'r Dyfodol Shaping Our Future Workforce'. At the bottom left, the logos for GIG CYMRU NHS WALES and Bwrdd Iechyd Prifysgol Caerdydd a'r Fro Cardiff and Vale University Health Board are displayed.

## 7. Conclusion and Forward Look

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The Health Board is proud of the improvements we have made in the last year in particular we have delivered under the Six Goals programme throughout 2023/24 and this will continue in 2024/25. Our Medical Same Day Emergency Care (MSDEC) has achieved a significant milestone, surpassing the national set ambition for the percentage of the medical intake seen. Our stroke performance has seen a significant improvement and within this year we were awarded the highest rating (A) by the Sentinel Stroke National Audit Programme (SSNAP). Additionally, our Urgent Primary Care Centres (UPCC) have successfully covered 86% of the Health Board's geographical area with UPCC appointments and it is our intention to ensure this level of coverage and utilisation is maintained.

The past year has been one of improving and shaping our future following the refresh of our strategy. We can now really focus on each of our strategic objectives and key milestones that we will aim to deliver on over the next five and ten years. As we look ahead, the work done to refresh our strategy has put us in good stead to bolster our unwavering commitment to rectifying disparities in access and outcomes. The next year will allow us to look at how we deliver our services and implement robust care models and have a focus on quality, adoption of innovative healthcare technologies, digitisation efforts, modern

infrastructure, and adherence to best practice. We have challenging times ahead, but we are confident that by tackling these challenges together, we can support people to live healthier lives and reduce the unfair differences in the prevalence of illness and health outcomes we see in our communities today.

We will continue to place a particular focus on improving access to planned care and reducing waiting times for patients and we will aim to build on the positive progress made throughout the last year and we will continue to work to reduce our waiting lists and build on the good progress from this last year, including for those waiting for cancer treatment.

The Health Board continues to place a consistent and persistent focus on all aspects of urgent and emergency care. Our teams are showing sustained improvement in these areas, and we have maintained our commitment to our objectives.





# Part 2

# Accountability Report

## 8. Scope of the Accountability Report

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The purpose of the accountability section of the Annual Report is to meet key accountability requirements to the Welsh Government, and to provide an overview of the governance, accountability arrangements and structures that were in place across the Health Board during 2023-2024. It includes:

- Corporate Governance Report
- Remuneration and Staff Report
- Senedd Cymru/Welsh Parliament Accountability and Audit Report

### 8.1 Corporate Governance Report

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#### Statement of Public Sector Information Holders

This is contained at section 17.4 Managing Public Money (page 136) of the Parliamentary accountability and Audit report.

**Signed by:**



**Suzanne Rankin**  
**Chief Executive and Accountable Officer**

### 8.2 The Composition of the Board

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CAVUHB has 20 Board members consisting of 11 Independent Members (including the Chair and Vice-Chair), all of whom are appointed by the Minister for Health and Social Services and 9 Executive Directors (including the Chief Executive). All members of the Board have full voting rights.

There are also 2 Director posts, the Director of Corporate Governance and the Director of Digital Health and Intelligence, who form part of the Executive Team and the Board but have no voting rights.

In addition, Welsh Ministers may appoint up to 3 Board level Associate Members. Associate Members have no voting rights. CAVUHB currently has one Associate Member appointed by the Minister for Health and Social Services following a recommendation from CAVUHB in accordance with Standing Orders.

Before an individual may be appointed as a Member they must meet the relevant eligibility requirements, set out in Schedule 2 of the Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009, and continue to fulfil the relevant requirements throughout the time that they hold office. The Regulations can be accessed via the following link:

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

### 8.3 Statement of the Chief Executive's Responsibilities as the Accountable Officer of the Health Board

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The Welsh Ministers have directed that the Chief Executive should be the Accountable Officer of Cardiff & Vale University 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.

I can confirm that:

- As far as I am aware, there is no relevant audit information of which Cardiff & Vale University Health Board's auditors are unaware, and I have taken all steps that ought to have been taken to make myself aware of any relevant audit

- information and to establish that the Health Board's auditors are aware of that information.
- Cardiff & Vale University Health Board's annual report and accounts as a whole are fair, balanced and understandable and I take personal responsibility for the annual report and accounts and the judgements required for determining that they are fair, balanced and understandable.
  - I am responsible for authorising the issue of the financial statements on the date they were 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 an Accountable Officer.

**Signed by:** 

**Suzanne Rankin**  
**Chief Executive and Accountable Officer**

**Date:** 11 July 2024

## 8.4 Statement of Directors' Responsibilities in Respect of the Accounts

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 Cardiff & Vale University Health Board and of the income and expenditure of the Cardiff & Vale University Health Board for that period.

In preparing those accounts, the directors are required to:

- Apply on a consistent basis accounting principle 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 the requirements outlined in the above mentioned direction by the Welsh Ministers.

### By Order of the Board

*On behalf of the Chairman:*

Signed: 

Charles Janczewski

**Dated:** 11 July 2024


**Chief Executive and Accountable Officer:**

Signed: 

Suzanne Rankin

**Dated:** 11 July 2024

**Deputy Director of Finance on behalf of the Director of Finance**

Signed: 

Rob Mahoney

**Dated:** 11 July 2024

## 8.5 Declaration of 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. A Register of Interests is available on the Health Board's website by clicking on the

following link <https://cavuhb.nhs.wales/about-us/governance-and-assurance/register-of-interests-gifts-and-hospitality/> or a hard copy can be obtained from the Director of Corporate Governance on request.





# Annual Governance Statement



## 9. Annual Governance Statement

### 9.1 Scope of Responsibility

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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 Annual 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 Annual Governance Statement (AGS).

This AGS details the arrangements in place during 2023-2024 to discharge my responsibilities as the Chief Executive Officer of the Health Board, and to manage and control the Health Board's resources. It also details the extent to

which the organisation complies with its own governance arrangements, in place to ensure that it fulfils its overall purpose, which is that it is operating effectively and delivering quality and safe care to patients, through sound leadership, strong stewardship, clear accountability, robust scrutiny and challenge, ethical behaviours and adherence to our set values and behaviours. It will set out some of the challenges and risks we encountered and those we will continue to face going forward.

The Senior Leadership Board assist me as Chief Executive in discharging my accountabilities and meet fortnightly for formative discussion, support and decision-making. The Management Executive team meets weekly and has strong links to all relevant governance forums inside and outside CAVUHB.

### 9.2 Escalation and Intervention Arrangements

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Under the Joint Escalation and Intervention Arrangements, the Welsh Government meets with Audit Wales and Healthcare Inspectorate Wales (Tripartite Group) twice a year to discuss the overall assessment of each Health Board, Trust and Special Health Authority in relation to the arrangements. A wide range of information and intelligence is considered to identify any issues and inform the assessment.

The framework has five escalation levels:

- Routine arrangements
- Area of Concern
- Enhanced monitoring
- Targeted intervention
- Special measures

On 5 October 2022 the Minister for Health and Social Services announced that the Health Board would be escalated from routine arrangements to enhanced monitoring arrangements on the basis that it was not able to submit a balanced and approvable Integrated Medium Term Plan (IMTP), specifically in relation to the Health Board's planning and financial position. The Health Board received confirmation on the 23 January 2024 that the organisation remains in "enhanced monitoring" for planning and finance and "routine arrangements" for all other areas.

## Governance Framework

### 9.3 Model Standing Orders and Scheme of Reservation and Delegation

At a local level, Health Boards in Wales must agree Standing Orders for the regulation of proceedings and business. They 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 range of corporate policies set by the Board, make up the Governance Framework.

These are available from <https://cavuhb.nhs.wales/about-us/governance-and-assurance/policies-procedures-and-guidelines/>

During 2023-2024, Welsh Government issued updated Model Standing Orders for NHS bodies in Wales, as outlined below:

Issued July 2023 - The main changes related to reflecting the provisions of the Health and Social Care (Quality and Engagement) Act 2020, including:

- Introduction of the duty of quality and duty of candour;
- Changes linked to the establishment of Llais and the dissolution of the Community Health Councils and the Board of Community Health Councils;

These amendments were approved by the Board at its meeting on the 30 November 2023.

#### Variation to Standing Orders

The Board, subject to any directions that may be made by the Welsh Ministers, is required to make appropriate arrangements for certain functions to be carried out on its behalf so that the day-to-day business of the Health Board may be carried out effectively, and in a manner that secures the achievement of its aims and objectives.

Delegated financial limits were amended by Board at the meeting on the 30 November 2023.

## 9.4 The Board and its Committees

The Board provides leadership and direction to the organisation and is responsible for governance, scrutiny and public accountability. It ensures that its work is open and transparent by holding its meetings in public and where private meetings are held the meeting agendas are also published. The Board is supported by a number of Committees, each chaired by an Independent Member. All Committees are constituted to comply with The Welsh Government Good Practice Guide – Effective Board Committees. The Committees, which meet in public (except the Remuneration and Terms of Service Committee), provide their minutes or a written report by the Committee Chair to each Board meeting. This enables all Board members to be sighted on the major issues and contribute to assessment of assurance and provide scrutiny against the delivery of strategic objectives.

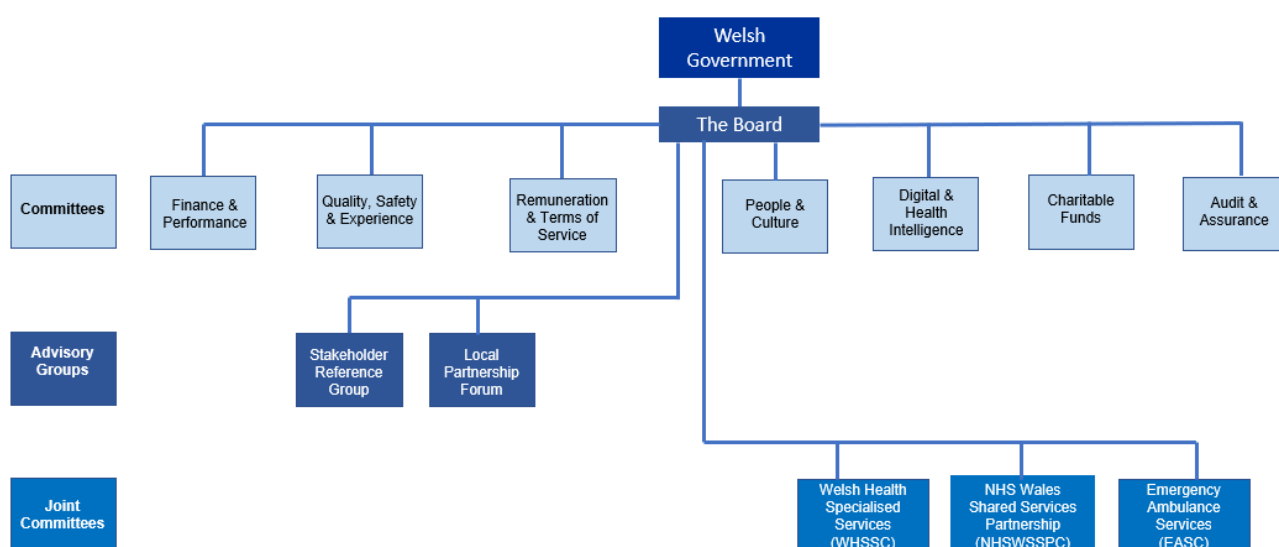
Board papers are distributed to Independent Members 10 days prior to each meeting in line with Standing Orders. Public Board papers are also published on the website.

The papers for Board meetings can be accessed at <https://cavuhb.nhs.wales/about-us/governance-and-assurance/board-meetings/> and papers for Committee meetings at <https://cavuhb.nhs.wales/about-us/governance-and-assurance/committees-and-advisory-groups/>

Each Committee produces an annual report for the Board. The Committees' annual reports for 2023-2024 can be accessed at: <https://cavuhb.nhs.wales/about-us/governance-and-assurance/annual-reports-and-accounts/>

The Health Board's Board and Committee structure in place during 2023-2024, is outlined in Figure 13 below.

**Figure 13 – C&VUHB Governance Structure 2023-2024**



## Changes to the C&VUHB Governance Structure during 2023-24

It is important to keep the effectiveness of the Board's Committees under constant review to ensure that they are fit for purpose and support the Board in discharging its functions. Further, to ensure that the Board's Committee arrangements reflect the risk profile of the organisation. The Health Board's Board Assurance Framework highlighted significant risks for the Health Board to achieve its objectives, most notably in the areas of People, Quality and Performance. Accordingly, the Health Board reviewed its Committee arrangements and the following changes were made to Committee arrangements effective from 1 April 2023:

- a) The Quality, Safety and Experience Committee met monthly from April 2023 until November 2023 and then met 6-weekly until March 2024 in order to ensure sufficient time was afforded to quality improvement
- b) Finance and Performance Committee – The delivery/performance element that

was previously reported to the Strategy and Delivery Committee was included in the business of the newly constituted Finance and Performance Committee. This Committee met monthly with its first meeting held on 19 April 2023.

- c) Health and Safety Committee – The Committee was stood down as a Committee of the Board and became a Sub-Committee of a newly established Committee of the Board known as the People and Culture Committee.

The People and Culture Committee met bi-monthly with its first meeting held on 16 May 2023.

- d) The Digital Health and Intelligence Committee increased its meeting frequency from three meetings per annum to four to provide additional time to cover the Committee's work load.

## 9.5 Audit and Assurance Committee

The membership of the Audit and Assurance Committee during 2023-2024, providing the required expertise was as follows:

| Name                       | Role   | Dates   |
|----------------------------|--|---|
| <b>INDEPENDENT MEMBERS</b> |  |   |
| John Union                 | Committee Chair and Independent Member - Finance           | Committee Chair:<br>April 2023- February 2024<br>Independent Member – Finance: April 2023 – March 2024. |
| Rhian Thomas               | Committee Chair and Independent Member – Capital & Estates | February 2024 – April 2024  |
| David Edwards              | Committee Vice Chair                                       | April 2023- March 2024  |
| Mike Jones                 | Independent Member Trade Union                             | April 2023 – March 2024   |
| Ceri Phillips              | Vice Chair   | April 2023 – March 2024   |

## 9.6 Composition of The Board

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### Items Considered by the Board in 2023-2024 included:

- 6 Goals Improvement Programme
- Strategic Planning Updates
- Integrated Medium Term Plan / Annual Plan Updates
- Anti-Racist Action Plan
- Annual Review of Standing Orders and Standing Financial Instructions
- Annual Report
- Annual Accounts
- Digital Transformation
- Commissioning Intentions 2024-27
- Health & Safety Annual Report 2022-23
- Vaccination & Tackling Inequities
- Neonatal Care
- Shaping Our Future Wellbeing – Refreshed Strategy
- Equity, Equality, Experience and Patient Safety Framework
- Safeguarding Annual Report
- Board Assurance Framework
- Whitchurch Land Transfer

The Board and Committee membership and Champion Roles during 2023-2024 is presented for information at Appendix 1 to this AGS.

There have been a number of changes to the composition of the Board during 2023-24 .

The Health Board said farewell to:

- James Quance – Interim Director of Corporate Governance on 4 August 2023

- Fiona Kinghorn – Executive Director of Public Health on 31 December 2023
- Meriel Jenney – Executive Medical Director on 31 March 2024
- Abigail Harris – Executive Director of Strategy & Planning on 31 March 2024 to take up a secondment as the Interim Chief Commissioner for new NHS Wales Joint Commissioning Committee (JCC)
- Michael Imperato- Independent Member Legal on 31 August 2023
- Susan Elsmore- Independent Member Local Authority on 31 October 2023
- Keith Harding- Independent Member University on 31 November 2023

We also warmly welcomed the following to the Executive Team:

- Matt Phillips- Director of Corporate Governance on 7 August 2023
- Claire Beynon – Executive Director of Public Health on 30 December 2023

## 9.7 Committees

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In line with Section 2 of the Health Board's Standing Orders which provide that "*The Board may and, where directed by the WG, must appoint Committees of the Health Board either to undertake specific functions on the Board's behalf or to provide advice and assurance to the Board in the exercise of its functions*", the Board has an established Committee structure, with each Statutory Committee chaired by an Independent Member.

**The following Board Committees were in place during 2023-2024:**

| Committee   | Items Considered   |
|---|--|
| <p><b>Audit and Assurance Committee</b></p> <p>The role of the Audit and Assurance Committee is to advise and assure the Board, and the Accountable Officer, on whether effective arrangements are in place to support them in their decision taking and in discharging their accountabilities in accordance with the standards of good governance determined for the NHS in Wales.</p> | <ul style="list-style-type: none"> <li>• Internal Audit Reports were submitted to each meeting providing details relating to outcomes, key findings and conclusions</li> <li>• Audit Wales reports on current and planned audits</li> <li>• Declarations of Interest Reports</li> <li>• Regulatory Compliance Tracking Reports</li> <li>• Internal &amp; External Audit Tracking Reports</li> <li>• Procurement Compliance, Workforce Compliance and Counter Fraud Reports</li> <li>• Assurance mapping and Risk Management Strategy</li> <li>• Health Charity’s draft Accounts and Annual Report</li> <li>• Annual Accounts, Accountability and Remuneration Reports for 2023-2024</li> <li>• Losses and Special Payments.</li> </ul> |
| <p><b>Finance Committee</b></p> <p>The purpose of this Committee is to advise and assure the Board in discharging its responsibilities with regard to its current and forecast financial position, performance and delivery.</p>  | <ul style="list-style-type: none"> <li>• Performance reports</li> <li>• Monthly Financial Reports</li> <li>• Finance Risk Register;</li> <li>• Financial Monitoring Returns</li> <li>• IMTP Financial Plan</li> <li>• BAF Risk – Financial Sustainability</li> <li>• Financial Performance of Clinical Boards</li> <li>• Various Business Cases (including Regional Cataracts Expansion, Development of Replacement Orthopaedic Theatres, South Wales Thrombectomy, All Wales Genomics, Interventional Radiology, Electronic Prescribing, Paediatrics Infectious Diseases.)</li> </ul>   |
| <p><b>Mental Health Legislation and Mental Capacity Act Committee</b></p> <p>This Committee advises the Board of any areas of concern relating to responsibilities under mental health legislation, and provides assurance that we are discharging our statutory duties under the relevant legislation.</p>   | <ul style="list-style-type: none"> <li>• Mental Capacity Act and Mental Health Act Monitoring Reports;</li> <li>• Deprivation of Liberty Safeguards;</li> <li>• Mental Health Measure;</li> <li>• Healthcare Inspectorate Wales MHA Inspection reports.</li> <li>• Draft Mental Health Bill</li> <li>• Section 117 Supreme Court Ruling Implications</li> </ul>  |

| Committee  | Items Considered  |
|--|---|
| <p><b>Quality, Safety and Experience Committee</b></p> <p>The purpose of the Quality, Safety and Experience Committee is to provide advice to the Board with regard to the quality and safety of health services and the experience of patients, including public health, health promotion and health protection activities.</p>   | <ul style="list-style-type: none"> <li>• Clinical Board Assurance Reports</li> <li>• Board Assurance Framework</li> <li>• Community Health Council (CHC) reports</li> <li>• Patient Stories</li> <li>• MBRRACE Report and National Neonatal Audit</li> <li>• Looked After Children – Assessment Backlogs</li> <li>• Duty of Candour</li> <li>• COVID Investigation Programme Update</li> <li>• Quality Indicators Report</li> <li>• HIW Annual Report</li> <li>• Safeguarding Annual Report</li> <li>• Ombudsman Annual Letter</li> </ul> |
| <p><b>Charitable Funds Committee</b></p> <p>The purpose of the Charitable Funds Committee is to make and monitor arrangements for the control and management of the Health Board’s Charitable Funds.</p> <p>Cardiff and Vale Health Charity (the Charity) is the official charity supporting all the work of the Health Board. The Charity was created on 3 June 1996 by a Declaration of Trust and following reorganisation of health services, was amended by Supplementary Deeds on 12 July 2001 and 2 December 2010.</p> <p>The Health Board is the Corporate Trustee for the Charity. The Health Board delegates responsibility for the management of the funds to the Charitable Funds Committee. The aim of the</p> | <ul style="list-style-type: none"> <li>• Health Charity Financial Position</li> <li>• Health Charity Annual Plan</li> <li>• Our Health Meadow</li> <li>• Over £25k bids for approval</li> <li>• Fundraising Reports</li> <li>• Staff Benefits Group Reports</li> <li>• Staff Lottery Bids Panel Reports</li> <li>• Health Charity Events Planner</li> <li>• Charitable Funds Internal Audit</li> <li>• Disposal of Rookwood Hospital</li> <li>• Feedback on successful bids</li> <li>• Rathbones Investment Updates</li> </ul>            |

| Committee  | Items Considered   |
|--|--|
| <p>Corporate Trustee (Trustee) is to raise and use charitable funds to provide the maximum benefit to the patients of the Health Board and associated local health services in Cardiff and the Vale of Glamorgan, by supplementing and not substituting government funding of the core services of the NHS.</p>  |  |
| <p><b>Digital Health Intelligence Committee</b></p> <p>The purpose of this Committee is to provide assurance to the Board that:</p> <ul style="list-style-type: none"> <li>• Appropriate processes and systems are in place for data, information management and governance to allow the Health Board to meet its stated objectives, legislative responsibilities and any relevant requirements and standards determined for the NHS in Wales;</li> <li>• There is continuous improvement in relation to information governance within the Health Board and that risks arising from this are being managed appropriately;</li> <li>• Effective communication, engagement and training is in place across the Health Board for Information Governance.</li> </ul> | <ul style="list-style-type: none"> <li>• Digital Transformation Progress reports</li> <li>• Caldicott guardian requirements</li> <li>• Freedom of Information</li> <li>• General Data Protection Regulation (GDPR);</li> <li>• Data breach reports;</li> <li>• Clinical Coding Performance data</li> <li>• Digital Strategy Refresh</li> </ul> |



| Committee   | Items Considered   |
|---|--|
| <p><b>People and Culture Committee</b></p> <p>The purpose of the Committee is to advise the Board on the development, monitoring and delivery of the Organisations' People &amp; Culture Plan in the context of the National Strategic Workforce Plan</p>   | <ul style="list-style-type: none"> <li>• Staff Stories</li> <li>• Board Assurance Framework – Workforce</li> <li>• Key Workforce Performance Indicators</li> <li>• Clinical Board Spotlights</li> <li>• Welsh Language Commissioner Notices</li> <li>• Health and Safety updates</li> <li>• Strategic Equality Objectives</li> <li>• Annual Equality Reports</li> <li>• Policies (eg Ventilation, Raising Concerns)</li> </ul> |
| <p><b>Remuneration and Terms of Service Committee</b></p> <p>The purpose of the Committee is to provide:</p> <p>(i) advice to the Board on remuneration and terms of service for the Chief Executive, Executive Directors and other senior staff within the framework set by the Welsh Government; and</p> <p>(ii) assurance to the Board in relation to the Health Board's arrangements for the remuneration and terms of service, including contractual arrangements, for all staff, in accordance with the requirements and standards determined for the NHS in Wales.</p> | <ul style="list-style-type: none"> <li>• Remuneration and terms of service matters</li> </ul>  |

The reports, workplans and terms of reference for the Committees are published on our website: <https://cavuhb.nhs.wales/about-us/governance-and-assurance/committees-and-advisory-groups/>

The table at Appendix 1 to this AGS sets out details of the Chair, Chief Executive, Executive Directors and Independent Members and confirms Board and Committee membership for 2023-2024, meetings attended during the tenure of the individual and any Champion roles performed. Table 1 in Appendix 2 of the AGS sets out Board and Committee Dates for 2023-2024.

The Chair of each Committee reports to the Board on the Committee's activities outlining key risks and highlighting areas which need to be brought to the Board's attention in order to contribute to its assessment of assurance and provide scrutiny against the delivery of objectives. The Committees, as well as reporting to the Board, also work together on behalf of the Board to ensure, where required, that cross reporting and consideration takes place and assurance and advice is provided to the Board and the wider organisation.

Copies of Committee papers and minutes, a summary of each Committees' responsibilities and Terms of Reference are available on the Health Board's website: <https://cavuhb.nhs.wales/about-us/our-board/committees-and-advisory-groups/>

Each Committee maintains an Action Log that is monitored at each meeting. Each of the main Committees of the Board are supported by an underpinning subcommittee structure reflecting the remit of its roles and responsibilities.

## 9.8 Advisory Groups & Joint Committees

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In support of the Board, the Health Board may have three Advisory Groups.

The Advisory Groups and Joint Committee include the following:

### Advisory Groups

#### Stakeholder Reference Group (SRG)

The SRG is formed from a range of partner organisations from across the Health Board area. Its role is to provide independent advice on any aspect of Health Board business. It facilitates full engagement and active debate amongst stakeholders from across the communities served by the Health Board, with the aim of presenting a cohesive and balanced stakeholder perspective to inform Health Board planning and decision making.

Significant issues upon which the SRG was engaged during 2023-2024 included:

- Shaping Our Future Wellbeing Strategy refresh
- Transport and sustainable travel
- South Central Wales Stroke Delivery Network
- Co-production, Engagement and Consultation Framework and Toolkit
- Regional Ophthalmology services engagement
- All Wales Medical Genomics Service
- Annual Plan
- Clinical Services Plan
- Decarbonisation Action Plan
- Strategic Equality Objectives

## Local Partnership Forum and Other Employee Engagement Groups

The UHB has a statutory duty to “take account of representations made by persons who represent the interests of the community it serves”. This is achieved in part by two Advisory Groups to the Board, one of which is the Local Partnership Forum (LPF).

LPF is co-chaired by the Chair of Staff Representatives and the Executive Director of People and Culture and meets 6 times a year. Members are Staff Representatives (including the Independent Member for Trade Unions), the Executive Team and Chief Executive, the Director of Corporate Governance, and senior members of the People and Culture team.

LPF is the formal mechanism for the Health Board and Trade Union/Professional Organisation Representatives to work together to improve health services.

Significant issues which the Local Partnership Forum considered during 2023-24 include:

- Regular operational updates, including the Winter Plan
- IMTP – engagement on UHB priorities and progress reports
- Cardiff and Vale UHB Anti-Racist Wales Action Plan
- Strategic Equality Plan
- Amplifying Prevention in Public Health
- Nurse Staffing Act annual report
- Equity, Equality, Experience and Patient Safety Framework
- People and Culture Communications Plan
- Estates Plan and approach to risk management
- Covid-19 Public Inquiry and the UHB

The LPF has 3 sub-groups:

1. The Workforce Partnership Group
2. The Employment Policies Sub-Group
3. The Staff Benefits Group

## Joint Committees

It is noted that the WHSSC and EASC were wound up on 31 March 2024, and replaced by the Joint Commissioning Committee from 1 April 2024.

## Welsh Health Specialised Services Committee (WHSSC)

WHSSC was established in 2010 by the seven health boards to ensure the population has fair and equal access to the full range of specialised services. Hosted by Cwm Taf Morgannwg University Health Board, the Health Board is represented on the Joint Committee by the Chief Executive and regular reports are received by the Board.

## Emergency Ambulance Services Committee (EASC)

EASC is a Joint Committee of the seven health boards, with the three NHS trusts as associate members, and was established in April 2014. It has responsibility for the planning and commissioning of emergency ambulance services on an all-Wales basis. Hosted by Cwm Taf Morgannwg University Health Board, the Health Board is represented on the Joint Committee by the Chief Executive and regular reports are received by the Board.

## NHS Wales Shared Services Partnership (NWSSP) Committee

The NWSSP Committee was established in 2012 and is hosted by Velindre NHS Trust. It looks after the shared functions for NHS Wales, such as procurement, recruitment and legal services. The Health

Board's representative is the Director of Workforce and OD and regular reports are received by the Board.

## 9.9 Public Appointments

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Lani Tucker was appointed as the Chair of the Stakeholder Reference Group on the 17 January 2024 .

Independent Member Susan Lloyd-Selby joined our Board on 1 March 2024.

## 9.10 Public interest Declaration

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Each Board Member has stated in writing that they have taken all the steps that they ought to have taken to make auditors aware of any relevant audit information. All Board Members and Senior Managers and their close family members (including Directors of all Hosted Organisations) are required to declare any pecuniary interests and positions of influence which may result in a conflict with their responsibilities. A full register of interests for 2023-2024 is available upon request from the Director of Corporate Governance or via the following link <https://cavuhb.nhs.wales/about-us/governance-and-assurance/register-of-interests-gifts-and-hospitality/>

## 9.11 Board and Committee Membership & Attendance 2023-2024

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The Board has been constituted to comply with the Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009. The Table attached to Appendix 1 to this AGS outlines the Board and

Committee Membership and the record of attendance for the period April 2023-March 2024.

## 10. Risk

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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.

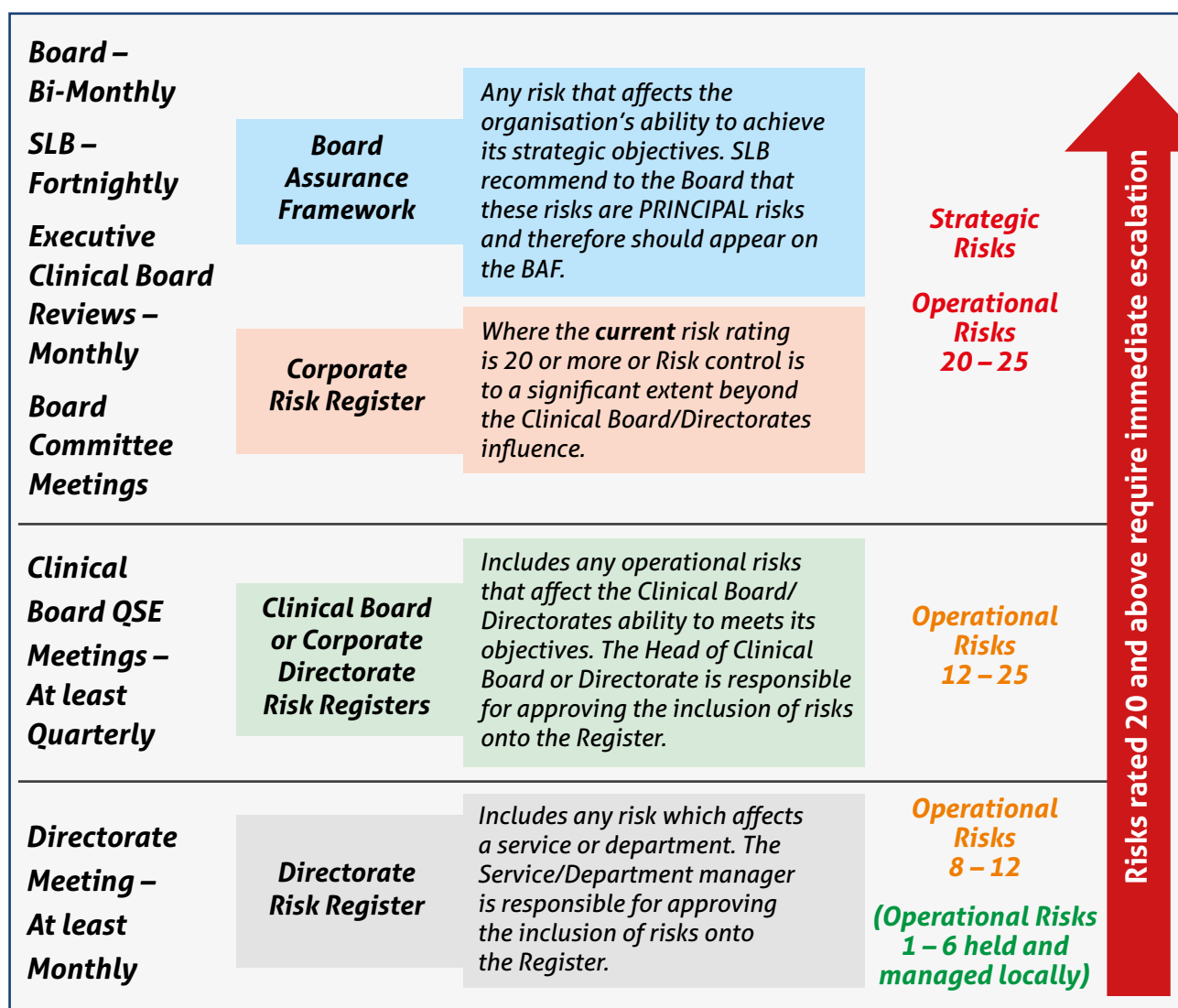
The Health Board has a Risk Management and Board Assurance Framework that identifies, analyses, evaluates and controls the risks that threaten the delivery of its strategic objectives. The Health Board's Board Assurance Framework (BAF) is used by the Board to identify, monitor and evaluate risks which impact upon Strategic Objectives and is considered alongside other key management tools, such as the Corporate Risk Register, performance and quality dashboards and financial reports, to give the Board a comprehensive picture of the organisational risk profile.

The Health Board's Risk Management and Board Assurance Framework Strategy (the BAF Strategy) was reviewed and an updated version was approved by

the Board in March 2023. This sets out responsibilities for strategic and operational risk management for the Board and staff throughout the organisation and describes the procedures to be used in identifying, analysing, evaluating and controlling risks to the delivery of strategic objectives. Strategic risks are significant risks that have the potential to impact upon the

delivery of strategic objectives and are raised and monitored by the Executive Team and the Board. Operational risks are key risks that affect individual Clinical Boards and Corporate Directorates and are managed within the Clinical Boards and Corporate Directorates and if necessary, escalated through the Health Board's risk reporting structure (See Figure 14).

**Figure 14 – Risk Management Reporting Structure**



The BAF summarises the controls and assurances that are in place or plans to mitigate them. The BAF aligns principal risks, key controls and assurances on controls alongside each of the Health Board's strategic objectives.

Gaps are identified where key controls and assurances are insufficient to reduce the risk of non-delivery of objectives. This enables the development of an action plan for closing the gaps and mitigating the risks which is subsequently monitored by the Board for implementation.

The BAF Strategy applies to those members of staff that are directly employed by the Health Board and for whom the Health Board has legal responsibility and is intended to cover all the potential risks that the organisation could be exposed to.

The objectives of the BAF Strategy are to:

- minimise the impact of risks, adverse incidents, and complaints by effective risk identification, prioritisation, treatment and management;
- maintain a risk management framework, which provides assurance to the Board that strategic and operational risks are being managed effectively;
- maintain a cohesive approach to corporate governance and effectively manage risk management resources;
- ensure that risk management is an integral part of the Health Board's culture;
- minimise avoidable financial loss, or the cost of risk transfer through a robust financial strategy;
- ensure that the Health Board meets its obligations in respect of Health and Safety; and

- Describe the resources available for risk management in the organisation.

As of March 2024, the following risks were identified within the BAF as posing the greatest risk to the delivery of the Health Board's strategic objectives:

1. Workforce- Including risks associated with recruitment and retention.
2. Patient Safety -There is a risk to patient safety due to post Covid-19 recovery resulting in a backlog of planned care, significant pressure on emergency services and sub-optimal workforce skill mix or staffing ratios related to reduced availability of specific expert workforce groups or related to the need to provide care in a larger clinical footprint in relation to post Covid-19 recovery.
3. Sustainable Culture Change -Including risks that impact on the achievement of Health Board's goals set out in the Health Board Strategy, Shaping our Future Wellbeing (2018).
4. Capital Assets -Including risks associated with service continuity failures due to ageing infrastructure across Health Board sites.
5. Delivery of 23/24 commitments within the IMTP -Including risks linked to the provision of high-quality health services and achievement of our mission; Caring for People, Keeping People Well, and vision that a person's chance of leading a healthy life is the same wherever they live and whoever they are.
6. Staff Wellbeing - Including risks associated with staff exposure to psychological and physical distress both at home and in the workplace.
7. Exacerbation of Health Inequalities - Including risks posed by existing health inequalities that have been compounded by Covid-19.

8. Financial sustainability - including risks posed by the energy crisis and challenges to providing best value health care.
9. Urgent and Emergency Care - Including risks linked to achievement of the Welsh Government Six Goals for Urgent and Emergency Care.
10. Maternity -Including risks to the achievement of recommendations made within the Ockenden Review into maternity services.
11. Critical Care - Including patient safety risks linked to Critical Care capacity levels.
12. Cancer - Including risks to achievement of the Health Board's single cancer pathway standard to treat patients with a confirmed diagnosis of cancer within 62 days.
13. Stroke - Including risks associated with an increase in demand for stroke service post pandemic.
14. Planned Care - Including risks associated with achievement of waiting time standards and linked Ministerial Priorities.
15. Digital Strategy and Road Map - Including risks that may impact on achievement of the Health Board's five-year Digital Strategy for the period 2020-2025.

Alongside the BAF, the Health Board also maintains a Corporate Risk Register that identifies the extreme operational risks (those scored at 20/25 or higher) that the Health Board is facing.

As of March 2024, there were 91 extreme risks detailed on the Corporate Risk Register all of which recorded a score of 20/25. The BAF and Corporate Risk Register can be seen in any Board meeting agenda pack.

## 10.1 Audit Assurance on Risk Management

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Audit Wales's Structured Assessment Report received in December 2023, noted the following in relation to the Management of Risk within the Health Board:

"The Health Board's continues to have clearly documented strategic risks in its Board Assurance Framework (BAF) and has maintained its well-established regime to ensure appropriate scrutiny by the Board, committees, and executive leads. As recommended last year, the Health Board has updated its BAF to ensure the strategic risks align with the refreshed strategic objectives, priorities, and workstreams"

NWSSP Assurance Services undertook an Internal Audit Review of Risk Management processes in April 2024 which received a Reasonable Assurance rating and concluded that "The Health Board has robust arrangements in place for managing strategic risks. The Board Assurance Framework (BAF) provides key information on the key strategic risks that could impact on the delivery of the Health Board's Strategy 'Shaping our Future Wellbeing'. The BAF is routinely reviewed by the Executive Team and is a standing agenda item at Board meetings. Our review of the Strategy and Risk Management Procedures confirmed that staff are provided with comprehensive information on the Health Board's risk management system."

## 10.2 Management of Risk

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Overall responsibility for the Risk Management and Board Assurance Framework Strategy lies with the Director of Corporate Governance who has been delegated responsibility for managing the development and implementation of the Risk Management and Board Assurance Framework Strategy. Arrangements are in place to effectively assess and manage risks across the organisation, which includes the ongoing review and updating of the Board Assurance Framework and the Corporate Risk Register so that the Board maintains a line of sight on the Health Board's key strategic and operational risks.

The BAF is a live document that is presented at every public Board meeting by the Director of Corporate Governance. It is track changed to show changes since the last meeting.

The Corporate Governance Department monitor and maintain the Corporate Risk Register. Each Corporate Department and Clinical Board has responsibility to maintain a comprehensive risk register which forms the basis of the risks that are reflected within the Corporate Risk Register. The Corporate Governance Department regularly meet with Clinical Board and Corporate Department risk leads to review and monitor their Clinical Board/Corporate Department and local level risk registers to ensure that they accurately record the risks that their areas are encountering and to assist those areas in considering new and emerging risks to their service. Following that exercise extreme operational risks, those scored 20/25 or higher, are recorded on the Corporate Risk Register and reported to the Board for scrutiny and approval

on a bi-monthly basis. Any risks that are identified as having the potential to impact on the Health Board's strategic objectives are added to the BAF. Each risk detailed on the Corporate Risk Register is also linked to a Strategic Risk contained in the BAF to ensure that risks are appropriately monitored and escalated.

The key risks detailed in the BAF and Corporate Risk Register are also shared at relevant Committees of the Board for further scrutiny and discussion and Risks are a standing item at the monthly Clinical Board reviews.

The Corporate Governance Department provide staff with training in the management of functional work place risk management processes and assessments.

The risks detailed in the BAF and Corporate Risk Register are considered when determining the Health Board's risk appetite. The Health Board acknowledges that the delivery of healthcare cannot be achieved unless risks are taken, as well as the subsequent consequences and mitigating actions. It also ensures that risks are not considered in isolation and are taken following consideration of all the risks flowing through the organisation.

The Health Board has approved an overall Risk Appetite of 'Cautious' moving towards 'Seek' defined as Eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk) recorded within the Health Board's BAF. Within the BAF, individual Risk Appetite levels are also recorded against each of the articulated risks so that each can be managed proactively according to the risk presented.



Communicating and consulting with internal and external stakeholders and partners, as appropriate, at each stage of the risk management process and concerning the process as a whole is important. The frequency of the communication will vary depending upon the severity of the risk and is discussed and agreed with the stakeholders and partners as necessary. This process is led by the person nominated as the lead to manage the risk and for communication with external stakeholders this will be the appointed Executive Director lead for the risk. As the designated lead for Risk Management the Director of Corporate Governance also attends the Health Board's Stakeholder Reference Group to brief public stakeholders on the activities of the Board including the management or risk.

## 11. Mandatory Disclosures

### 11.1 Revised Health and Care Standards

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Health & Care standards have been revised under Duty of Quality and further information is available in our Duty of Quality report.

### 11.2 Emergency Preparedness

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The Health Board had emergency and business continuity arrangements in place during the financial year 2023-24, in accordance with the Civil Contingencies Act 2004 and the Emergency Planning Guidance issued by Welsh Government. The Major Incident Plan was updated and approved by the Board on 30 September 2021 and was scheduled for a review in September 2024. However, in light of

ongoing lessons from the pandemic, the learning from the first stage of the Manchester Arena Inquiry and other national exercises, a review of the Major Incident Plan was undertaken in 2023 and an updated version of the Major Incident Plan was approved by the Board on 25 May 2023.

Business Continuity arrangements were activated in response to a number of incidents including sewage and water leaks due to the condition of our major hospital facilities, patient capacity issues, power failures and Industrial action. Our business continuity arrangements enable us to manage the continued delivery of our services following a business disruption.

### 11.3 Ministerial Directions and Welsh Health Circulars (WHCs)

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Ministerial Directions and WHCs issued by the Welsh Government for the period April 2023- March 2024 have been considered and where appropriate implemented. Details of the Ministerial Directions issued by the Welsh Government during 2023/24 are set out in Appendix 3 attached to this AGS

During the financial year 2023/24 regular updates on the implementation of Welsh Health Circular implementation and the detail of new WHCs has been shared with the Health Board's Management Executive Team and the Audit and Assurance Committee to provide oversight of the process.

## 11.4 Regulatory and Inspection Reports

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The Corporate Governance Department have a formal system in place to track regulatory and inspection reports against statutory requirements. This is achieved by means of a Legislative and Regulatory Tracker report which is presented to the Audit and Assurance Committee to provide assurance that recommendations made within such reports are being appropriately actioned. Prior to presentation to the Audit and Assurance Committee the tracker is populated with information from Executive Director Leads and individuals who are accountable for regulatory compliance.

The Legislative and Regulatory Tracker includes the following:

- All Regulatory Bodies who inspect the Health Board.
- The Regulatory Standard being inspected.
- An Executive Lead for each inspection.
- An assurance Committee where Regulatory reports may also be presented along with action plans for improvement where required.

The Legislative and Regulatory Tracker Process was last reviewed by Internal Audit in July 2023 and received a substantial assurance rating. The Corporate Governance Directorate also track all Internal Audit Recommendations and all Audit Wales Recommendations along with management responses. Recommendations are added to the trackers for monitoring once the reports have been signed off by the Audit and Assurance Committee.

## 11.5 Data Security and Information Governance

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Risks relating to information are managed and controlled in accordance with the Health Board's Information Governance Policy through the Digital Health and Intelligence Committee, which is chaired by an Independent Member.

The Executive Medical Director, as Caldicott Guardian, is responsible for the protection of patient information. All Information Governance issues are escalated through the Digital Health and Intelligence Committee (DHIC Committee).

The DHIC Committee papers can be viewed here: <https://cavuhb.nhs.wales/about-us/governance-and-assurance/committees-and-advisory-groups/digital-and-health-intelligence-committee/>

The following items were considered by the DHIC Committee in 2023-2024:

- Welsh Government Digital Strategy for Health & Social Care Refresh
- Digital Transformation and Digital Strategy Progress Report
- Joint IMT & IG Corporate Risk Register
- IG Data & Compliance (SIs, Data Protection, GDPR, FOI, SARs, Staffing & Mandatory Training)
- Digital Services Key Performance Indicators

The Director of Digital & Health Intelligence assumes the role of the Senior Information Risk Owner (SIRO) which provides an essential role in ensuring that identified information security risks are addressed and incidents properly managed.

The Board has strict responsibilities to ensure personal data and information is held securely. All information governance related incidents are investigated and reviewed by the Information Governance Group.

During the period April 2023 to March 2024, a total of seventeen data breaches met the threshold to report to the Information Commissioner's Office, in line with the UK GDPR. A summary of the key themes are outlined below;

- Five breaches were caused by personal data being sent to the wrong address. This includes both postal and email correspondence. In these cases, we are recommending that services review their internal practices to ensure letters are double checked before being sent. With external emails, a warning alerts the sender that the email address is external before the email is sent.
- Four breaches were a result of members of staff accessing clinical records of patients in the absence of a legitimate business reason. In each case, the UHB has followed internal procedures and the breaches have been fully investigated.
- Three breaches were reported due to the unavailability of paper clinical records. Full searches for these records have been performed and for at least one case, we are aware that the medical records were subsequently located.

All of the reported data breaches have been closed by the ICO with no further action although in a number of cases, a number of recommendations were made and actioned.

During April 2023 to March 2024, Cardiff and Vale UHB did not suffer any recorded lapses of data security, other than those data breaches which are outlined in the above section which were reported to the Information Commissioner's Office.

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## 11.6 NHS Pension Scheme

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, employer's contributions and payments in to the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

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## 11.7 UK Corporate Governance Code

The UK Corporate Governance Code (the Code) is the primary reference and overview of good practice for corporate governance in Central Government Departments. Whilst there is no requirement to comply with all elements of the Corporate Governance Code, the Health Board considers that it is complying with the main principles of the Code, where applicable, and follows the spirit of the Code to good effect, is conducting its business in an open and transparent manner, and in line with the Code.

An assessment against the Code was undertaken in April 2023. There were no reported/identified departures from the Corporate Governance Code during the year.

## 11.8 Review of Effectiveness

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 Audit Wales in their Annual Audit Letter and other reports.

| Internal Sources   | External Sources  |
|--|---|
| <ul style="list-style-type: none"> <li>• Performance management reports</li> <li>• Service change management reports</li> <li>• Workforce information and surveys</li> <li>• Benchmarking</li> <li>• Internal and clinical audit reports</li> <li>• Board and Committee reports</li> <li>• Local Counter Fraud work</li> <li>• Health and Care Standards assessments</li> <li>• Executive and Independent Member Safety Walk Rounds</li> <li>• Results of internal investigations and Serious Incident reports</li> <li>• Concerns and compliments</li> <li>• Whistleblowing</li> <li>• Infection prevention and control reports</li> <li>• Information governance toolkit self-assessment</li> <li>• Patient experience surveys and reports</li> <li>• Compliance with legislation (e.g. Mental Health Act/Health and Safety, Data Protection)</li> </ul> | <ul style="list-style-type: none"> <li>• Population Health Information</li> <li>• Audit Wales</li> <li>• Welsh Risk Pool (WRP) Assessment reports</li> <li>• Healthcare Inspectorate Wales (HIW) reports</li> <li>• Community Health Council visits and scrutiny reports</li> <li>• Feedback from healthcare and third sector partners</li> <li>• Royal College and Deanery visits</li> <li>• Regulatory, licensing and inspection bodies</li> <li>• External benchmarking and statistics</li> <li>• Accreditation Schemes</li> <li>• National audits</li> <li>• Peer reviews</li> <li>• Feedback from service users</li> <li>• Local networks (e.g. cancer networks)</li> <li>• Welsh Government reports and feedback</li> </ul> |

Further sources of assurances are identified within the Board's own performance management and assurance framework and include, but are not limited to:

- Direct assurances from management on the operation of internal controls through the upward chain of accountability
- Internally assessed performance against the Health and Care Standards
- Results of internal compliance functions including Local Counter-Fraud, Post Payment Verification, and risk management
- Reported compliance via the Welsh Risk Pool regarding claims standards and other specialty specific standards reviewed during the period
- Reviews completed by external regulation and inspection bodies including Audit Wales and Healthcare Inspectorate Wales (HIW).

The effectiveness of the system of internal control is maintained and reviewed by the Committees of the Board in respect of assurances received. This is also supported by the BAF with high risks being closely monitored by Board and the respective Committees.

## Governance, Leadership and Accountability

### 11.9 Board and Committee Effectiveness

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In order to evaluate and demonstrate the effectiveness of the Board and the Board's Committees the following actions took place during 2023-2024:

- The Chair of the Board and the Chair of each Committee review the effectiveness of individual meetings as part of the agenda at each respective meeting.
- Each Committee of the Board developed an Annual Report which is reviewed by each Committee before presentation to Public Board. The Annual Reports are signed off by each Committee Chair and provide assurance to the Board that the Committees have met their Terms of Reference.
- The Board undertook an away day in December where it considered some of the lessons identified from Board meetings across Wales in recent years.

## 12. Internal Audit

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Internal Audit provides me as Accountable Officer and the Board through the Audit 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 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 are 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.

### 12.1 The Head of Internal Audit Opinion


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In accordance with the Public Sector Internal Audit Standards (PSIAS), the Head of Internal Audit (HIA) is required to provide an annual opinion, based upon and limited to the work performed on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. This is achieved through the delivery of an audit plan that has been focused on key strategic and operational risk areas and known improvement opportunities, agreed with executive management and approved by the Audit Committee, which should provide an appropriate level of assurance.

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 Cardiff and Vale 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.

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.

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



The opinion does not imply that Internal Audit has reviewed all risks and assurances relating to the Health Board. The opinion is substantially derived from the conduct of risk-based audit work formulated around a selection of key organisational systems and risks. As

such, it is a key component that the Board takes into account but is not intended to provide a comprehensive view.

Details of the audits undertaken in the year and the results are summarised in the following table:

| Substantial Assurance  | Reasonable Assurance  |
|--|---|
| <ul style="list-style-type: none"> <li>• Recommendation Tracking</li> <li>• Refresh of the Health Board’s Strategy</li> <li>• Urgent and Emergency Care – Welsh Government Six Goals Programme</li> <li>• Core Financial Systems (Asset Register Management)</li> <li>• Implementation of People &amp; Culture Plan (Draft)</li> </ul> | <ul style="list-style-type: none"> <li>• ChemoCare IT System Follow-up</li> <li>• Paris System</li> <li>• Mental Health Clinical Board Governance Arrangements</li> <li>• Capital Systems</li> <li>• Technical Continuity</li> <li>• Infection Prevention &amp; Control</li> <li>• Patient Safety Incident Management</li> <li>• Information Governance</li> <li>• UHL Endoscopy Development</li> <li>• Follow-up: Cyber Security</li> <li>• Financial Management within Clinical Boards</li> <li>• Mortality Reviews</li> <li>• Cancer Services</li> <li>• Risk Management / Board Assurance Framework</li> <li>• Follow-up: Medical Records Tracking (CD&amp;T)</li> <li>• Follow-up: Management of Health Board Policies</li> <li>• Eye Care Digitisation Programme</li> <li>• PCIC Clinical Board Governance Arrangements</li> <li>• IMTP Development Process</li> <li>• Medical Staff Additional Sessions (From 22/23 Plan) (Draft)</li> </ul> |
| Limited Assurance  | Advisory & Non-Opinion  |
| <ul style="list-style-type: none"> <li>• Surgery CB – Consultant job Plans (From 22/23 Plan)</li> <li>• Estates Assurance – Estate Condition</li> <li>• Alcohol Standards</li> <li>• HealthRoster System</li> <li>• Temporary Staffing Costs</li> <li>• Decarbonisation</li> </ul>   | <ul style="list-style-type: none"> <li>• Shaping Our Future Wellbeing – Future Hospitals Programme (From 22/23 Plan)</li> <li>• Leadership and Management Training and Development</li> <li>• Quality, Safety &amp; Experience Governance</li> <li>• Pentyrch Surgery Development – Site Evaluation Process</li> </ul>  |

## 12.2 Limited Assurance

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During the year Internal Audit issued six audit reports with a conclusion of limited assurance. They included:

- Surgery Clinical Board – Consultant Job Plans
- Estates Condition
- Health Roster System
- Alcohol Standards
- Temporary Staffing Costs
- Decarbonisation

Health Board management have agreed actions to implement the Internal Audit recommendations and therefore address the significant areas of weakness identified through these Limited assurance audit reports. Progress towards implementation of the agreed management actions is monitored via the Health Board's recommendation tracking process and is periodically reported to the Audit & Assurance Committee.

There were no audited areas in which the Health Board received a "No assurance" assessment rating.

## 13. External Audit - Audit Wales

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The Auditor General for Wales is the Health Board's statutory External Auditor and the Wales Audit Office undertakes audits on his behalf. The Auditor General for Wales and the Wales Audit Office are known collectively as Audit Wales. Audit Wales scrutinises the Health Board's financial systems and processes, performance management, key risk areas and the Internal Audit function (<https://www.audit.wales/>)

## 13.1 The Annual Audit Report for 2023

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Audit Wales' annual programme of work at the Health Board is set out in the Audit Plan. On Tthe 4 April 2023 the Audit and Assurance Committee received the Audit Wales 2023 Outline Action. The Committee considered the detailed audit plan in May 2023.

Reports produced by Audit Wales in line with the Audit Plan are presented to the Audit and Assurance Committee. A Management Response is prepared for reports which contain recommendations. All recommendations are subsequently recorded in the External Audit Recommendations Tracker. A Tracking Report is provided to each Audit and Assurance Committee to provide assurance on their implementation.

The following reports relating directly to the work of the Health Board were presented to the Audit and Assurance Committee:



The following reports relating directly to the work of the Health Board were presented to the Audit and Assurance Committee:

| Report   | Month   |
|--|---|
| Financial Audit Updates  | April, September & November 2023<br>February 2024 |
| Performance Audit Updates  | April, September & November 2023<br>February 2024 |
| Audit of Accounts Report – Cardiff and Vale University Health Board  | July 2023   |
| Orthopaedic Services in Wales – Tackling the Waiting List Backlog  | July 2023   |
| Audit Wales Orthopaedic Report and Management Response<br>Audit of Accounts Addendum Report  | September 2023                                    |
| Charitable Funds (2023-24 Accounts)  | January 2024                                      |
| Structured Assessment 2023   | February 2024                                     |
| Review of Workforce Planning Arrangements  |   |
| Annual Audit Report 2023<br><br>(A copy can be accessed using the following link:<br><a href="#">Cardiff and Vale University Health Board – Annual Audit Report 2023   Audit Wales</a> ) | <a href="#">February 2024</a>                     |

The Audit and Assurance Committee also reviews the outcomes of national pan-sector reviews at the earliest possible meeting following their publication. The Annual Audit Report 2023 did not identify any material weaknesses in the Health Board’s internal controls (as relevant to the audit)

A detailed Audit Plan was considered and approved by the Audit and Assurance Committee on 11 May 2023.

## 13.2 Cardiff and Vale University Health Board - Structured Assessment

The Audit Wales Structured Assessment for 2023 provides an assessment of the Health Board’s corporate arrangements for ensuring that resources are used efficiently, effectively and economically.

The Structured Assessment for 2023 made a number of findings some of which include:

- Whilst the Health Board has maintained good corporate systems of assurance, there are opportunities to enhance operational risk management arrangements, performance reporting, and overseeing recommendations tracking.
- The Board continues to have good arrangements for overseeing strategic and corporate risks and it has updated its Board Assurance Framework to align risks to the Health Board's refreshed strategic objectives, priorities, and workstreams. However, opportunities remain to improve operational risk management arrangements. The Board maintains good oversight of organisational performance, but there are opportunities to strengthen the improved Integrated Performance Report as well as to review the Performance Management Framework to ensure it supports delivery of the refreshed strategic objectives. The Health Board is taking appropriate steps to ensure compliance with the new duties of quality and candour and is improving its overall approach to overseeing the quality and safety of services. Whilst the Health Board has strong arrangements for tracking audit and review recommendations, opportunities exist to enhance these arrangements further to support learning and improvement.
- It was found that despite clear processes for financial planning, management and monitoring, the Health Board's financial position for 2023-24 is challenging.

- The Health Board did not achieve its financial duties and objectives for 2022-23, and the financial position for 2023-24 remains challenging. The Health Board has a good approach to financial planning, and has set an ambitious savings target with a clear focus on quality improvements and achieving financial sustainability. Arrangements for overseeing and scrutinising financial management and controls have been strengthened. The Health Board continues to have robust arrangements for overseeing and scrutinising financial performance, with clear financial reports which are open about financial challenges and risks.

The Structured Assessment can be accessed via the following link:

[Cardiff and Vale University Health Board – Structured Assessment 2023 | Audit Wales](#)

## 14. Modern Slavery Act 2015 – Transparency in Supply Chains

The Welsh Government's Code of Practice: Ethical Employment in Supply Chains was published in May 2017 to highlight the need, at every stage of the supply chain, to ensure good employment practices exist for all employees, both in the UK and overseas. It is expected that all NHS Wales organisations will sign up for the Code.

The Health Board fully endorses the principles and requirements of the Code and the Modern Slavery Act 2015 and is committed to playing its role as a major

public sector employer, to eradicate unlawful and unethical employment practices, such as:

- Modern Slavery and Human rights abuses;
- The operation of blacklist/prohibited lists;
- False self-employment;
- Unfair use of umbrella schemes and zero hours' contracts; and
- Paying the Living Wage.

The **following actions are in place** which meet the Code's commitments:

- We have a Raising Concerns (Whistleblowing) Policy, which provides the workforce with a fair and transparent process, to empower and enable them to raise suspicions of any form of malpractice by either our staff or suppliers/contractors working on the Health Board premises;
- We have a target in place to pay our suppliers within 30 days of receipt of a valid invoice;
- We comply with the six NHS pre-employment check requirements to verify that applicants meet the preconditions of the role they are applying for. This includes a right to work check;
- We have introduced robust IR35 processes to ensure the fair and appropriate engagement of all workers and prevents individuals from avoiding paying Tax and National Insurance contributions;
- We do not engage or employ staff or workers on zero hours' contracts;
- We have in place an Equality and Diversity Policy which ensures that

no potential applicant, employee or worker engaged is in any way unduly disadvantaged in terms of pay, employment rights, employment or career opportunities;

- We also seek assurances from suppliers, via the tender process, that they do not make use of blacklists/prohibited lists. We are also able to provide confirmation and assurances that they do not make use of blacklist/prohibited list information;
- In accordance with Transfer of Undertaking (Protection of Employment) Regulations any Health Board staff who may be required to transfer to a third party will retain their NHS Terms and Conditions of Service;
- We use the Modern Slavery Act (2015) compliance tracker by way of contracts procured by NHS Wales Shared Services Partnership (NWSSP) on behalf of the Health Board. NWSSP is equally committed to ensuring that procurement activity conducted on behalf of NHS Wales is undertaken in an ethical way. On our behalf, they ensure that workers within the supply chains through which they source our goods and services are treated fairly, in line with Welsh Government's Code of Practice for Ethical Employment in Supply Chains.

The Health Board continues to work in partnership with relevant stakeholders and trade union partners to develop and implement actions which set out our commitment to ensure the principles of ethical employment within our supply chains are implemented and adhered to.

## 15. Conclusion

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As Accountable Officer, 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.

During 2023-2024, we have again proactively identified areas requiring improvement and requested Internal Audit to undertake detailed assessments in order to manage and mitigate associated risks. A number of reports issued by Internal Audit concur with our view and have consequently provided the Health Board with clear recommendations to ensure that focussed and urgent management actions are in place to address identified shortcomings. These actions are then monitored through the Board and its Committees to ensure appropriate assurances can be provided. The Health Board's Structured Assessment 2023 undertaken by Audit Wales provided a positive view of the organisation's corporate arrangements to support good governance and the efficient, effective, and economical use of resources in most areas.

The response and ongoing recovery from the Covid-19 pandemic together with the cost of living crisis, very high inflation levels and the impact of the Ukrainian war on energy prices, have had a significant impact on the organisation, wider NHS and society as a whole. It has required a dynamic response which has presented a number of opportunities in addition to risks. The need to continue

to recover from the pandemic will be with the organisation and wider society throughout 2024-2025 and beyond. I will ensure our Governance Framework considers and responds to this need.

The refresh of the Health Board's long-term Strategy presents opportunities to strengthen our arrangements further by ensuring key structures, processes, and resources against what continues to be a very challenging environment to operate in. Our commitment to quality will be embedded within our Strategy and in our Annual Plan and governance, risk management and control processes will continue to evolve in support. I am confident that our systems of internal control have remained robust throughout the pandemic and now into recovery and am assured that there have been no significant internal control or governance issues during 2023-24.

In summary, my review confirms that the Board has sound systems of internal control in place to support the delivery of policy aims and our corporate objectives and that there are no significant internal control or governance issues to report for 2023-2024.

**Signed by**



**Suzanne Rankin**

**Chief Executive**

**Dated:** 11 July 2024

# Appendix 1

## Board and Committee Membership & Attendance 2023-2024

| Name                         | Position and dates                                     | Area of Expertise Representation Role    | Board Committee Membership and Record of Attendance  | Champion Roles   |
|------------------------------|--|--|--|--|
| Professor Charles Janczewski | Chair<br>1 April 2023 to 31 March 2024                 |  | <ul style="list-style-type: none"> <li>• Board 6/6</li> <li>• Board of Trustees (BoT) 3/3</li> <li>• QSE 1/10</li> <li>• Finance &amp; Performance (F&amp;P) 10/12</li> <li>• Audit &amp; Assurance (A&amp;A) 1/7</li> </ul>             | <p>Putting Things Right</p> <p>Wellbeing of Future Generations Act</p> |
| Professor Ceri Phillips      | Vice Chair<br>1 April 2023 to 31 March 2024            |  | <ul style="list-style-type: none"> <li>• Board 6/6</li> <li>• BoT 3/3</li> <li>• F&amp;P 10/12</li> <li>• A&amp;A 5/7</li> <li>• MHLMCA 4/4</li> <li>• QSE 9/10</li> </ul>   | Mental Health  |
| Professor Keith Harding      | Independent Member<br>1 April 2023 to 30 November 2023 | University (currently vacant)            | <ul style="list-style-type: none"> <li>• Board 3/4</li> <li>• BoT 1/2</li> <li>• F&amp;P 5/8</li> <li>• Charitable Funds 2/2</li> <li>• Digital &amp; Health Intelligence (DHI) 1/3</li> <li>• F&amp;P 5/8</li> <li>• QSE 5/7</li> </ul> |  |
| David Edwards                | Independent Member<br>1 April 2023 to 31 March 2024    | Information Communication and Technology | <ul style="list-style-type: none"> <li>• Board 5/6</li> <li>• BoT 2/3</li> <li>• F&amp;P 8/12</li> <li>• A&amp;A 3/7</li> <li>• DHI 4/4</li> </ul>   | Armed Forces and Veterans  |
| Councillor Susan Elsmore     | Independent Member<br>1 April 2023 to 31 October 2023  | Local Authority                          | <ul style="list-style-type: none"> <li>• Board 2/3</li> <li>• BoT 1/2</li> <li>• Charitable Funds 2/2</li> <li>• MHLMCA 1/3</li> <li>• P&amp;C 3/3</li> </ul>  | Social Services and Wellbeing (Wales) Act                              |

| Name             | Position and dates                                      | Area of Expertise Representation Role | Board Committee Membership and Record of Attendance  | Champion Roles                   |
|------------------|---|---------------------------------------|--|----------------------------------|
| Akmal Hanuk      | Independent Member<br><br>1 April 2023 to 31 March 2024 | Local Community                       | <ul style="list-style-type: none"> <li>• Board 6/6</li> <li>• BoT 3/3</li> <li>• QSE 10/10</li> <li>• DHI 4/4</li> <li>• P&amp;C 4/6</li> </ul>                          | Infection Prevention and Control |
| Sara Moseley     | Independent Member<br><br>1 April 2023 to 31 March 2024 | Third (Voluntary) Sector              | <ul style="list-style-type: none"> <li>• Board 5/6</li> <li>• BoT 2/3</li> <li>• Charitable Funds 4/5</li> <li>• MHLMCA 4/4</li> <li>• P&amp;C 6/6</li> </ul>            | Equality                         |
| Dr Rhian Thomas  | Independent Member<br><br>1 April 2023 to 31 March 2024 | Capital & Estates                     | <ul style="list-style-type: none"> <li>• Board 6/6</li> <li>• BoT 3/3</li> <li>• A&amp;A 6/6</li> <li>• MHLMCA 3/4</li> <li>• QSE 9/10</li> <li>• P&amp;C 6/6</li> </ul> | Children and Young People        |
| John Union       | Independent Member<br><br>1 April 2023 to 31 March 2024 | Finance                               | <ul style="list-style-type: none"> <li>• Board 5/6</li> <li>• BoT 3/3</li> <li>• F&amp;P 12/12</li> <li>• A&amp;A 7/7</li> <li>• Charitable Funds 5/5</li> </ul>         |                                  |
| Mike Jones       | Independent Member<br><br>1 April 2023 to 31 March 2024 | Trade Union                           | <ul style="list-style-type: none"> <li>• Board 6/6</li> <li>• BoT 3/3</li> <li>• A&amp;A 7/7</li> <li>• QSE 8/10</li> <li>• P&amp;C 5/6</li> </ul>                       | Raising Concerns                 |
| Michael Imperato | Independent Member<br><br>1 April 2023 – 31 August 2023 | Legal (currently vacant)              | <ul style="list-style-type: none"> <li>• Board 1/2</li> <li>• BoT 1/1</li> <li>• F&amp;P 5/5</li> <li>• DHI 1/2</li> </ul>   |                                  |

| Name                    | Position and dates   | Area of Expertise Representation Role          | Board Committee Membership and Record of Attendance   | Champion Roles |
|-------------------------|--|--|---|----------------|
| Sam Austin              | Associate Member<br><br>1 April 2023 to 30 September 2023          | Chair, Stakeholder Reference Group             | <ul style="list-style-type: none"> <li>• Board 1/3</li> </ul>   |                |
| Lani Tucker             | 1 January 2024 to 31 March 2024                                    |  | <ul style="list-style-type: none"> <li>• Board 2/2</li> </ul>   |                |
| Lance Carver            | Associate Member<br><br>1 April 2023 to 28 February 2024           | Director of Social Services, Vale of Glamorgan | <ul style="list-style-type: none"> <li>• Board 0/5</li> </ul>   |                |
| Suzanne Rankin          | Chief Executive Officer<br><br>1 April 2023 to 31 March 2024       |  | <ul style="list-style-type: none"> <li>• Board 6/6</li> <li>• BoT 1/3</li> <li>• F&amp;P 1/12</li> <li>• MHLMCA 1/4</li> <li>• QSE 3/10</li> <li>• DHI 2/4</li> </ul> |                |
| Catherine Phillips      | Executive Director of Finance<br><br>1 April 2023 to 31 March 2024 | Finance Medical / Quality & Safety             | <ul style="list-style-type: none"> <li>• Board 3/6</li> <li>• BoT 3/3</li> <li>• F&amp;P 12/12</li> <li>• A&amp;A 7/7</li> <li>• Charitable Funds 5/5</li> </ul>      |                |
| Professor Meriel Jenney | Executive Medical Director<br><br>1 April 2023 to 31 March 2024    |  | <ul style="list-style-type: none"> <li>• Board 4/6</li> <li>• BoT 1/3</li> <li>• QSE 8/10</li> <li>• DHIC 1/4</li> </ul>  | Caldicott      |

| Name             | Position and dates   | Area of Expertise Representation Role | Board Committee Membership and Record of Attendance  | Champion Roles   |
|------------------|--|---------------------------------------|--|--|
| Jason Roberts    | Executive Director of Nursing<br><br>1 April 2023 to 31 March 2024                       | Nursing / Quality & Safety            | <ul style="list-style-type: none"> <li>• Board 6/6</li> <li>• BoT 2/3</li> <li>• MHLMCA 1/4</li> <li>• QSE 10/10</li> <li>• P&amp;C 2/6</li> </ul>                             | Children and Young People<br><br>Putting Things Right            |
| Paul Bostock     | Chief Operating Officer<br><br>1 April 2023 to 31 March 2024                             | Operations                            | <ul style="list-style-type: none"> <li>• Board 5/6</li> <li>• BoT 2/3</li> <li>• F&amp;P 12/12</li> <li>• MHLMCA 1/4</li> <li>• QSE 6/10</li> <li>• P&amp;C 1/6</li> </ul>     | Age protected characteristic                                     |
| Abigail Harris   | Executive Director of Strategic Planning<br><br>1 April 2023 to 31 March 2024            | Estates & Planning                    | <ul style="list-style-type: none"> <li>• Board 5/6</li> <li>• BoT 2/3</li> <li>• F&amp;P 9/12</li> </ul>   | Emergency Planning   |
| Dr Fiona Jenkins | Executive Director of Therapies and Health Sciences<br><br>1 April 2023 to 31 March 2024 | Therapies and Life Sciences           | <ul style="list-style-type: none"> <li>• Board 5/6</li> <li>• BoT 2/3</li> <li>• QSE 7/10</li> <li>• Charitable Funds 3/5</li> <li>• DHI 2/4</li> <li>• P&amp;C 2/6</li> </ul> | Armed Forces and Veterans  |
| Rachel Gidman    | Executive Director of People and Culture<br><br>1 April 2022 to 31 March 2023            | Workforce                             | <ul style="list-style-type: none"> <li>• Board 6/6</li> <li>• BoT 3/3</li> <li>• A&amp;A 5/7</li> <li>• Charitable Funds 3/5</li> <li>• P&amp;C 4/6</li> </ul>                 | Fire Safety<br><br>Violence and Aggression<br><br>Welsh Language |



| Name                      | Position and dates   | Area of Expertise Representation Role | Board Committee Membership and Record of Attendance   | Champion Roles                      |
|---------------------------|--|---------------------------------------|---|-------------------------------------|
| Fiona Kinghorn            | Executive Director of Public Health<br><br>1 April 2023 to 31 December 2023      | Public Health                         | <ul style="list-style-type: none"> <li>• Board 4/4</li> <li>• BoT 2/2</li> <li>• QSE 4/8</li> <li>• P&amp;C 4/4</li> </ul>  | Sex/Gender protected characteristic |
| Claire Beynon             | 1 January 2023 to 31 March 2024<br>Executive Director of Public Health           |                                       | <ul style="list-style-type: none"> <li>• Board 1/2</li> <li>• BoT 1/1</li> <li>• QSE 1/2</li> <li>• P&amp;C 2/2</li> </ul>  |                                     |
| <b>Non-Voting Members</b> |  |                                       |   |                                     |
| James Quance              | Interim Director of Corporate Governance<br><br>1 April 2023 to 31 July 2023     | Governance                            | <ul style="list-style-type: none"> <li>• Board 2/2</li> <li>• BoT 1/1</li> <li>• F&amp;P 4/4</li> <li>• A&amp;A 4/4</li> <li>• DHI 1/1</li> <li>• Charitable Funds 0/3</li> <li>• MHLMCA 2/2</li> <li>• QSE 3/3</li> <li>• P&amp;C 2/2</li> </ul> |                                     |
| Matt Phillips             | Director of Corporate Governance   |                                       | <ul style="list-style-type: none"> <li>• Board 4/4</li> <li>• BoT 1/2</li> <li>• A&amp;A 3/3</li> <li>• F&amp;P 8/8</li> <li>• DHI 3/3</li> <li>• QSE 5/6</li> <li>• MHLMCA 2/2</li> <li>• Charitable Funds 4/4</li> <li>• P&amp;C 4/4</li> </ul> |                                     |
| David Thomas              | Director of Digital and Health Intelligence<br><br>1 April 2023 to 31 March 2024 | Digital                               | <ul style="list-style-type: none"> <li>• Board 6/6</li> <li>• BoT 0/3</li> <li>• DHI 4/4</li> <li>• P&amp;C 4/6</li> <li>• A&amp;A 2/7</li> </ul>   |                                     |

## Appendix 2

### Dates of Board and Committee meetings held during 2023-2024

Tables 1 and 2 outlines respectively the (i) dates of Board and Committee meetings held during **2023-2024**, and (ii) the dates of Advisory Group meetings held during **2023-2024**, highlighting any meetings that were inquorate:

Table 1 - Dates of Board and Committee meetings held during **2023-2024**

| Board/<br>Committee                                      | April | May | June | July        | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
|--|-------|-----|------|-------------|-----|-----|-----|-----|-----|-----|-----|-----|
| Board  |       | 25  |      | 27          |     | 28  |     | 30  |     | 25  |     | 28  |
| Board of<br>Trustee                                      | 20    |     |      |             |     |     | 05  |     |     | 18  |     |     |
| Audit and<br>Assurance<br>Committee                      | 04    | 11  |      | 04 &<br>25* |     | 05  |     | 07  |     |     | 06  |     |
| Charitable<br>Funds                                      |       |     | 20   |             |     | 19  |     |     | 05  | 30* |     | 19  |
| Digital<br>Health &<br>Intelligence                      |       | 30  |      |             | 15  |     | 03  | 22  |     |     | 13  |     |
| Finance  | 19    | 17  | 21   | 19          | 23  | 20  | 18  | 14  | 13  | 17  | 21  | 20  |
| Health &<br>Safety                                       |       | 16  |      | 11          |     | 12  |     |     |     | 23  |     | 12  |
| Mental Health<br>Legislation<br>& Mental<br>Capacity Act |       | 02  |      |             | 01  |     | 31  |     |     | 30  |     |     |
| Quality,<br>Safety &<br>experience                       | 11    | 09  |      | 18          | 30  | 26  | 25  | 28  | 19  |     | 13  | 26  |

\*Extraordinary Meetings

All meetings held were quorate.

Where meetings were inquorate, escalation arrangements were in place to ensure that any matters of significant concern that could not be brought to the attention of the Committee could be raised with the Health Board’s Chair.

**Table 2 - Dates of Advisory Group meetings held during 2023-2024**

| Advisory Groups         | April | May | June | July | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
|-------------------------|-------|-----|------|------|-----|-----|-----|-----|-----|-----|-----|-----|
| Stakeholder Reference   |       | 23  |      | 25   |     | 26  |     | 28  |     | 29  |     | 26  |
| 24                      |       |     |      |      |     |     |     |     |     |     |     |     |
| Local Partnership Forum | 13    |     | 08   |      |     |     | 12  |     | 12  |     | 08  |     |

The Health Board was also represented on the following Joint Committees:

- Welsh Health Specialised Services Committee (WHSSC)
- Emergency Ambulance Services Committee (EASC)
- NHS Wales Shared Services Partnership Committee (SSPC)

Assurance reports/bulletins from the above Committees are captured on the Board agenda as required

## Appendix 3

### Ministerial Directions

| Ministerial Directions (MDs)  | Date/Year of Adoption | Action to demonstrate implementation/response  |
|---|-----------------------|--|
| (WG23-14)<br>Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 2) Directions 2023                      | 30.08.2023            | Disseminated   |
| (WG23-27)<br>The Primary Care (E-Prescribing Pilot Scheme) Directions 2023<br>(WG23-36)   | 01.06.2023            | N/A This is a change in legislation that was required to enable a national e-prescribing pilot |
| The Primary Medical Services (Influenza and Pneumococcal Immunisation Scheme) (Directed Enhanced Service) (Wales) (No. 2) (Amendment) Directions 2023 | 28.07.2023            | Framework exists should Primary Care contractors intend to deliver the vaccine                 |
| (WG23-37)<br>The Nursery Milk Scheme (Wales) (Amendment) Directions 2023  | 31.07.2023            | Disseminated   |
| (WG23-40)<br>Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 3) Directions 2023                      | 07.08.2023            | Disseminated   |
| (WG23-47)<br>The National Health Service (Wales Eye Care Services) (Wales) Directions 2023  | 26.10.2023            | Disseminated to practices  |
| (WG24-01)<br>Wales Eye Care Services (Administrative List) (Wales) Directions 2024  | 05.01.2024            | As above   |

| Ministerial Directions (MDs)   | Date/Year of Adoption | Action to demonstrate implementation/response               |
|--|-----------------------|---|
| (WG24-02)<br>The National Health Service (Wales Eye Care Services) (Wales) Directions 2024                               | 05.01.2024            | Disseminated  |
| (WG24-04)<br>Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) Directions 2024 | 09.02.2024            | Disseminated  |
| (WG24-06)<br>The National Health Service Joint Commissioning Committee (Wales) Directions 2024                           | 07.02.2024            | N/A – for action by NHS Wales Joint Commissioning Committee |
| (WG24-08)<br>The Wales Infected Blood Support Scheme (Amendment) Directions 2024   | 01.04.2024            | N/A – for action by Velindre University NHS Trust           |
| (WG24-09)<br>The National Health Service (Wales Eye Care Services) (Wales) (No. 2) Directions 2024                       | 01.04.2024            | Disseminated  |
| (2016 No. (W))<br>The Low Vision Service Committee (Wales) Directions 2016 (with consolidated amendments)                | 26.10.2023            | Noted   |
| (2016 No.10)<br>The Eye Health Examination Service Committee (Wales) Directions 2016 (with consolidated amendments)      | 26.10.2023            | Noted   |
| (2016 No 10)<br>The Eye Health Examination Service Committee (Wales) Directions 2016 (with consolidated amendments)      | 05.01.2024            | Noted   |
| (2016 No (W))<br>The Low Vision Service Committee (Wales) Directions 2016 (with consolidated amendments)                 | 05.01.2024            | Noted   |

## Welsh Health Circulars

All Welsh Health Circulars are reviewed and triaged to Executive and Operational Leads within the organisation. The implementation of progress against each circular is tracked by the Health Board's Risk and Regulation Team and periodically reported at Management Executive Meetings.

| Welsh Health Circular  | Date/Year of Adoption | Action to demonstrate implementation/response   |
|--|-----------------------|---|
| (WHC/2023/003)<br>Guideline for the investigation of moderate or severe early developmental impairment or intellectual disability (EDI/ID) | 04.04.2023            | Circular shared with Executive Lead for information and action.   |
| (WHC/2023/008)<br>SaBTO FAIR III recommendations to tissue and cell donation process   | 25.09.2023            | Circular shared with Executive Lead for information and action.   |
| (WHC/2023/009)<br>COVID-19 vaccination of children aged 6 months to 4 years in a clinical risk group                                       | 06.04.2023            |   |
| (WHC/2023/010)<br>Certification of Vision Impairment in Primary and Community Care   | 28.06.2023            |   |
| (WHC/2023/011)<br>NICE Guidance on Self-harm: assessment, management and preventing recurrence   | 21.04.2023            | Circular Shared with Executive Medical Director, Executive Nurse Director, Assistant Director, Quality, Safety and Improvement and the Mental Health and Primary, Community and Intermediate Care Clinical Boards for dissemination to Primary and Secondary Care Clinicians. |
| (WHC/2023/012)<br>NHS Wales financial monitoring returns, 2023 to 2024   | 26.04.2023            | Circular shared with Executive Lead for information and action.   |
| (WHC/2023/013)<br>Health and Care Quality Standards 2023   | 02.05.2023            |   |

| Welsh Health Circular  | Date/Year of Adoption | Action to demonstrate implementation/response                                  |
|--|-----------------------|--|
| (WHC/2023/015)<br>COVID-19 vaccination observation periods/vaccination following recovery from COVID-19  | 09.05.2023            | Circular shared with Executive Lead for information and action.                |
| (WHC/2023/016)<br>Implementing the move to one dose of the HPV vaccine in Wales  | 10.05.2023            | Circular shared with Executive Lead for information and action.                |
| (WHC/2023/017)<br>NHS Wales Executive National Policy on Patient Safety Incident Reporting and Management  | 12.05.2023            | Circular shared with Executive Lead for information and action.                |
| (WHC/2023/018)<br>Introduction of HL7 FHIR as a foundational standard in all NHS Wales Bodies  | 14.06.2023            | Circular shared with Executive Lead for information and action.                |
| (WHC/2023/019)<br>In support of prevention of suicide and self-harm: GMC and NICE Guidance on information disclosure for the protection of patients and others | 01.06.2023            | Circular shared with Executive Lead and colleagues for information and action. |
| (WHC/2023/021)<br>Consent to Examination or Treatment update   | 08.08.2023            | Circular shared with Executive Lead for information and action.                |
| (WHC/2023/022)<br>Armed Forces Covenant – Healthcare Priority / Special Consideration for Veterans / Ex-Armed Forces Personnel                                 | 24.06.2023            | Circular shared with Executive Lead for information and action.                |
| (WHC/2023/023)<br>The National Influenza Immunisation Programme 2023-24  | 22.06.2023            | Circular shared with Executive Lead for information and action.                |
| (WHC/2023/024)<br>Change of Vaccine and Cohort Expansion for Shingles Vaccination Programme (from September 2023)  | 28.06.2023            | Circular shared with Executive Lead for information and action.                |

| Welsh Health Circular   | Date/Year of Adoption | Action to demonstrate implementation/response                                  |
|---|-----------------------|--|
| (WHC/2023/025)<br>Suspected cancer pathway: guidelines  | 20.07.2023            | Circular shared with Executive Lead and colleagues for information and action. |
| (WHC/2023/026)<br>NHS framework for research and development – Research Matters – what excellence looks like in NHS Wales   | 28.07.2023            | Circular shared with relevant colleagues for information and action.           |
| (WHC/2023/028)<br>Withdrawal of WHC/2019/042 regarding annual quality statements  | 01.08.2023            | Circular shared with Executive Lead and colleagues for information and action. |
| (WHC/2023/029)<br>Winter Respiratory Vaccination Programme: Autumn and Winter 2023 to 2024  | 17.08.2023            | Circular shared with Executive Lead and colleagues for information and action. |
| (WHC/2023/030)<br>New 2023 National Safety Standards for Invasive Procedures (NatSSIPS2) by the Centre of Perioperative Care (CPOC) and Patient Safety Notice PSN 034 | 22.08.2023            | Circular shared with Executive Lead for information and action.                |
| (WHC/2023/031)<br>Healthcare associated infections and antimicrobial resistance improvement goals 2023-24   | 22.08.2023            | Circular shared with Executive Lead for information and action.                |
| (WHC/2023/032)<br>Amendments to Model Standing Orders and Model Standing Financial Instructions – NHS Wales   | 24.10.2023            | Circular shared with Executive Lead for information and action.                |
| (WHC/2023/033)<br>Vaccine Products to be used in the Autumn 2023 COVID-19 Vaccination programme   | 01.09.2023            | Circular shared with Executive Lead for information and action.                |
| (WHC/2023/034)<br>NHS Wales Sustainability Conference and Awards  | 25.09.2023            | Circular shared with Executive Lead and colleagues for information and action. |



| Welsh Health Circular   | Date/Year of Adoption | Action to demonstrate implementation/response                                  |
|---|-----------------------|--|
| (WHC/2023/035)<br>Update on guidance on clearance and management of healthcare workers living with a bloodborne virus (BBV) and a reminder of health clearance for Tuberculosis | 01.10.2023            | Circular shared with Executive Lead for information and action.                |
| (WHC/2023/036)<br>Speaking Up Safely Framework – NHS Wales  | 15.09.2023            | Circular shared with Executive Lead and colleagues for information and action. |
| (WHC/2023/037)<br>Patient Testing Framework for Autumn / Winter 2023  | 26.09.2023            | Circular shared with Executive Lead for information and action.                |
| (WHC/2023/038)<br>Healthy Start eLearning course  | 09.11.2023            | Circular shared with Executive Lead and colleagues for information and action. |
| (WHC/2023/039)<br>Independent authorisation of blood component transfusion (IABT) – 2023 to 2026  | 27.11.2023            | Circular shared with Executive Leads for information and action.               |
| (WHC/2023/040)<br>The NHS Wales: Newborn and Infant Physical Examination Cymru (NIPEC)  | 09.11.2023            | Circular shared with Executive Leads for information and action.               |
| (WHC/2023/041)<br>Refresh of the rare disease action plan 2022 to 2026  | 05.01.2024            |  |
| (WHC/2023/043)<br>Vaccination of Healthcare Staff to Protect Against Measles  | 14.12.2023            | Circular shared with Executive Lead for information and action.                |
| (WHC/2023/044)<br>Change to the influenza (flu) vaccination programme 2023 to 2024  | 11.12.2023            | Circular shared with Executive Lead for information and action.                |
| (WHC/2023/045)<br>Recording dementia read codes   | 21.02.2024            |  |
| (WHC/2023/046)<br>All-Wales control framework for flexible workforce capacity   | 13.12.2023            | Circular shared with Executive Leads for information and action.               |

| Welsh Health Circular  | Date/Year of Adoption | Action to demonstrate implementation/response                   |
|--|-----------------------|---|
| (WHC/2023/047)<br>Influenza vaccines and eligible cohorts for the 2024 to 2025 season  | 21.12.2023            | Circular shared with Executive Lead for information and action. |
| (WHC/2023/048)<br>2024-25 Health Board Revenue Allocation  | 21.12.2023            | Circular shared with Executive Lead for information and action. |
| (WHC/2024/001)<br>Changes to the way individuals who are at highest risk from COVID-19 access lateral flow tests and COVID-19 treatments | 11.02.2024            | Circular shared with Executive Lead for information and action. |
| (WHC/2024/002)<br>Standards for Competency Assurance of Non-Medical Prescribers in Wales   | 08.03.2024            | Circular shared with Executive Lead for information and action. |
| (WHC/2024/004)<br>Sterile preparation of medicine in NHS Wales   | 12.02.2024            | Circular shared with Executive Lead for information and action. |
| (WHC/2024/005)<br>Private obesity surgery and the Welsh NHS  | 01.02.2024            | Circular shared with Executive Lead for information and action. |
| (WHC/2024/006)<br>The national clinical guideline for stroke   | 22.03.2024            | Circular shared with Executive Lead for information and action. |
| (WHC/2024/008)<br>Vaccination of children to protect against measles   | 02.02.2024            | Circular shared with Executive Lead for information and action. |
| (WHC/2024/009)<br>COVID-19 spring booster 2024   | 08.02.2024            | Circular shared with Executive Lead for information and action. |
| (WHC/2024/010)<br>NHS Welsh Sustainability Conference and Awards: new date   | 04.03.2024            | Circular shared with Executive Lead for information and action. |
| (WHC/2024/011)<br>Changes to Welsh Government dietary advice for young children  | 06.03.2024            | Circular shared with Executive Lead for information and action. |
| (WHC/2024/012)<br>Nursing preceptorship and restorative clinical supervision: position statement   | 21.03.2024            | Circular shared with Executive Lead for information and action. |

A man in a light blue shirt is working in a pharmacy, looking up at shelves filled with medicine. He is holding a small piece of paper or label. The background shows shelves stocked with various pharmaceutical products. The image has a blue and green color overlay.

# Remuneration and Staff Report

## Part 2b

# 16. Remuneration and Staff Report

## 16.1 Staff Numbers

The Health Board's workforce profile identifies that approximately 76% of the workforce is female. This is not representative of the local community where a little more than half the population is female. The numbers of female and male directors, managers and employees as at 31st March 2024 were as follows:

|          | Female | Male  | Total  |
|----------|--------|-------|--------|
| Director | 9      | 8     | 17     |
| Manager  | 189    | 119   | 308    |
| Employee | 13,335 | 4,202 | 17,537 |
| Total    | 13,533 | 4,329 | 17,862 |

## 16.2 Staff Composition

We have a diverse workforce of 17,862 staff working in many different types of roles, and together with volunteers, colleagues in social care and carers, we have a huge impact on our population. We must know and understand the shape of our workforce if we are to successfully monitor and revise plans that result in the right workforce at the right time, enabling and empowering the workforce to work to the 'top of their licence' or scope of practice. Our People and Culture Plan recognises that in addition to the challenges brought about by the pandemic and the necessary period of

recovery, we, along with the broader NHS in Wales, face social, economic, technological and demographic changes. As a result of this the demographic of our workforce also needs to change, and we must adjust the way we recruit, retain and support our people.

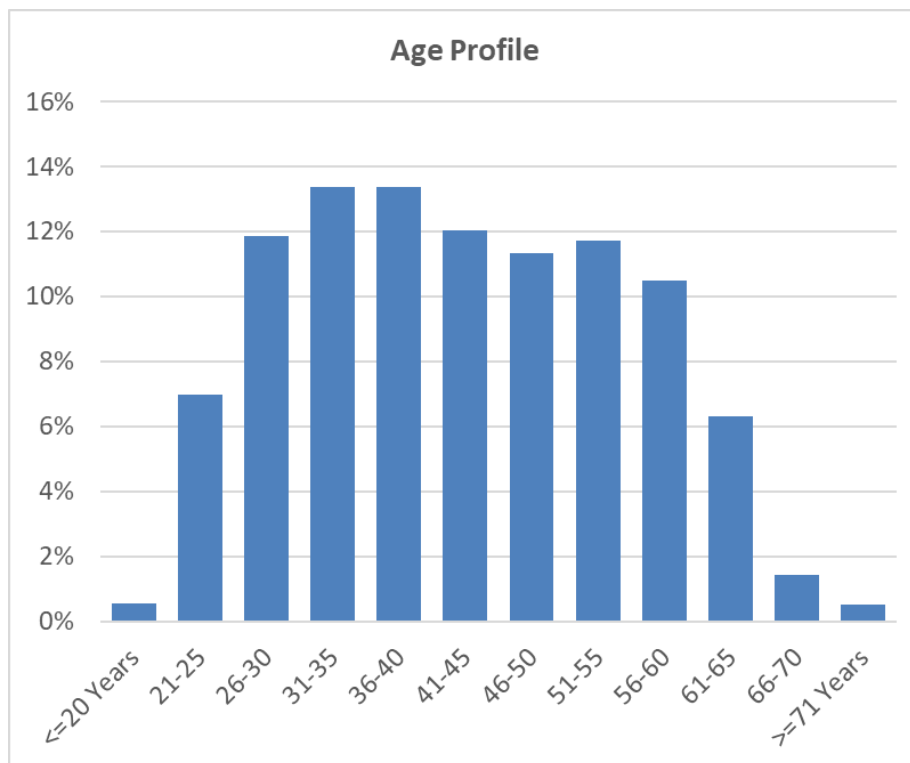
The charts below indicate the following challenges when determining optimal ways to deploy the current and future workforce and how to consider future supply against service priorities:

- The UHB has an aging workforce with the largest age categories being aged 31-35 years (2,389 staff), 36-40 years (2,388 staff) and 41-45 (2,148 staff).
- The largest grade categories are staff in Agenda for Change Bands 2, 5 and 6. Continually reviewing skill mix and new ways of working is important in ensuring adequate future supply of skills in the right place and grade. There is also a need for further workforce modernisation, new roles and extended skills, supported by the improvement of workforce intelligence and workforce planning skills. This includes the development of appropriate efficiency and productivity measures that help facilitate benchmarking and demonstrate value as our workforce shape continues to change.
- The majority of the workforce is female (75.76%) with a fairly even split in this group of full-time (52.57%) and part-time working (47.42%). Use of our employment policies, such as the Adaptable Workforce Policy and Flexible Working Procedure, is crucial to retaining talent and keeping staff engaged.

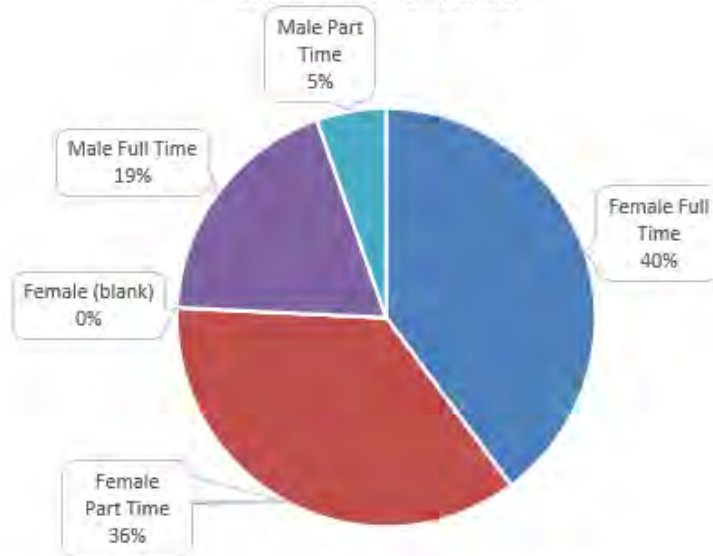
- The majority of the workforce is white (73.98%) with 14.20% in Black and Minority Ethnic categories and 11.82% not stated. The Strategic Equality Plan has a number of actions to continue review of our workforce in this regard to ensure it strives to reflect the local population where relevant e.g. in recruiting practices.
- The nursing and midwifery registered staff and unregistered nursing staff make up just over 42% of the total workforce. Given there is a recognised national shortage of registered nurses, the UHB has made nurse sustainability a high priority on its workforce agenda. Although we can't influence the actual supply of registered workforce in the short term, we can concentrate our efforts on attracting people by improving the branding of the UHB, promoting the benefits of working here, and targeting specific groups in society.

Workforce profile information collected for the UHB in March 2024 shows that 7% of staff consider themselves to have a disability, but this information is not known for a significant number of staff (19%).

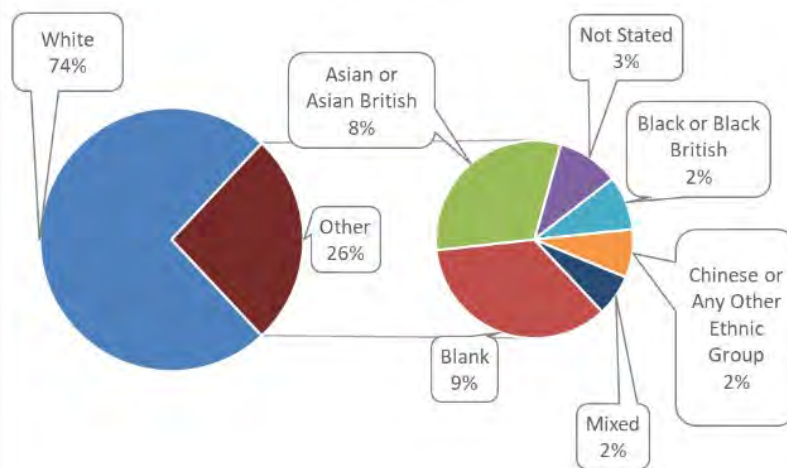
In an effort to improve our workforce equality and Welsh language skills data, the People & Culture function launched an organisational wide campaign encouraging staff to update their individual Electronic Staff Record (ESR). The campaign highlighted the reasons why collecting data is important and how it would support the organisation in becoming more inclusive. To support the campaign, and improve the accuracy of our data, the UHB are also exploring alternative ways of supporting staff to update their information, including on-site 'drop-in' sessions.



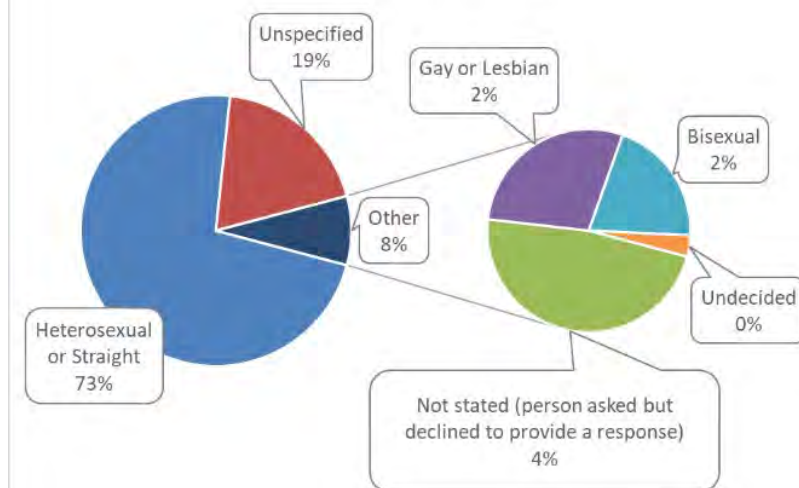
### Gender and Contract

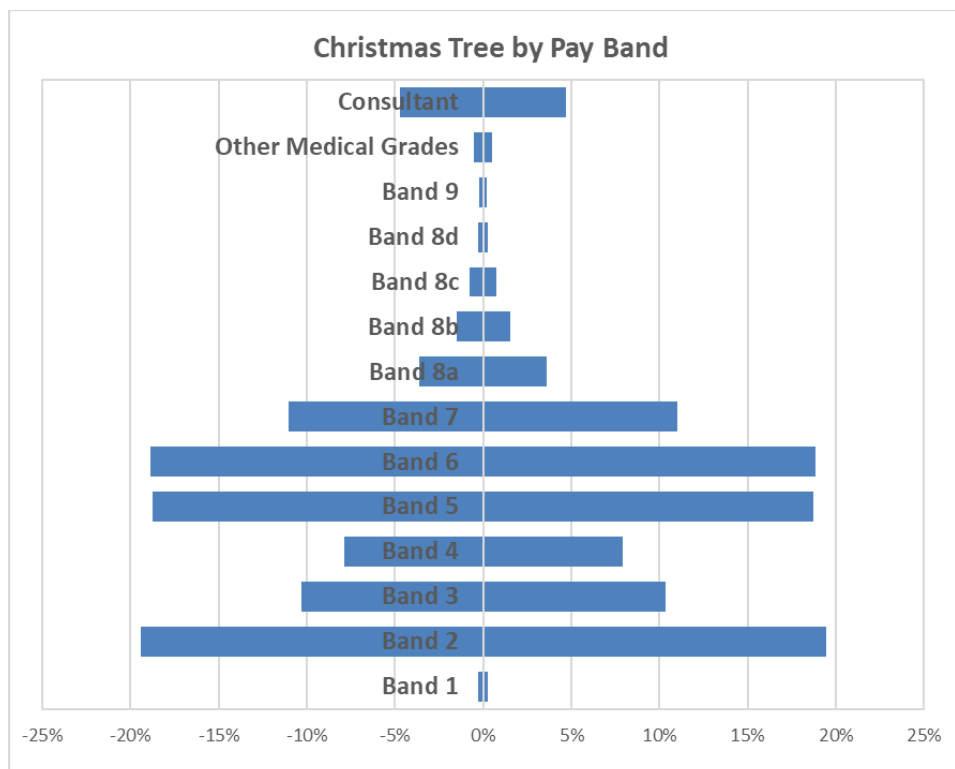
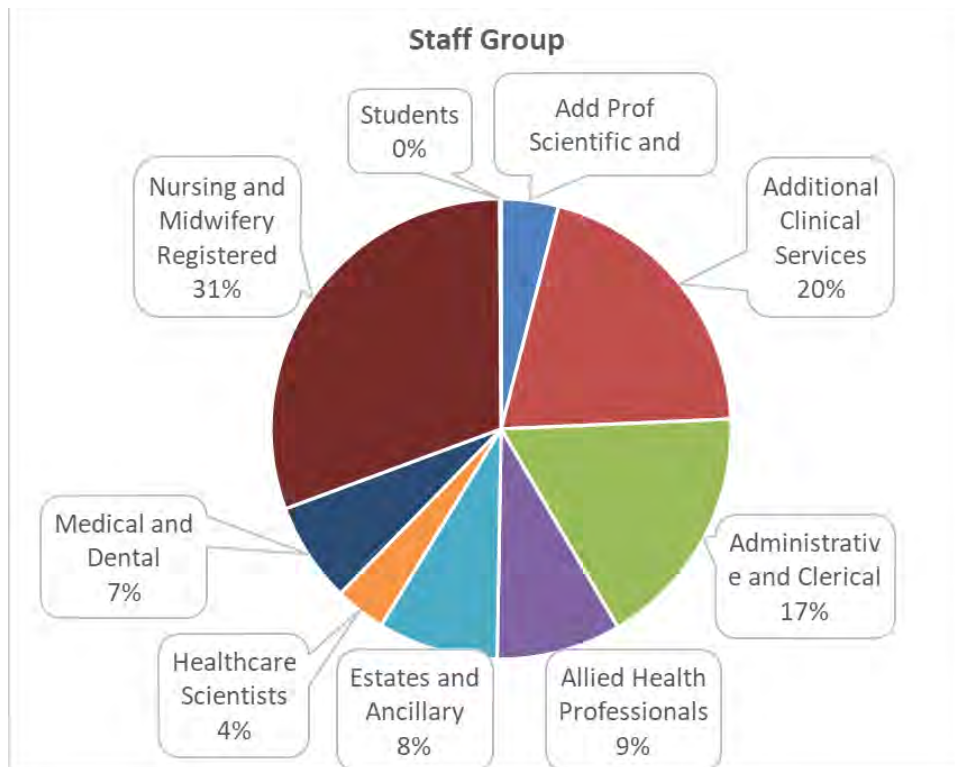


### Ethnic Group



### Sexual Orientation





## 16.3 Sickness Absence Data

The health and wellbeing of Cardiff and Vale UHB staff is of upmost importance, especially at this unprecedented time and much of the work carried out in 2023-24 has been described in the Performance Report.

Sickness absence remains a priority for the UHB. The cumulative sickness rate for the 12-month period up to and including March

2024 is 6.22% which is 0.22% above the 2023-24 year-end target of 6.00%.

65.59% of this sickness was attributed to long-term absence and 34.41% to short-term absence. The UHB top reasons recorded for absence during 2023-24 were Anxiety/Stress and Colds, Coughs & Influenza.

The following table provides information on the number of days lost due to sickness during 2022-23 and 2023-24

|  | 2023-24    | 2022-23    |
|--|------------|------------|
|  | Number     | Number     |
| Days lost (long term)                                      | 220,631.64 | 232,000.47 |
| Days lost (short term)                                     | 115,748.36 | 124,923.33 |
| Total days lost  | 336,380.00 | 356,923.80 |
| Total staff years  | 14,813.19  | 14,154.02  |
| Average working days lost                                  | 22.72      | 25.22      |
| Total staff employed in period (headcount)                 | 17,096     | 15,918     |
| Total staff employed in period with no absence (headcount) | 5,404      | 5,250      |
| Percentage staff with no sick leave                        | 31.61%     | 31.25%     |

## 16.4 Staff Policies

At Cardiff and Vale UHB we have 6 local UHB employment Policies:

- Recruitment and Selection
- Adaptable Workforce
- Employee Health and Wellbeing
- Learning Education and Development
- Equality, Inclusivity and Human Rights Policy
- Maternity, Adoption, Paternity and Shared Parental Leave

These set out our organisational commitments and what we are aiming to achieve. Each of them is supported by a

number of Procedures which describe the processes to follow, roles & responsibilities, and any entitlements or obligations. This means there is less duplication, more transparency and information which is easier to understand. These are in addition to the All-Wales Policies which apply to us and all other Health Boards in Wales

All employment and other related People Services (Human Resources) and People and Culture policies, procedures and guidelines are required to have at least two authors, i.e. a management and staff representative and they are subject to robust consultation processes. This includes publication on the UHB Sharepoint



site for a period of at least 28 days and consideration at the Employment Policies Sub Group of the Local Partnership Forum.

As an employer we are committed to providing meaningful equality of opportunity and inclusion for all employees, regardless of their protected characteristics), as is demonstrated by our **Equality, Inclusivity and Human Rights Policy**. Its remit goes beyond strict compliance with the law and acts as a reference point in the event of any subsequent disputes.

The UHB is committed to equal opportunities in recruitment, and demonstrates this by displaying the Disability Confident Leader symbol (which replaces the 'two ticks' scheme) in all adverts, as well as Supporting Age Positive, Mindful Employer and Stonewall Cymru symbols.



The **Employee Health and Wellbeing Policy** outlines our commitment to encouraging and empowering all staff to take personal responsibility for their lifestyle choices and health and wellbeing. It also sets out our commitment to guide and support managers in their roles and responsibilities around both supporting healthy workplaces and work practices, and in engaging in effective conversations with individuals and teams. The responsibility of the UHB in providing a workplace, culture and environment that enables being healthy and well at work is also recognised

The UHB were awarded Gold and Platinum **Corporate Health Standards** in April 2023 following re-assessment. The Health and Wellbeing Steering Group was refreshed in Autumn 2023 and is currently overseeing development of the UHB Health and Wellbeing Framework, as well as identifying

organisational health and wellbeing priorities using intelligence emerging from across the UHB, research and best practice.

The NHS Wales Managing Attendance at Work Policy assists managers in supporting staff when they are ill, manage their absence and help facilitate their timely return to work in a compassionate way. The policy is proactive by placing responsibility on line managers to know their staff and focus on their health and wellbeing to keep them well and in work.

The **Managing Attendance at Work Policy** includes a number of toolkits. One of these deals with reasonable/tailored adjustments – it reminds managers of our legal duty to make reasonable adjustments to ensure workers with disabilities, or physical or mental health impairments, are not disadvantaged when doing their jobs or during the recruitment process. The Policy states that not all illnesses are disabilities, however, if an employee is asking for support with a health and wellbeing condition, it is best to provide the support accordingly, assuming it is proportionate to do so. There are many benefits to this including supporting the employee back into work and helping them remain in work.

Managing Attendance at Work training has been delivered virtually to over 200 managers in 2023, with regular sessions planned face to face and virtually in 2024. Toolkit Talk Sessions have been arranged for managers and staff to advise on the options and processes, which will also signpost them to various health, wellbeing and support networks. These include:

- Ill Health Retirement Process/Support for Managers and Staff
- Short Term Sickness and Review Prompts
- Long Term Sickness Meetings
- Injury Allowance Claims Procedure

In line with the UHBs People and Culture Plan, all our standard letters and guidance have been reviewed to help embed compassionate leadership and to include signposting to various support mechanisms. A suite of documents has been collated which additional support and guidance on returning to work after a period of long-term sickness with specific conditions. A central database for temporary roles in various departments that can be offered to staff who require a temporary alternative role. In order to address the highest reason for sickness, Stress, Anxiety and Depression, the People Services Team have centralised all available resources. These resources are distributed to managers to enable signposting of staff.

The **Redeployment Procedure** supports employees whose employment is at risk to find suitable alternative employment within Cardiff and Vale University Health Board, ensuring continuity of employment. Redeployment gives us the opportunity to be innovative, making full use of the skills and experience of all staff to respond to these challenges. The redeployment procedure was reviewed in 2023-24 and the focus has shifted to a more compassionate and positive approach. This has been achieved mainly through changing the language used and also outlining the main purpose and ethos of the procedure throughout. The focus has moved from just purely focusing on sickness redeployments to widening the context, to all other reasons for redeployment, as outlined above.

The ethos that has really been highlighted throughout this updated procedure is to retain and develop experienced and skilled staff and look at redeployment as a more positive process.

The **Supporting Carer's Guidelines** were developed in September 2021 reviewed in March 2024. The Guidelines remain a supportive and relevant resource for managers and staff across the Health Board. We recognise that employees with caring responsibilities may require short term arrangements for either child or dependent care, or for longer term requirements have the 'right to request' flexible working arrangements. The caring responsibilities may potentially impact on a member of staff's ability to do their job.

The purpose of the Guidelines is to support staff to achieve a positive work/life balance with caring responsibilities, so that staff are likely to feel more valued, thus be more productive and satisfied at work. It ensures that staff are not unfairly disadvantaged by such responsibilities and are able to successfully combine their work and caring responsibilities.

## 16.5 Salary and Pension Entitlements of Senior Managers 2023-2024

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Full details of senior managers' remunerations for 2023-24 are provided in the audited tables that follow: This Remuneration and Staff Report contains information about senior manager's remuneration. The definition of "Senior Managers" for this purpose 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."*

31-Mar-2024

| Name and title  | Full Year<br>Equivalent Salary<br>(bands of £5,000) | Salary<br>(bands of<br>£5,000) | Other Remuneration<br>(bands of £5,000) | Bonus<br>Payments<br>(bands of £5,000) | Benefits in kind<br>(Rounded to the<br>nearest £00) | Pension Benefits<br>(Rounded to the<br>nearest £000) | Total<br>(bands of £5,000) |
|---|---|--------------------------------|---|--|---|--|----------------------------|
|   | £000  | £000                           | £000                                    | £000                                   | £00   | £000   | £000                       |
| <b>Cardiff and Vale University Local Health Board</b>                         |   |                                |   |  |   |  |                            |
| <u>Officer Members</u>  |   |                                |   |  |   |  |                            |
| Suzanne Rankin, Chief Executive   | 230-235   | 230-235                        | 0-5                                     | 0                                      | 4   | 0  | 230-235                    |
| Paul Bostock, Chief Operating Officer   | 155-160   | 155-160                        | 0                                       | 0                                      | 0   | 0  | 155-160                    |
| Jason Roberts, Executive Nurse Director                                       | 145-150   | 145-150                        | 0                                       | 0                                      | 9   | 0  | 145-150                    |
| Abigail Harris, Executive Director of Strategic Planning                      | 145-150   | 145-150                        | 0                                       | 0                                      | 0   | 0  | 145-150                    |
| Catherine Phillips, Executive Director of Finance                             | 190-195   | 190-195                        | 0                                       | 0                                      | 15  | 0  | 190-195                    |
| Rachel Gidman, Executive Director of People and Culture                       | 150-155   | 150-155                        | 0                                       | 0                                      | 15  | 29   | 180-185                    |
| Fiona Jenkins, Executive Director of Therapies and Health Science             | 70-75   | 70-75                          | 0                                       | 0                                      | 0   | 0  | 70-75                      |
| Meriel Jenney, Executive Medical Director                                     | 195-200   | 195-200                        | 0                                       | 0                                      | 0   | 0  | 195-200                    |
| Fiona Kinghorn, Executive Director of Public Health                           | 135-140   | 100-105                        | 0                                       | 0                                      | 0   | 0  | 100-105                    |
| Claire Beynon, Executive Director of Public Health                            | 135-140   | 30-35                          | 0                                       | 0                                      | 0   | 25   | 55-60                      |
| <u>Other Directors</u>  |   |                                |   |  |   |  |                            |
| James Quance, Interim Director of Corporate Governance                        | 115-120   | 40-45                          | 0                                       | 0                                      | 2   | 24   | 60-65                      |
| Matt Phillips, Director of Corporate Governance                               | 120-125   | 80-85                          | 0                                       | 0                                      | 1   | 17   | 95-100                     |
| David Thomas, Director of Digital and Health Intelligence                     | 125-130   | 125-130                        | 0                                       | 0                                      | 13  | 29   | 150-155                    |
| <u>Independent Members (IM)</u>   |   |                                |   |  |   |  |                            |
| Charles Janczewski, Chair   | 65-70   | 65-70                          | 0                                       | 0                                      | 0   | 0  | 65-70                      |
| Ceri Phillips, Independent Member - Vice Chair                                | 55-60   | 55-60                          | 0                                       | 0                                      | 0   | 0  | 55-60                      |
| John Union, Independent Member - Finance                                      | 15-20   | 15-20                          | 0                                       | 0                                      | 0   | 0  | 15-20                      |
| David Edwards, Independent Member - Information, Communication and Technology | 15-20   | 15-20                          | 0                                       | 0                                      | 0   | 0  | 15-20                      |
| Sara Moseley, Independent Member - Third (Voluntary) Sector                   | 15-20   | 15-20                          | 0                                       | 0                                      | 0   | 0  | 15-20                      |
| Susan Elsmore, Independent Member - Local Authority                           | 15-20   | 5-10                           | 0                                       | 0                                      | 0   | 0  | 5-10                       |
| Michael Imperato, Independent Member - Legal                                  | 15-20   | 5-10                           | 0                                       | 0                                      | 0   | 0  | 5-10                       |
| Akmal Hanuk, Independent Member - Local Community                             | 15-20   | 15-20                          | 0                                       | 0                                      | 0   | 0  | 15-20                      |
| Rhian Thomas, Independent Member - Capital and Estates                        | 15-20   | 15-20                          | 0                                       | 0                                      | 0   | 0  | 15-20                      |
| Keith Harding, Independent Member - University                                | 15-20   | 10-15                          | 0                                       | 0                                      | 0   | 0  | 10-15                      |
| Mike Jones, Independent Member - Trade Union                                  | 0   | 0                              | 50-55                                   | 0                                      | 0   | 0  | 50-55                      |
| Susan Lloyd-Selby, Independent Member - Local Authority                       | 15-20   | 0-5                            | 0                                       | 0                                      | 0   | 0  | 0-5                        |
| <u>Associate Members</u>  |   |                                |   |  |   |  |                            |
| Lance Carver, Associate Member - Local Authority                              | 0   | 0                              | 0                                       | 0                                      | 0   | 0  | 0-5                        |
| Lani Tucker, Associate Board Member - Chair of Stakeholder Reference Group    | 0   | 0                              | 0                                       | 0                                      | 0   | 0  | 0-5                        |
| Sam Austin, Chair, Stakeholder Reference Group                                | 0   | 0                              | 0                                       | 0                                      | 0   | 0  | 0-5                        |

The pension benefit is not an amount which has been paid to an individual by the UHB 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.

For Officers, Members and Other Directors the salary banding includes a 5% uplift in relation to financial year 2023/24, the payment was paid in March 2024. This payment was after the Greenbury requests had been made to the pensions agency; due to this there will be some differences between the figures in the remuneration reports and those that would be obtained on revised salaries.

Paul Bostock, Jason Roberts, Abigail Harris, Fiona Kinghorn and Catherine Phillips were 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.

Fiona Kinghorn retired on 29th December 2023 and took pension benefits on 30th December 2023.

Salaries of Senior Managers

| Name and title   | 31-Mar-2023                                   |                          |                                      |                                  |   |  |                         |
|--|---|--------------------------|--------------------------------------|----------------------------------|---|--|-------------------------|
|  | Full Year Equivalent Salary (bands of £5,000) | Salary (bands of £5,000) | Other Remuneration (bands of £5,000) | Bonus Payments (bands of £5,000) | Benefits in kind (Rounded to the nearest £00) | Pension Benefits (Rounded to the nearest £000) | Total (bands of £5,000) |
|  | £000  | £000                     | £000                                 | £000                             | £00   | £000   | £000                    |
| <b>Cardiff and Vale University Local Health Board</b>                  |   |                          |                                      |                                  |   |  |                         |
| <u>Officer Members</u>   |   |                          |                                      |                                  |   |  |                         |
| Suzanne Rankin, Chief Executive  | 220-225                                       | 220-225                  | 0-5                                  | 0                                | 83  | 0  | 230-235                 |
| Ruth Walker, Executive Nurse Director (1)                              | 150-155                                       | 25-30                    | 0                                    | 0                                | 0   | 0  | 25-30                   |
| Jason Roberts, Executive Nurse Director (1)                            | 140-145                                       | 120-125                  | 0                                    | 0                                | 11  | 203  | 325-330                 |
| Caroline Bird, Interim Chief Operating Officer (2)                     | 150-155                                       | 45-50                    | 0                                    | 0                                | 0   | 267  | 310-315                 |
| Paul Bostock, Chief Operating Officer (2)                              | 150-155                                       | 90-95                    | 5-10                                 | 0                                | 0   | 164  | 260-265                 |
| Abigail Harris, Executive Director of Strategic Planning               | 140-145                                       | 140-145                  | 0                                    | 0                                | 0   | 17   | 160-165                 |
| Catherine Phillips, Executive Director of Finance                      | 180-185                                       | 180-185                  | 0                                    | 0                                | 15  | (1)  | 180-185                 |
| Rachel Gidman, Executive Director of People & Culture                  | 145-150                                       | 145-150                  | 0                                    | 0                                | 15  | (18)   | 130-135                 |
| Dr Fiona Jenkins, Executive Director of Therapies & Health Science (3) | 70-75   | 70-75                    | 0                                    | 0                                | 0   | 0  | 70-75                   |
| Fiona Kinghorn, Executive Director of Public Health                    | 130-135                                       | 130-135                  | 0                                    | 0                                | 0   | 18   | 150-155                 |
| Professor Meriel Jenney, Executive Medical Director                    | 185-190                                       | 185-190                  | 0                                    | 0                                | 0   | 0  | 185-190                 |
| <u>Other Directors</u>   |   |                          |                                      |                                  |   |  |                         |
| Nicola Foreman, Director of Corporate Governance (4)                   | 115-120                                       | 95-100                   | 0                                    | 0                                | 0   | 20   | 115-120                 |
| James Quance, Interim Director of Corporate Governance                 | 115-120                                       | 20-25                    | 0                                    | 0                                | 1   | 24   | 45-50                   |
| David Thomas, Director of Digital and Health Intelligence              | 125-130                                       | 125-130                  | 0                                    | 0                                | 13  | 27   | 150-155                 |
| <u>Independent Members (IM)</u>  |   |                          |                                      |                                  |   |  |                         |
| Charles Janczewski, Chair  | 65-70   | 65-70                    | 0                                    | 0                                | 0   | 0  | 65-70                   |
| Ceri Phillips, Vice Chair  | 55-60   | 55-60                    |                                      |                                  |   |  | 55-60                   |
| Michael Imperato, IM - Legal   | 15-20   | 15-20                    | 0                                    | 0                                | 0   | 0  | 15-20                   |
| John Union - IM - Finance  | 15-20   | 15-20                    | 0                                    | 0                                | 0   | 0  | 15-20                   |
| David Edwards, IM - Information Communication & Technology             | 15-20   | 15-20                    | 0                                    | 0                                | 0   | 0  | 15-20                   |
| Professor Gary Baxter, IM - University (5)                             | 15-20   | 5-10                     | 0                                    | 0                                | 0   | 0  | 5-10                    |
| Keith Harding, IM - University (5)                                     | 15-20   | 0-5                      | 0                                    | 0                                | 0   | 0  | 0-5                     |
| Sara Moseley, IM - Third (Voluntary) Sector                            | 15-20   | 15-20                    | 0                                    | 0                                | 0   | 0  | 15-20                   |
| Councillor Susan Elsmore, IM - Local Authority                         | 15-20   | 15-20                    | 0                                    | 0                                | 0   | 0  | 15-20                   |
| Akmal Hanuk, IM - Local Community                                      | 15-20   | 15-20                    | 0                                    | 0                                | 0   | 0  | 15-20                   |
| Rhian Thomas, IM - Capital & Estates                                   | 15-20   | 15-20                    | 0                                    | 0                                | 0   | 0  | 15-20                   |
| Mike Jones, IM - Trade Union   | 0   | 0                        | 45-50                                | 0                                | 0   | 0  | 45-50                   |
| <u>Associate Members</u>   |   |                          |                                      |                                  |   |  |                         |
| Sam Austin, Chair, Stakeholder Reference Group                         | 0   | 0                        | 0                                    | 0                                | 0   | 0  | 0                       |
| Lance Carver, Associate Member - Local Authority                       | 0   | 0                        | 0                                    | 0                                | 0   | 0  | 0                       |

The pension benefit is not an amount which has been paid to an individual by the UHB 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.

For Officers, Members and Other Directors the salary banding includes a 1.5% consolidated uplift in relation to financial year 2022/23, the payment of this is due to be paid May 2023.

## CARDIFF AND VALE UNIVERSITY LOCAL HEALTH BOARD REMUNERATION REPORT 2023-24

### Salary and Pension entitlements of Senior Managers

Mike Jones is not remunerated as a Member of the Board, however he is an employee of the Health Board and his salary costs are shown in the Other Remuneration column.

Suzanne Rankin, Jason Roberts, Catherine Phillips, Rachel Gidman, David Thomas, James Quance and Matt Phillips were members of the NHS Wales Lease Car Salary benefit scheme during the financial year, which is open to all UHB employees. An element of an employee's salary is 'swapped' for the use of a new car. In the Remuneration table for 2023-24 the total amount of £42,758 swapped for the use of the car has been included in the Salary column as follows:

S Rankin £3,038  
J Roberts £9,574  
C Phillips £6,837  
R Gidman £11,785  
D Thomas £8,774  
M Phillips £1,108  
J Quance £1,642

The Chief Executive has been paid £1,326 relocation expenses, this amount has been included in the other Remuneration column for the 2023-24 Remuneration table.

### Changes to Board Membership in 2023-24

- (1) **James Quance** ended employment as seconded Director of Corporate Governance on 4th August 2023, **Matt Phillips** started as substantive Director of Corporate Governance on 07th August 2023.
- (2) **Fiona Kinghorn** retired as Executive Director of Public Health on 29<sup>th</sup> December. **Claire Beynon** started as Executive Director of Public Health on 30th December 2023.
- (3) **Abigail Harris** left the organisation as Executive Director of Strategic Planning on 31<sup>st</sup> March 2024, **Marie Davies** started as interim Executive Director of Strategic Planning on 1st April 2024.
- (4) **Meriel Jenney** left the organisation as Executive Medical director on 31<sup>st</sup> March 2024, **Richard Skone** started as interim Executive Medical Director on 1st April 2024.
- (5) **Michael Imperato** ended as Independent Member for Legal on 31st August 2023.
- (6) **Susan Elsmore** ended as Independent Member for Local Authority on 31st October 2023.
- (7) **Keith Harding** ended as Independent Member for University on 30th November 2023.
- (8) **Sam Austin** ended as Chair for the Stakeholder reference Group on 31st October 2023.
- (9) **Susan Lloyd-Selby** started as Independent Member for Local Authority on 1st March 2024.

### Remuneration Relationship

The details of the Remuneration Relationship are reported at section 9.6 of the Financial Statements.

Pension Benefits

| Name and title  | Real increase in pension at pension age (bands of £2,500)<br>£000 | Real increase in pension lump sum at pension age (bands of £2,500)<br>£000 | Total accrued pension at pension age at 31/03/24 (bands of £5,000)<br>£000 | Lump sum at pension age related to accrued pension at 31/03/2024 (bands of £5,000)<br>£000 | Cash Equivalent Transfer Value at 31 March 2024<br>£000 | Cash Equivalent Transfer Value at 31 March 2023<br>£000 | Real increase (decrease) in Cash Equivalent Transfer Value<br>£000 | Employer's contribution to stakeholder pension<br>To nearest £100 |
|---|---|--|--|--|---|---|--|---|
| Paul Bostock, Chief Operating Officer                     | 0-2.5   | 42.5-45  | 50-55  | 140-145  | 1,220   | 890   | 218  | -   |
| Rachel Gidman, Executive Director of People and Culture   | 0-2.5   | 27.5-30  | 50-55  | 130-135  | 1,126   | 816   | 210  | -   |
| Abigail Harris, Executive Director of Strategic Planning  | 0-2.5   | 30-32.5  | 50-55  | 135-140  | 1,190   | 981   | 89   | -   |
| Fiona Kinghorn, Executive Director of Public Health       | 0-2.5   | 115-117.5  | 35-40  | 230-235  | 0   | 1,085   | 0  | -   |
| Catherine Phillips, Executive Director of Finance         | 0-2.5   | 35-37.5  | 75-80  | 210-215  | 1,815   | 1,483   | 154  | -   |
| Jason Roberts, Executive Nurse Director                   | 0-2.5   | 30-32.5  | 55-60  | 160-165  | 1,330   | 1,012   | 197  | -   |
| David Thomas, Director of Digital and Health Intelligence | 0-2.5   | 0  | 5-10   | 0  | 155   | 98  | 32   | -   |
| James Quance, Interim Director of Corporate Governance    | 0-2.5   | 0  | 10-15  | 0  | 169   | 111   | 12   | -   |
| Matt Phillips, Director of Corporate Governance           | 0-2.5   | 0  | 0-5  | 0  | 17  | 0   | 4  | -   |
| Claire Beynon, Executive Director of Public Health        | 0-2.5   | 0-2.5  | 25-30  | 60-65  | 534   | 452   | 5  | -   |

Note 1 - Suzanne Rankin, Chief Executive is not a member of the NHS Pension scheme and therefore no pension figures are reported.

Note 2 - Fiona Jenkins, Executive Director of Therapies & Health Science retired on 31/3/22 and returned on 2/4/22 and therefore no pension figures are reported.

Note 3 - Fiona Kinghorn, Executive Director of Public Health retired on 29/12/2023.

Note 4 - Meriel Jenney has retired and returned and therefore no pension figures are reported.

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

**Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2024.

**Real Increase in CETV**

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.

For Officers, Members and Other Directors the salary banding includes a 5% uplift in relation to financial year 2023/24, the payment was paid in March 2024. This payment was after the Greenbury requests had been made to the pensions agency; due to this there will be some differences between the figures in the remuneration reports and those that would be obtained on revised salaries.

## 16.6 Consultancy Expenditure

As disclosed in note 3.3 of its annual accounts, the Health Board spent £1.207m on consultancy services during 2023-24 compared to £0.643m in 2022-23. The majority of this expenditure going towards projects aimed at delivering better clinical outcomes and efficiencies.

## 16.7 Tax Assurance for Off-payroll Appointees

### Tax assurance for off-payroll appointees

**Highly paid off-payroll worker engagements as at 31st March 2024 earning £245 per day or greater.**

|   |   |
|---|---|
| No. of existing engagements as of 31 March 2024                                 | 0 |
| Of which:   |   |
| No. that have existed for less than one year at time of reporting               | 0 |
| No. that have existed for between one and two years at the time of reporting    | 0 |
| No. that have existed for between two and three years at the time of reporting  | 0 |
| No. that have existed for between three and four years at the time of reporting | 0 |
| No. that have existed for four or more years at the time of reporting           | 0 |

While the UHB is not responsible for deducting tax and national insurance in respect of Agency staff, we have written to the agencies concerned stating that we believe that our relationship with the staff is one of employment and so they should be paying these employees under deduction of tax and national insurance.

**All highly paid off-payroll workers engaged at any point during the year ended 31st March 2024, earning £245 per day or greater**

|   |    |
|---|----|
| No. of temporary off payroll workers, during the year ended 31st March 2024                       | 29 |
| Not subject to off-payroll legislation  | 22 |
| Subject to off-payroll legislation and determined as in scope of IR35                             | 7  |
| Subject to off-payroll legislation and determined as out of scope of IR35                         | 0  |
| No. of engagements reassessed for compliance of assurance purposes during the year                | 0  |
| Of which: Number of engagements that saw a change to IR35 status following the consistency review | 0  |

**For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024**

|   |   |
|---|---|
| No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.         | 0 |
| No. of individuals that have been deemed "board members, and/or senior officials with significant financial responsibility", during the financial year. | 0 |

Please note that the UHB considers that its Board members are the only officials who have significant responsibility within the Health Board.





**Part 2c**  
**Senedd Cymru/  
Welsh Parliament  
Accountability &  
Audit Report**



## 17.1 Regularity of Expenditure

The Health Board has a financial duty to break even over a three-year period. The Integrated Medium-Term Plan submitted for the period 2022-2025 did not include a balanced financial position and was not approved.

Until a balanced three year Integrated Medium Term Plan can be submitted, Welsh Government place a requirement on the health board to submit One Year Operational Plans.

The LHB submitted a one-year Operational Plan in respect of the 2023-24 financial year. A three year Integrated Medium Term Plan was not submitted for the period 2023-2026.

The financial performance for the year, as contained in the accounts is a year-end deficit of £16.404m for 2023/24.

The Health Board had a surplus of £0.232m in 2021/22 and a deficit of £26.789m in 2022/23. This means that over the three-year period, the aggregated deficit is £42.961m. This spend constitutes irregular expenditure.

### 17.1.2 Long Term Expenditure Plans 2019-2024

#### Performance Against the Revenue Resource Limit

|   | 2019-20   | 2020-21   | 2021-22    | 2022-23         | 2023-24         |
|---|-----------|-----------|------------|-----------------|-----------------|
|   | £'000     | £'000     | £'000      | £000            | £000            |
| Net operating costs for the year  | 1,043,916 | 1,220,369 | 1,228,135  | 1,309,705       | 1,388,556       |
| Less general ophthalmic services expenditure and other non-cash limited expenditure | (17,276)  | (13,386)  | (14,237)   | (13,361)        | (13,794)        |
| Less unfunded revenue consequences of bringing PFI schemes onto SoFP                | (1,028)   | (1,028)   | (222)      | (222)           | (222)           |
| Total operating expenses  | 1,025,612 | 1,205,955 | 1,213,676  | 1,296,122       | 1,374,540       |
| Revenue Resource Allocation   | 1,025,670 | 1,206,045 | 1,213,908  | 1,269,333       | 1,358,136       |
| <b>Under /(over) spend against Allocation</b>                                       | <b>58</b> | <b>90</b> | <b>232</b> | <b>(26,789)</b> | <b>(16,404)</b> |

Cardiff and Vale 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 received £16.460m strategic cash support in 2023-24. The cash only support is provided to assist the Health Board with ensuring payments to staff and suppliers. There is no interest payable on strategic cash support.

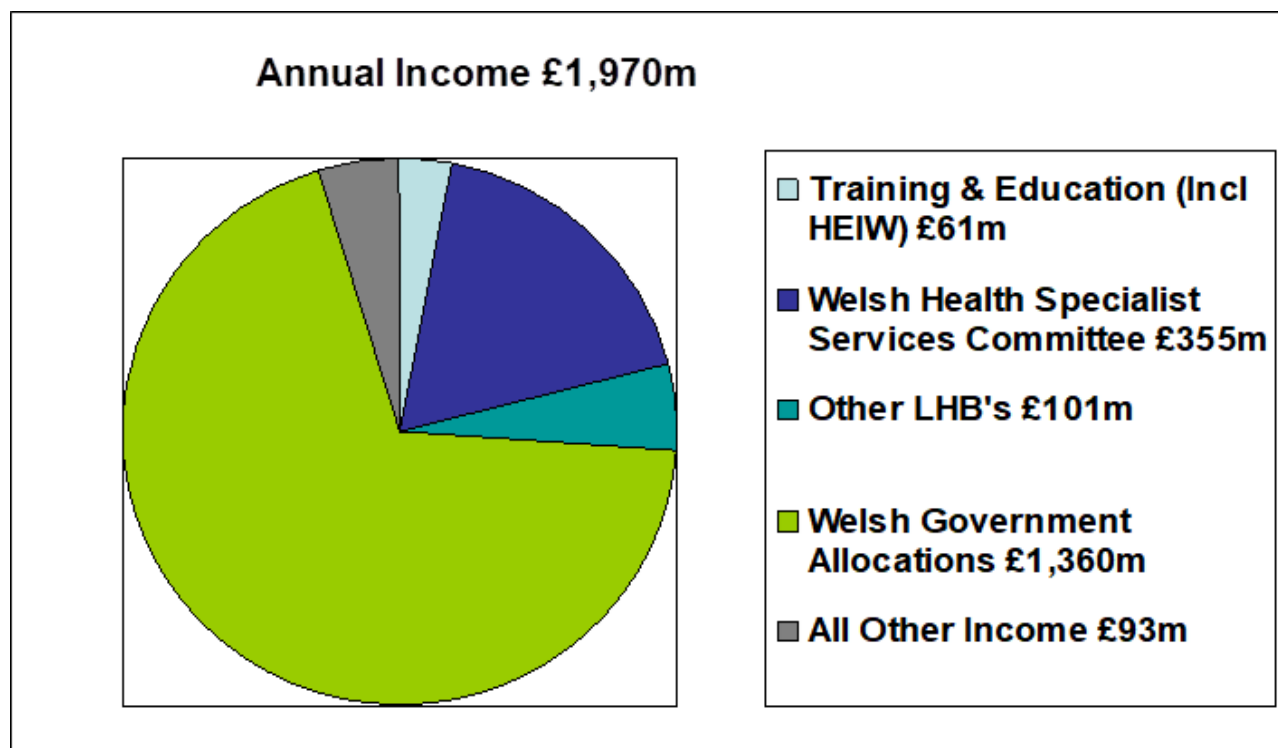
## Performance Against the Capital Resource Limit

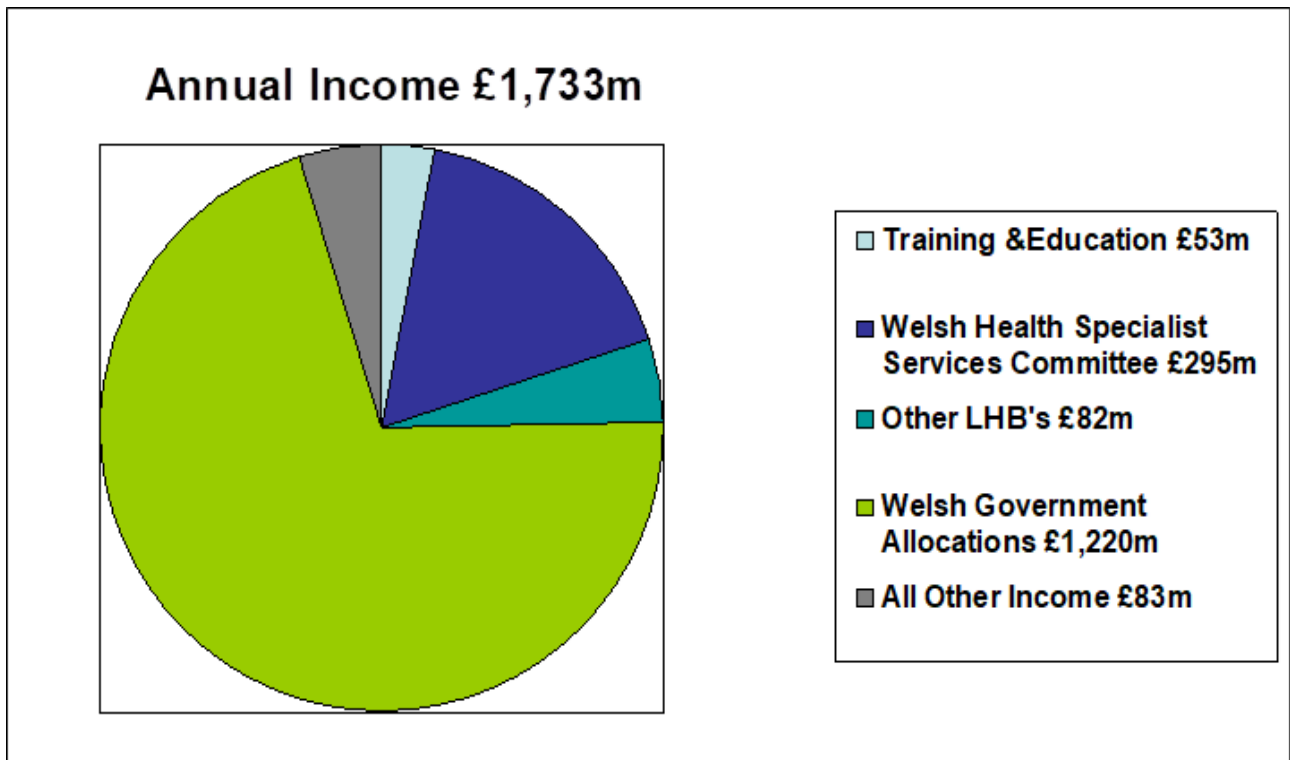
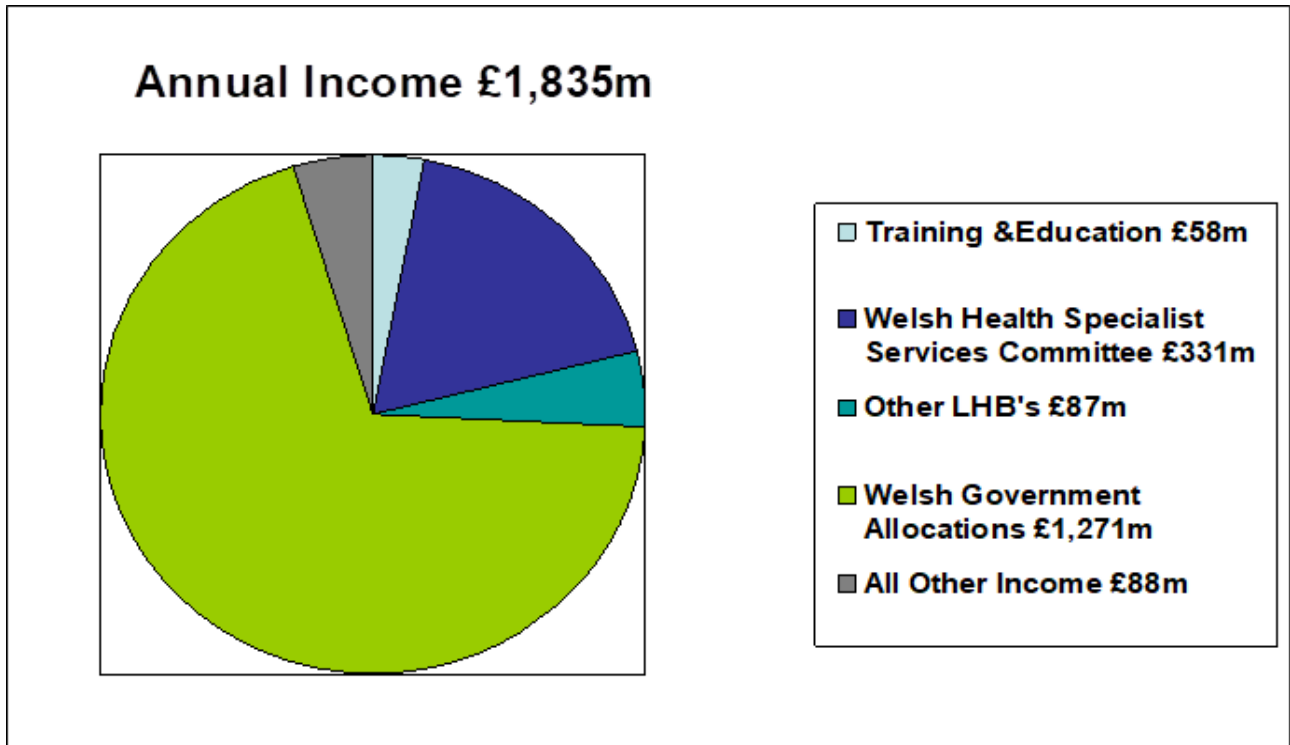
|   | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---------|---------|---------|---------|---------|
|   | £'000   | £'000   | £000    | £000    | £000    |
| <b>Gross capital expenditure</b>  | 61,333  | 103,182 | 72,477  | 56,111  | 46,218  |
| Add: Losses on disposal of donated assets   | 13      | 14      | 287     | 8       | 4       |
| Less NBV on disposal of property, plant and equipment, right of use and intangible assets | (2,167) | (7,020) | (316)   | (140)   | (114)   |
| Less capital grants received  | 0       | (536)   | (126)   | 0       | 0       |
| Less donations received   | (1,109) | (297)   | (1,374) | (414)   | (577)   |
| Less IFRS16 Peppercorn income   |         |         | 0       | (143)   | 0       |
| Less <b>initial recognition</b> of RoU Asset Dilapidations                                |         |         | 0       | (100)   | 0       |
| Charge against Capital Resource Allocation  | 58,070  | 95,343  | 70,948  | 55,322  | 45,531  |
| Capital Resource Allocation   | 58,159  | 95,447  | 70,989  | 55,410  | 45,603  |
| <b>(Over) / Underspend against Capital Resource Allocation</b>                            | 89      | 104     | 41      | 88      | 72      |

The Health Board has met its financial duty to break even against its Capital Resource Limit over the 3 years 2021-22 to 2023-24.

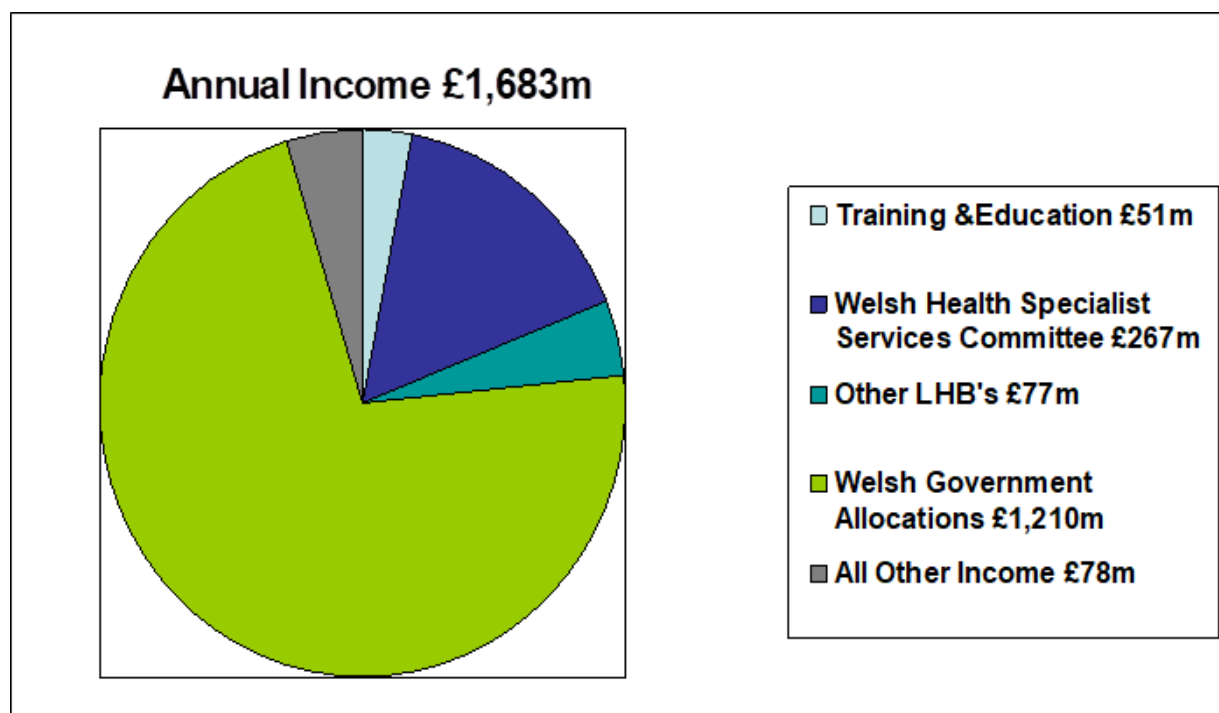
## How the Health Board has received its Revenue Funding

2023/24

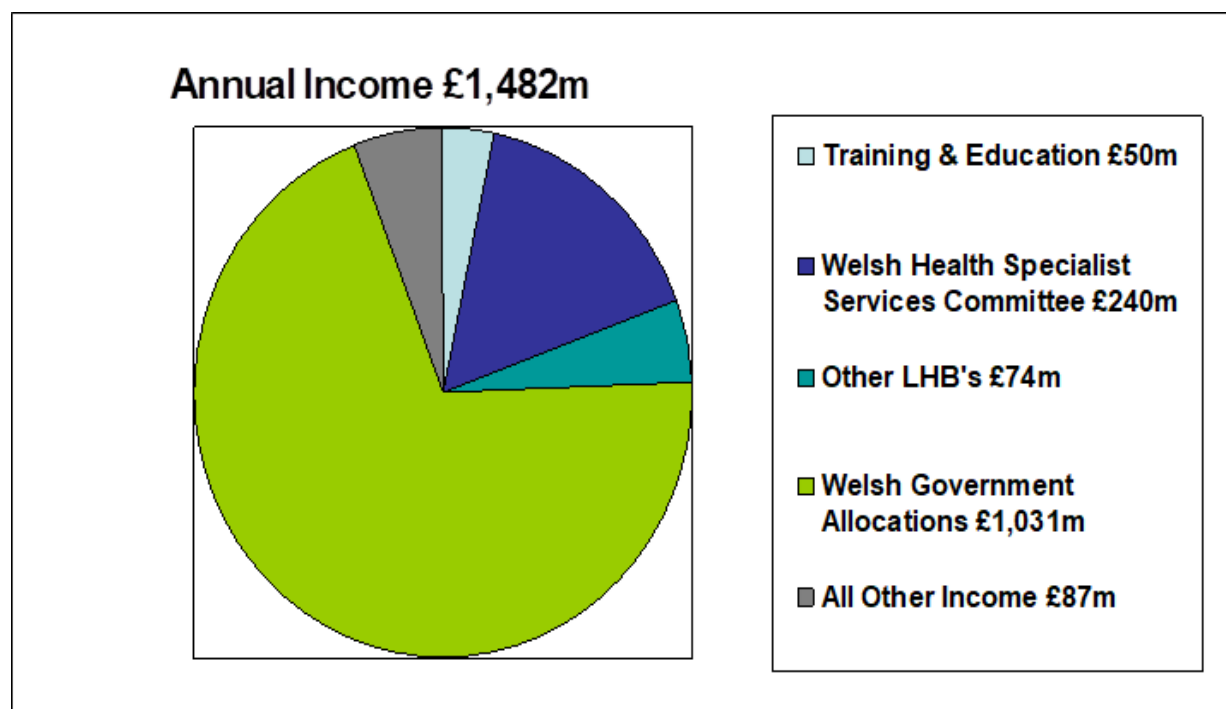




2020/21



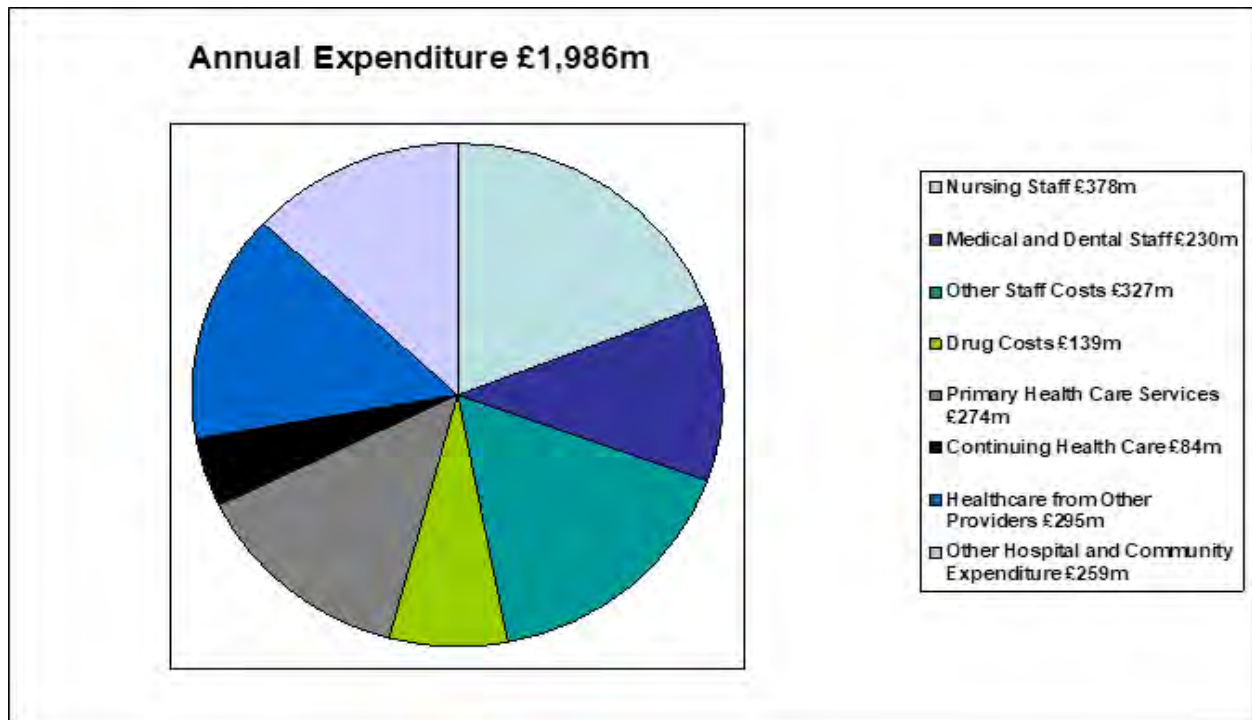
2019/20



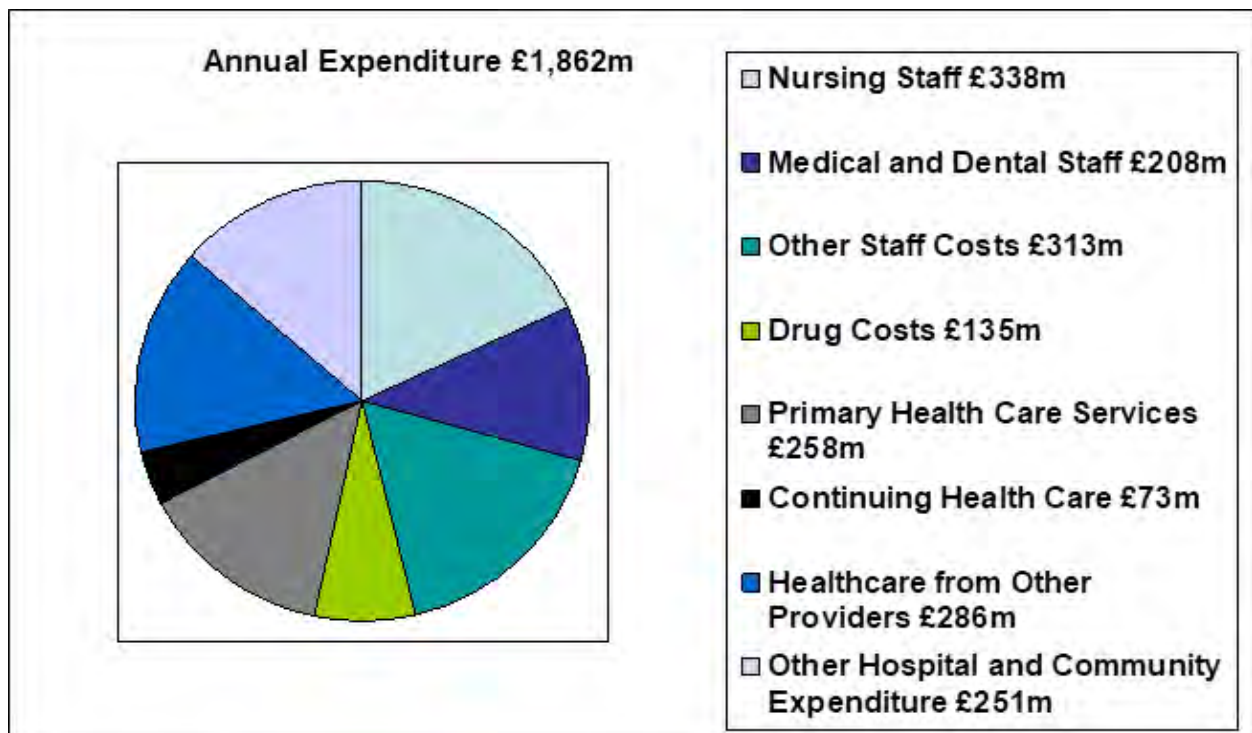
As disclosed in the performance against break even duty table above, the UHB is permitted to remove certain elements of expenditure (which it incurs but over which it doesn't have managerial control) when comparing its expenditure to its annual revenue resource limit. For the purposes of a meaningful comparison of income & cost, this has been treated as notional income in the above. Hence the expenditure figures shown below are shown gross (with no expenditure removed).

## How the UHB has utilised its Revenue Funding

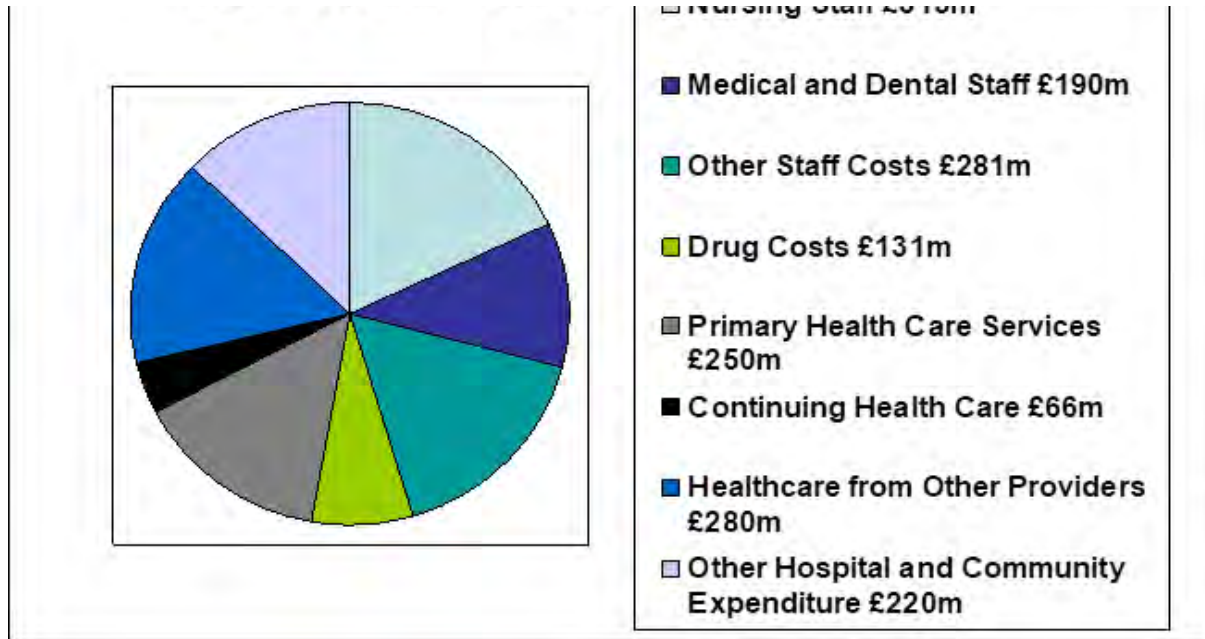
2023/24



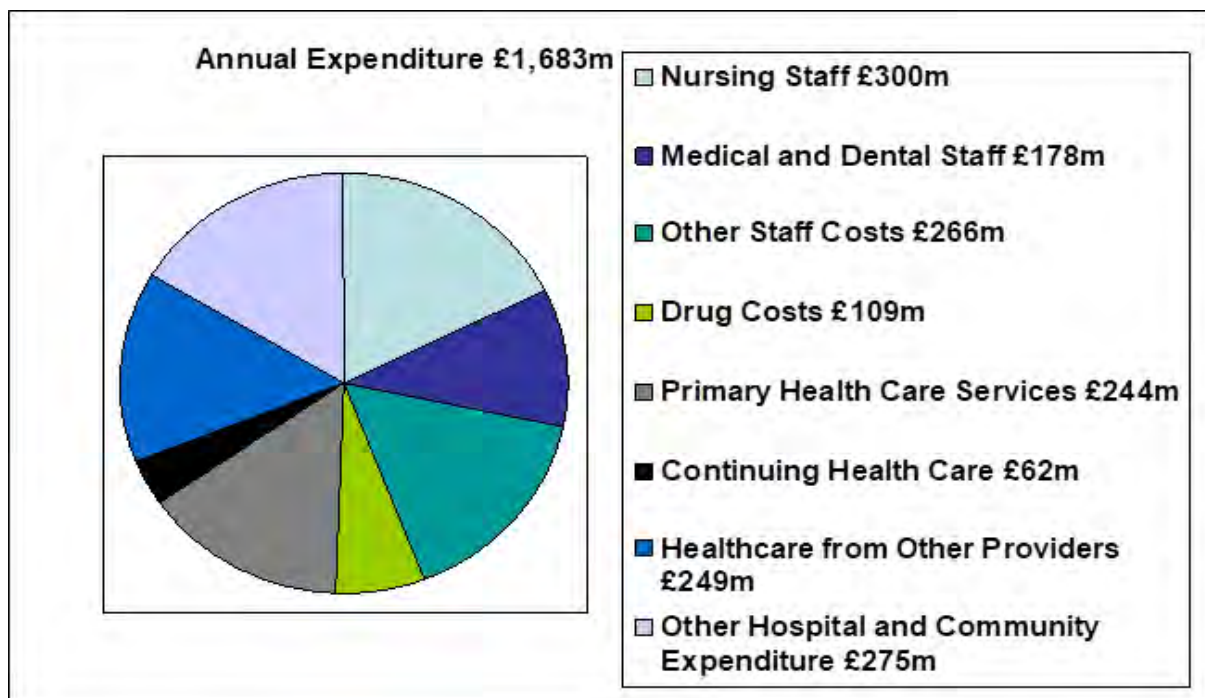
2022/23

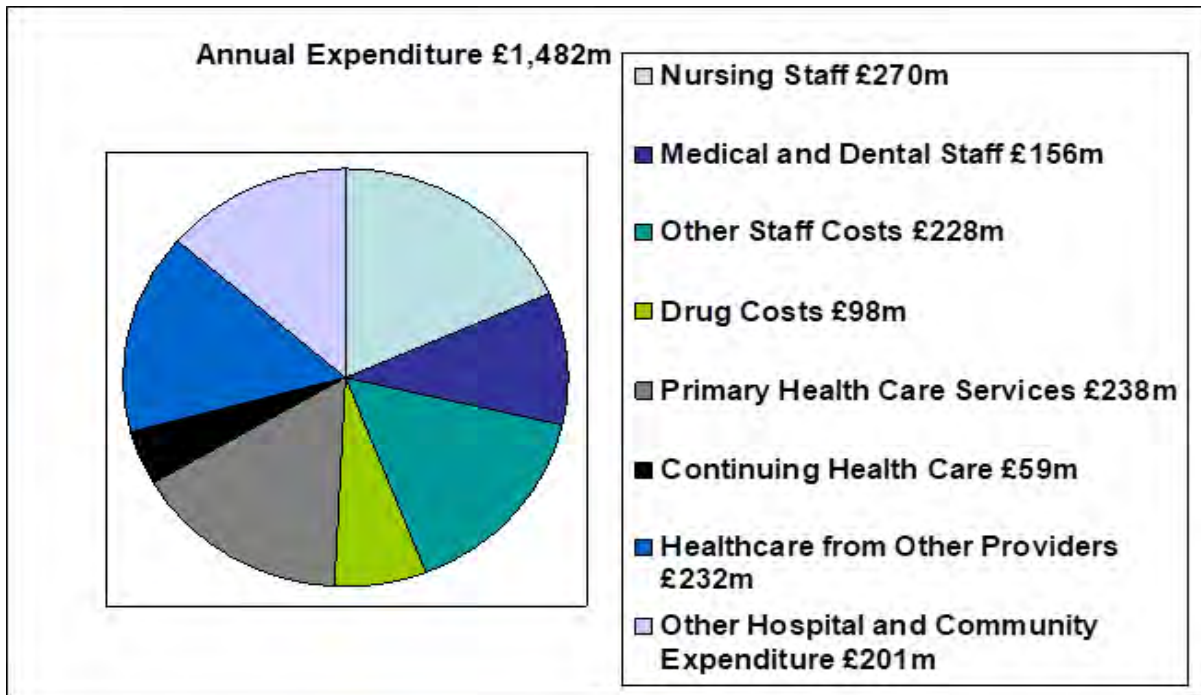


2021/22



2020/21





### 17.3 Fees and Charges

The Health Board levies charges or fees on its patients in a number of areas. Where the Health Board makes such charges or fees, it does so in accordance with relevant Welsh Health Circulars and charging guidance.

Charges are generally made on a full cost basis. None of the items for which charges are made are by themselves material to the UHB, however details of some of the larger items (Dental Fees, Private and Overseas Patient income) are disclosed within Note 4 of the Annual Accounts.

### 17.4 Managing Public Money

This is the required Statement for Public Sector Information Holders as referenced at Section 8.4 (page 70) of the Directors’ Report. In line with other Welsh NHS bodies, the UHB has developed Standing Financial Instructions which enforce the principles outlined in HM Treasury on Managing Public Money. As a result the UHB should have complied with the cost allocation and charging requirements of this guidance and the UHB has not been made aware of any instances where this has not been done.



## 17.5 Material remote contingent liabilities

As disclosed in note 21.2 of its annual accounts, the Health Board had net *remote contingent liabilities as at March 31st 2024 of £0.195m. This relates to Clinical Negligence & Personal Injury claims against the Health Board, where our legal advisors inform us that the claimants' chance of success is remote.*

## 17.6 The Certificate of the Auditor General for Wales to the Senedd

### Opinion on financial statements

I certify that I have audited the financial statements of Cardiff and Vale 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 Cardiff and Vale 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 Cardiff and Vale University Health Board's financial statements because the Health Board has breached its resource limit by spending £42.961 million over the amount that it was authorised to spend in the three-year period 2021-22 to 2023-2024. This spend constitutes irregular expenditure.

Further detail is set out in my Report on page 142

### 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 Cardiff and Vale 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 Health Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

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 set out on pages 69 and 70, 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 Head of Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Health Board's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and

regulations and whether they were aware of any instances of non-compliance;

- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals
- obtaining an understanding of 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, the Audit and Assurance Committee 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 Health Board controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

## Other auditor's responsibilities

I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

## Report

Please see my Report on pages 142



Adrian Crompton  
1 Capital Quarter  
Auditor General for Wales  
Tyndall Street  
12 July 2024  
Cardiff

CF10 4BZ

## 17.7 Report of the Auditor General in the Senedd

### Introduction

Under the Public Audit Wales Act 2004, I am responsible for auditing, certifying and reporting on Cardiff and Vale University 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

Local Health Boards (LHBs) are required to meet two statutory financial duties – known as the first and second financial duties. For 2023-24 Cardiff and Vale University Health Board failed to meet both the first and the second financial duties.

### Failure of the first financial duty

Failure of the first financial duty The first financial duty gives additional flexibility to LHBs 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 2021-2022 to 2023-2024. As shown in Note 2.1 to the Financial Statements, Cardiff and Vale University Health Board did not manage its revenue expenditure within its resource allocation over this three-year period, exceeding

its cumulative revenue resource limit of £3,841 million by £42.961 million. Where an LHB 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 LHB'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 LHBs 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. An LHB will be deemed to have met this duty for 2023-24 if it submitted a 2023-2024 to 2025-2026 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, Cardiff and Vale University Health Board did not meet its second financial duty to have an approved three-year integrated medium-term plan in place for the period 2023-2024 to 2025-2026.



**Adrian Crompton**  
**Auditor General for Wales**  
**12 July 2024**



**Part 3**  
**Audited Financial**  
**Statements**  
**(Annual Accounts)**



## Foreword

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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 1 October 2009, following the merger of Cardiff & Vale NHS Trust, Cardiff Local Health Board and the Vale of Glamorgan Local Health Board. The main purpose of the body being, the provision of healthcare to and the procurement of healthcare for the populations of Cardiff and the Vale of Glamorgan. In addition as a Tertiary Centre the UHB serves the wider population across Wales (and the UK) via the provision of specialist and complex services.

### 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 2023-24. 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<br>£000         | 2022-23<br>£000         |
|---|------|-------------------------|-------------------------|
| Expenditure on Primary Healthcare Services                                | 3.1  | 273,767                 | 258,323                 |
| Expenditure on healthcare from other providers                            | 3.2  | 379,417                 | 358,868                 |
| Expenditure on Hospital and Community Health Services                     | 3.3  | <u>1,331,445</u>        | <u>1,243,024</u>        |
|   |      | <b>1,984,629</b>        | <b>1,860,215</b>        |
| Less: Miscellaneous Income  | 4    | <u>(597,517)</u>        | <u>(551,818)</u>        |
| <b>LHB net operating costs before interest and other gains and losses</b> |      | <b>1,387,112</b>        | <b>1,308,397</b>        |
| Investment Revenue  | 5    | 0                       | 0                       |
| Other (Gains) / Losses  | 6    | 11                      | 34                      |
| Finance costs   | 7    | <u>1,433</u>            | <u>1,274</u>            |
| <b>Net operating costs for the financial year</b>                         |      | <b><u>1,388,556</u></b> | <b><u>1,309,705</u></b> |

See note 2 on page 27 for details of performance against Revenue and Capital allocations.

The notes on pages 150 to 223 form part of these accounts.

## Other Comprehensive Net Expenditure

|  | 2023-24<br>£000         | 2022-23<br>£000         |
|--|-------------------------|-------------------------|
| Net (gain) / loss on revaluation of property, plant and equipment              | (9,616)                 | (17,148)                |
| Net (gain)/loss on revaluation of right of use assets                          | 0                       | (151)                   |
| Net (gain) / loss on revaluation of intangibles                                | 0                       | 0                       |
| (Gain) / loss on other reserves  | 0                       | 0                       |
| Net (gain)/ loss on revaluation of PPE & Intangible assets held for sale       | 0                       | 0                       |
| Net (gain)/loss on revaluation of financial assets held for sale               | 0                       | 0                       |
| Impairment and reversals   | 0                       | 0                       |
| Transfers between reserves   | 0                       | 0                       |
| Transfers to / (from) other bodies within the Resource Accounting Boundary     | 0                       | 0                       |
| Reclassification adjustment on disposal of available for sale financial assets | 0                       | 0                       |
| Other comprehensive net expenditure for the year                               | <u>(9,616)</u>          | <u>(17,299)</u>         |
| <b>Total comprehensive net expenditure for the year</b>                        | <b><u>1,378,940</u></b> | <b><u>1,292,406</u></b> |

The notes on pages 150 to 223 form part of these accounts.

## Statement of Financial Position as at 31 March 2024

|  |       | 31 March<br>2024<br>£000 | 31 March<br>2023<br>£000 |
|--|-------|--------------------------|--------------------------|
|  | Notes |                          |                          |
| <b>Non-current assets</b>                        |       |                          |                          |
| Property, plant and equipment                    | 11    | 833,437                  | 826,044                  |
| Right of Use Assets                              | 11.3  | 23,212                   | 22,538                   |
| Intangible assets                                | 12    | 2,233                    | 2,263                    |
| Trade and other receivables                      | 15    | 182,443                  | 71,188                   |
| Other financial assets                           | 16    | 0                        | 0                        |
| <b>Total non-current assets</b>                  |       | <b>1,041,325</b>         | <b>922,033</b>           |
| <b>Current assets</b>                            |       |                          |                          |
| Inventories                                      | 14    | 19,227                   | 18,161                   |
| Trade and other receivables                      | 15    | 160,978                  | 237,596                  |
| Other financial assets                           | 16    | 0                        | 0                        |
| Cash and cash equivalents                        | 17    | 2,780                    | 2,846                    |
|  |       | <b>182,985</b>           | <b>258,603</b>           |
| Non-current assets classified as "Held for Sale" | 11    | 0                        | 0                        |
| <b>Total current assets</b>                      |       | <b>182,985</b>           | <b>258,603</b>           |
| <b>Total assets</b>                              |       | <b>1,224,310</b>         | <b>1,180,636</b>         |
| <b>Current liabilities</b>                       |       |                          |                          |
| Trade and other payables                         | 18    | (229,602)                | (228,858)                |
| Other financial liabilities                      | 19    | 0                        | 0                        |
| Provisions                                       | 20    | (100,151)                | (192,023)                |
| <b>Total current liabilities</b>                 |       | <b>(329,753)</b>         | <b>(420,881)</b>         |
| <b>Net current assets/ (liabilities)</b>         |       | <b>(146,768)</b>         | <b>(162,278)</b>         |
| <b>Non-current liabilities</b>                   |       |                          |                          |
| Trade and other payables                         | 18    | (24,059)                 | (24,565)                 |
| Other financial liabilities                      | 19    | 0                        | 0                        |
| Provisions                                       | 20    | (167,928)                | (70,441)                 |
| <b>Total non-current liabilities</b>             |       | <b>(191,987)</b>         | <b>(95,006)</b>          |
| <b>Total assets employed</b>                     |       | <b>702,570</b>           | <b>664,749</b>           |
| <b>Financed by :</b>                             |       |                          |                          |
| <b>Taxpayers' equity</b>                         |       |                          |                          |
| General Fund                                     |       | 565,473                  | 530,680                  |
| Revaluation reserve                              |       | 137,097                  | 134,069                  |
| <b>Total taxpayers' equity</b>                   |       | <b>702,570</b>           | <b>664,749</b>           |

The financial statements on pages 145 to 149 were approved by the Board on 11 07 2024 and signed on its behalf by:

Chief Executive and Accountable Officer



Date:

11 07 2024

The notes on pages 150 to 223 form part of these accounts.

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

|   | General<br>Fund<br>£000 | Revaluation<br>Reserve<br>£000 | Total<br>Reserves<br>£000 |
|---|-------------------------|--------------------------------|---------------------------|
| <b>Changes in taxpayers' equity for 2023-24</b>                 |                         |                                |                           |
| Balance as at 31 March 2023                                     | 530,680                 | 134,069                        | 664,749                   |
| NHS Wales Transfer  | 0                       | 0                              | 0                         |
| RoU Asset Transitioning Adjustment                              | 0                       | 0                              | 0                         |
| Impact of IFRS 16 on PPP/PFI Liability                          | 0                       | 0                              | 0                         |
| <b>Balance at 1 April 2023</b>                                  | <b>530,680</b>          | <b>134,069</b>                 | <b>664,749</b>            |
| Net operating cost for the year                                 | (1,388,556)             |                                | (1,388,556)               |
| Net gain/(loss) on revaluation of property, plant and equipment | 0                       | 9,616                          | 9,616                     |
| 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                                      | 6,588                   | (6,588)                        | 0                         |
| Release of reserves to SoCNE                                    | 0                       | 0                              | 0                         |
| Transfers to/from LHBs  | 0                       | 0                              | 0                         |
| <b>Total recognised income and expense for 2023-24</b>          | <b>(1,381,968)</b>      | <b>3,028</b>                   | <b>(1,378,940)</b>        |
| Net Welsh Government funding                                    | 1,378,548               |                                | 1,378,548                 |
| Notional Welsh Government Funding                               | 38,213                  |                                | 38,213                    |
| <b>Balance at 31 March 2024</b>                                 | <b>565,473</b>          | <b>137,097</b>                 | <b>702,570</b>            |

Notional Welsh Government funding line includes the 6.3% staff employer pension (£38.213m).

The notes on pages 150 to 223 form part of these accounts.

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

|   | General<br>Fund<br>£000 | Revaluation<br>Reserve<br>£000 | Total<br>Reserves<br>£000 |
|---|-------------------------|--------------------------------|---------------------------|
| <b>Changes in taxpayers' equity for 2022-23</b>                 |                         |                                |                           |
| <b>Balance at 31 March 2022</b>                                 | 503,471                 | 117,481                        | 620,952                   |
| NHS Wales Transfer  | 0                       | 0                              | 0                         |
| RoU Asset Transitioning Adjustment                              | 847                     | 0                              | 847                       |
| <b>Balance at 1 April 2022</b>                                  | <u>504,318</u>          | <u>117,481</u>                 | <u>621,799</u>            |
| Net operating cost for the year                                 | (1,309,705)             | -                              | (1,309,705)               |
| Net gain/(loss) on revaluation of property, plant and equipment | 0                       | 17,148                         | 17,148                    |
| Net gain/(loss) on revaluation of right of use assets           | 0                       | 151                            | 151                       |
| 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                                      | 711                     | (711)                          | 0                         |
| Release of reserves to SoCNE                                    | 0                       | 0                              | 0                         |
| Transfers to/from LHBs  | 0                       | 0                              | 0                         |
| <b>Total recognised income and expense for 2022-23</b>          | <u>(1,308,994)</u>      | <u>16,588</u>                  | <u>(1,292,406)</u>        |
| Net Welsh Government funding                                    | 1,301,344               | -                              | 1,301,344                 |
| Notional Welsh Government Funding                               | 34,012                  | -                              | 34,012                    |
| <b>Balance at 31 March 2023</b>                                 | <u>530,680</u>          | <u>134,069</u>                 | <u>664,749</u>            |

The notes on pages 150 to 223 form part of these accounts.

## Statement of Cash Flows for year ended 31 March 2024

|  | 2023-24            | 2022-23            |
|--|--------------------|--------------------|
|  | £000               | £000               |
| <b>Cash Flows from operating activities</b>                                      |                    |                    |
| Net operating cost for the financial year  | (1,388,556)        | (1,309,705)        |
| Movements in Working Capital   | 27 (40,322)        | (50,849)           |
| Other cash flow adjustments  | 28 109,013         | 136,943            |
| Provisions utilised  | 20 (18,135)        | (15,523)           |
| <b>Net cash outflow from operating activities</b>                                | <b>(1,338,000)</b> | <b>(1,239,134)</b> |
| <b>Cash Flows from investing activities</b>                                      |                    |                    |
| Purchase of property, plant and equipment  | (33,875)           | (59,934)           |
| Proceeds from disposal of property, plant and equipment                          | 53                 | 107                |
| Purchase of intangible assets  | (647)              | (977)              |
| Proceeds from disposal of intangible assets                                      | 0                  | 0                  |
| Payment for other financial assets   | 0                  | 0                  |
| Proceeds from disposal of other financial assets                                 | 0                  | 0                  |
| Payment for other assets   | 0                  | 0                  |
| Proceeds from disposal of other assets   | 0                  | 0                  |
| <b>Net cash inflow/(outflow) from investing activities</b>                       | <b>(34,469)</b>    | <b>(60,804)</b>    |
| <b>Net cash inflow/(outflow) before financing</b>                                | <b>(1,372,469)</b> | <b>(1,299,938)</b> |
| <b>Cash Flows from financing activities</b>                                      |                    |                    |
| Welsh Government funding (including capital)                                     | 1,378,548          | 1,301,344          |
| Capital receipts surrendered   | 0                  | 0                  |
| Capital grants received  | 0                  | 0                  |
| Capital element of payments in respect of finance leases and on-SoFP PFI Schemes | (513)              | (425)              |
| Capital element of payments in respect of on-SoFP PFI                            | 0                  | 0                  |
| Capital element of payments in respect of Right of Use Assets                    | (5,632)            | (2,742)            |
| Cash transferred (to)/ from other NHS bodies                                     | 0                  | 0                  |
| <b>Net financing</b>   | <b>1,372,403</b>   | <b>1,298,177</b>   |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                      | <b>(66)</b>        | <b>(1,761)</b>     |
| <b>Cash and cash equivalents (and bank overdrafts) at 1 April 2023</b>           | <b>2,846</b>       | <b>4,607</b>       |
| <b>Cash and cash equivalents (and bank overdrafts) at 31 March 2024</b>          | <b>2,780</b>       | <b>2,846</b>       |

The notes on pages 150 to 223 form part of these accounts.

## Notes to the Accounts

### 1. Accounting policies

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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 (FReM) in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, to the extent that they are meaningful and appropriate to the NHS in Wales.

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

#### 1.1. Accounting convention

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

### 1.2. Acquisitions and discontinued operations

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

### 1.3. Income and funding

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

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

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

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

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

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

Only non-NHS income may be deferred.

## **1.4. Employee benefits**

### **1.4.1. Short-term employee benefits**

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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**

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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

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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

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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

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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

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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**

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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

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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

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

## 1.10. Non-current assets held for sale

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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

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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.

No other transition expedients have been employed by the LHB at its discretion. 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 2023 will be assessed under the requirements of IFRS 16.

There are further expedients or election that have been employed by the LHB in applying IFRS 16.

These include:

- the measurement requirements under IFRS 16 are not applied to leases with a term of 12 months or less under paragraph 5 (a) of IFRS 16
- the measurement requirements under IFRS 16 are not applied to leases where the underlying asset is of a low value which are identified as those assets of a value of less than £5,000, excluding any irrecoverable VAT, under paragraph 5 (b) of IFRS 16

The entity will not apply IFRS 16 to any new leases of intangible assets applying the treatment described in section 1.7 instead.

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 Cardiff and Vale University Health Board 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 entity as lessee

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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 Cardiff and Vale University Health Board applies a revised rate to the remaining lease liability.

Where existing leases are modified Cardiff and Vale University Health Board 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 Cardiff and Vale University Health Board .

### **1.11.2. Cardiff and Vale University Health Board as lessor**

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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 Cardiff and Vale University Health Board net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the LHB's net investment outstanding in respect of the leases.

Income from operating leases is recognised on a straight-line or another systematic basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Where Cardiff and Vale University Health Board 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 Cardiff and Vale University Health Board has reassessed the classification of all of its continuing subleasing arrangements to include peppercorn leases.

### **1.12. Inventories**

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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

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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

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Provisions are recognised when the NHS Wales organisation has a present legal or constructive obligation as a result of a past event, it is probable that the NHS Wales organisation 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

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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)

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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

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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

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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

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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**

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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**

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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**

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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**

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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 NHS Wales organisation 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**

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Financial liabilities are recognised on the SoFP when the NHS Wales organisation 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**

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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**

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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**

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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)**

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Most of the activities of the NHS Wales organisation are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

## **1.19. Foreign currencies**

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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**

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Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Wales organisation has no beneficial interest in them. Details of third party assets are given in the Notes to the accounts.

## 1.21. Losses and Special Payments

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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 NHS Wales organisation accounts for all losses and special payments gross (including assistance from the WRP). The NHS Wales organisation 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

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The NHS Wales organisation has entered into pooled budgets with Local Authorities. Under the arrangements funds are pooled in accordance with section 33 of the NHS (Wales) Act 2006 for specific activities defined in the pooled budget Note.

The pool budget is hosted by one NHS Wales's organisation. Payments for services provided are accounted for as miscellaneous income. The NHS Wales organisation accounts for its share of the assets, liabilities, income and expenditure from the activities of the pooled budget, in accordance with the pooled budget arrangement.

The Health Board has entered into a pooled budget arrangement with Cardiff and Vale of Glamorgan Local Authorities, as permissible under section 33 of the NHS (Wales) Act 2006 for the operation of a Joint Equipment Store (JES). The purpose of the JES is the provision and delivery of common equipment and consumables to patients who are resident in the localities of the partners to the pooled budget. The pooled budget arrangement became operational from 1st January 2012.

During 23-24 the UHB received funding from the Health and Social Care Regional Integration Fund (the RIF). The RIF is a 5 year fund to deliver a programme of change from April 2022 to March 2027. The RIF builds on the

learning and progress made under the previous Integrated Care Fund (ICF) and Transformation Fund (TF) and seeks to create sustainable system change through the integration of health and social care services.

As required under Part 9 of the Social Services and Well-being Act 2014, a pooled budget arrangement has been agreed between the UHB and the Cardiff and Vale Local Authorities. This came into effect from April 1st 2018.

Details of the operational and accounting arrangements in place around each of the above can be found in Note 32 of these accounts.

### **1.23. Critical Accounting Judgements**

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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**

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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**

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The NHS Wales organisation 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;

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.

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

*\* An analysis of historical information covering a three year period is used to calculate the Clinical Negligence & Personal Injury defence costs provision in respect of Possible cases.*

### 1.24.3. Other Critical Estimates & Major Judgements

i) The LHB provides for potential bad debts both as a result of specific disputes and based on historic collectability patterns. As a result of this, the LHB is carrying a bad debt provision of £9.610m re non-NHS organisations and a credit note provision of £2.717m in respect of NHS debts. While this provision is considered prudent and accurate as at the statement of financial position date, due to the ongoing trading relationships it covers, potentially there could be gains and losses resulting from the ultimate recoverability in respect of amounts provided for.

#### ii) Annual Leave Accrual

In line with IAS 19 the LHB has reviewed the level of annual leave taken by its staff to March 31st 2024. Based on a sample the LHB has accrued £5.630m re untaken annual leave. This is based on a sample of the leave records of 93% of all LHB staff and represents an increase of £0.340m in year.

The LHB has a policy of only allowing annual leave to be carried forward into future years under exceptional circumstances or when this has been necessary to help the LHB achieve service performance targets.

The provision reflects the continuing exceptional circumstances faced by NHS staff in 2023-24. The continuing need to deliver recovery activity for the UHB's patients post pandemic combined with the impact of 2023-24 strike action has limited annual leave opportunities in year. This has created a need to maintain an annual leave provision higher than in the pre pandemic period.

iii) During 2009-10 the LHB counted inventory (excluding drugs which were already being counted) held on wards for the first time as part of its year end inventory figure. From a practical perspective it would be extremely difficult for the LHB to physically count all such areas immediately prior to March 31st, hence an extrapolation method was agreed.

As a result, on a three yearly rolling basis the stock in 29 different wards has now been counted. This represents 714 beds out of a possible 1,881 across the LHB. In this way a figure of £0.697m has been calculated for ward stock and has been included within the inventory balance shown in note 14.1 of the accounts.

As the number of wards counted increases a picture has emerged of a strata of wards which have a relatively low level of stockholding and one for those which have higher than average levels. This intelligence is now being built in to the calculation of the balance involved.

iv) As in other years due to the relatively short timescale available to prepare the annual accounts, the primary care expenditure disclosed contains a number of significant estimates where the value of actual liabilities was not available prior to the date of the accounts submission.

The most material areas being:

- > GMS Enhanced Services **£1.538m**
- > GMS Schemes & Frameworks **£1.519m**
- > Prescribing **£14.776m**
- > Pharmacy **£4.075m**
- > General Dental Service recoveries (**£0.697m**)

## 1.25. Discount Rates

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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.

## 1.26 Private Finance Initiative (PFI) transactions

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HM Treasury has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The NHS Wales organisation therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- a) Payment for the fair value of services received;
- b) Payment for the PFI asset, including finance costs; and
- c) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

## 1.26.1. Services received

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The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

## 1.26.2. PFI asset

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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.

### 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**

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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**

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Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the NHS Wales organisation's SoFP.

### **1.26.5. Other assets contributed by the NHS Wales organisation to the operator**

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Assets contributed (e.g. cash payments, surplus property) by the NHS Wales organisation 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 NHS Wales organisation, 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.

### 1.26.6. Impact of IFRS 16 on on-balance sheet PFI/PPP Schemes

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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 of 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.

Only on-balance sheet schemes that have an imputed lease component of the unitary payment which is index-linked will be impacted by this change. Where this is the

case, entities will have previously been incurring contingent rent. For some PFI schemes, only the services and any other non-lease components are index-linked and no contingent rent has historically arisen. These schemes will not be impacted by this change.

Cardiff and Vale University Health Board currently hold one PFI arrangement on Balance Sheet - St Davids Hospital (note 25). The PFI contract does not contain capital payments linked to a price index (contract specific rate stated). Only elements relating to facilities management /testable services are RPI indexed and therefore the PFI is not impacted by the 23/24 additional IFRS16 principles and annual remeasurement of the lease liability is not required.

### 1.27. Contingencies

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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 NHS Wales organisation, 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 NHS Wales organisation. 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**

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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**

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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**

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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**

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Following Treasury's agreement to apply IAS 27 to NHS Charities from 1 April 2013, the NHS Wales organisation has established that as it is the corporate trustee of the Cardiff and Vale University LHB NHS Charitable Fund, it is considered for accounting standards compliance to have control of the Cardiff and Vale University LHB NHS Charitable Fund as a subsidiary and therefore is required to consolidate the results of the Cardiff and Vale University LHB NHS Charitable Fund within the statutory accounts of the NHS Wales organisation.

The determination of control is an accounting standard test of control and there has been no change to the operation of the Cardiff and Vale University LHB NHS Charitable Fund or its independence in its management of charitable funds.

However, the NHS Wales 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.

## 2. Financial Duties Performance

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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                      | 2022-23         | 2023-24           | Total            |
|   | £000                         | £000            | £000              | £000             |
| <b>Net operating costs for the year</b>   | 1,228,135                    | 1,309,705       | 1,388,556         | <b>3,926,396</b> |
| Less general ophthalmic services expenditure and other non-cash limited expenditure | (14,237)                     | (13,361)        | (13,794)          | <b>(41,392)</b>  |
| Less unfunded revenue consequences of bringing PFI schemes onto SoFP                | (222)                        | (222)           | (222)             | <b>(666)</b>     |
| Total operating expenses  | 1,213,676                    | 1,296,122       | 1,374,540         | <b>3,884,338</b> |
| Revenue Resource Allocation   | 1,213,908                    | 1,269,333       | 1,358,136         | <b>3,841,377</b> |
| <b>Under /(over) spend against Allocation</b>                                       | <b>232</b>                   | <b>(26,789)</b> | <b>(16,404.0)</b> | <b>(42,961)</b>  |

Cardiff and Vale 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 received £16.460m strategic cash support in 2023-24. The cash only support is provided to assist the Health Board with ensuring payments to staff and suppliers. There is no interest payable on strategic cash support.

## 2.2 Capital Resource Performance

|   | 2021-22   | 2022-23   | 2023-24   | Total          |
|---|-----------|-----------|-----------|----------------|
|   | £000      | £000      | £000      | £000           |
| <b>Gross capital expenditure</b>  | 72,477    | 56,111    | 46,218    | <b>174,806</b> |
| Add: Losses on disposal of donated assets   | 287       | 8         | 4         | <b>299</b>     |
| Less NBV on disposal of property, plant and equipment, right of use and intangible assets | (316)     | (140)     | (114)     | <b>(570)</b>   |
| Less capital grants received  | (126)     | 0         | 0         | <b>(126)</b>   |
| Less donations received   | (1,374)   | (414)     | (577)     | <b>(2,365)</b> |
| Less IFRS16 Peppercorn income   | 0         | (143)     | 0         | <b>(143)</b>   |
| Less <b>initial recognition</b> of RoU Asset Dilapidations                                | 0         | (100)     | 0         | <b>(100)</b>   |
| Charge against Capital Resource Allocation  | 70,948    | 55,322    | 45,531    | <b>171,801</b> |
| Capital Resource Allocation   | 70,989    | 55,410    | 45,603    | <b>172,002</b> |
| <b>(Over) / Underspend against Capital Resource Allocation</b>                            | <b>41</b> | <b>88</b> | <b>72</b> | <b>201</b>     |

Cardiff and Vale 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

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The NHS Wales Planning Framework for the period 2022-2025 issued to LHBs placed a requirement upon them to prepare and submit Integrated Medium Term Plans to the Welsh Government.

The LHB submitted an Integrated Medium Term Plan for the period 2022-2025 in accordance with NHS Wales Planning Framework.

The Integrated Medium Term Plan submitted for the period 2022-2025 did not include a balanced financial position and was not approved by Welsh Government. Consequently, the UHB has not met its statutory duty to have an approved financial plan for the period 2022-23 to 2024-25.

Until a balanced three year Integrated Medium Term Plan can be submitted, Welsh Government place a requirement on the health board to submit One Year Operational Plans to be submitted. Therefore a three year Integrated Medium Term Plan was not submitted for the period 2023-2026.

In the absence of an approved Integrated Medium Term Plan, in March 2022, the LHB submitted a one year Operational Plan in respect of the 2023-24 financial year. This plan initially projected a planned deficit of £88.4m. After the confirmation of additional Welsh Government funding, alongside a renewed cost efficiency target, the planned deficit was revised downwards to £16.5m.

The Minister for Health and Social Services extant approval

| Status | Not Approved |
|--------|--------------|
| Date   | n/a          |

## 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               | 313,943 | 362,856 |
| Total number of non-NHS bills paid within target | 303,193 | 345,405 |
| Percentage of non-NHS bills paid within target   | 96.6%   | 95.2%   |

**The LHB has met the target.**

### 3. Analysis of gross operating costs

#### 3.1 Expenditure on Primary Healthcare Services

|                                       | Cash limited<br>£000 | Non-cash limited<br>£000 | 2023-24<br>Total<br>£000 | 2022-23<br>Total<br>£000 |
|---------------------------------------|----------------------|--------------------------|--------------------------|--------------------------|
| General Medical Services              | 87,004               |                          | 87,004                   | 83,002                   |
| Pharmaceutical Services               | 22,831               | 7,552                    | 30,383                   | 30,234                   |
| General Dental Services               | 35,777               |                          | 35,777                   | 34,089                   |
| General Ophthalmic Services           | 3,269                | 6,242                    | 9,511                    | 7,976                    |
| Other Primary Health Care expenditure | 18,704               |                          | 18,704                   | 14,341                   |
| Prescribed drugs and appliances       | 92,388               |                          | 92,388                   | 88,681                   |
| <b>Total</b>                          | <b>259,973</b>       | <b>13,794</b>            | <b>273,767</b>           | <b>258,323</b>           |

The total expenditure above includes £21.112m in respect of staff costs (£18.981m 2022-23)

#### 3.2 Expenditure on healthcare from other providers

|  | 2023-24<br>£000 | 2022-23<br>£000 |
|--|-----------------|-----------------|
| Goods and services from other NHS Wales Health Boards    | 25,926          | 24,344          |
| Goods and services from other NHS Wales Trusts           | 35,702          | 32,560          |
| Goods and services from Welsh Special Health Authorities | 4,854           | 3,751           |
| Goods and services from other non Welsh NHS bodies       | 2,207           | 1,810           |
| Goods and services from WHSSC / EASC                     | 177,216         | 168,406         |
| Local Authorities  | 15,826          | 19,543          |
| Voluntary organisations                                  | 8,200           | 8,195           |
| NHS Funded Nursing Care                                  | 10,891          | 9,894           |
| Continuing Care  | 84,325          | 73,113          |
| Private providers  | 14,270          | 17,252          |
| Specific projects funded by the Welsh Government         | 0               | 0               |
| Other  | 0               | 0               |
| <b>Total</b>   | <b>379,417</b>  | <b>358,868</b>  |

Expenditure with Local Authorities includes Intermediate Care Fund, Transformation fund and The Health and Social Care Regional Integration Funding which are all received from Welsh Government for specific projects. A reduced level of costs associated with the COVID pandemic were reported in 2022-23 and these costs have reduced further in 2023-24.

### 3.3 Expenditure on Hospital and Community Health Services

|   | 2023-24          | 2022-23          |
|---|------------------|------------------|
|   | £000             | £000             |
| Directors' costs  | 2,454            | 2,404            |
| Operational Staff costs   | 879,061          | 806,370          |
| Single lead employer Staff Trainee Cost                                 | 53,411           | 49,436           |
| Collaborative Bank Staff Cost   | 0                | 0                |
| Supplies and services - clinical  | 270,215          | 263,315          |
| Supplies and services - general   | 12,458           | 13,177           |
| Consultancy Services  | 1,207            | 643              |
| Establishment   | 13,079           | 11,549           |
| Transport   | 1,011            | 937              |
| Premises  | 47,236           | 56,338           |
| External Contractors  | 0                | 0                |
| Depreciation  | 41,361           | 39,561           |
| Depreciation Right of Use assets (RoU)                                  | 6,238            | 3,114            |
| Amortisation  | 829              | 971              |
| Fixed asset impairments and reversals (Property, plant & equipment)     | (745)            | (13,148)         |
| Fixed asset impairments and reversals (RoU Assets)                      | 0                | 0                |
| Fixed asset impairments and reversals (Intangible assets)               | 0                | 0                |
| Impairments & reversals of financial assets                             | 0                | 0                |
| Impairments & reversals of non-current assets held for sale             | 0                | 0                |
| Audit fees  | 466              | 429              |
| Other auditors' remuneration  | 0                | 0                |
| Losses, special payments and irrecoverable debts                        | 1,621            | 5,552            |
| Research and Development  | 0                | 0                |
| Expense related to short-term leases                                    | 203              | 3,143            |
| Expense related to low-value asset leases (excluding short-term leases) | 87               | 92               |
| Other operating expenses  | 1,253            | (859)            |
| <b>Total</b>  | <b>1,331,445</b> | <b>1,243,024</b> |



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

|  | 2023-24         | 2022-23         |
|--|-----------------|-----------------|
|  | £000            | £000            |
| <b>Increase/(decrease) in provision for future payments:</b> |                 |                 |
| Clinical negligence;   |                 |                 |
| Secondary care   | 38,688          | 75,292          |
| Primary care   | 79              | 60              |
| Redress Secondary Care                                       | 170             | 248             |
| Redress Primary Care   | 0               | 0               |
| Personal injury  | 633             | 112             |
| All other losses and special payments                        | 101             | 1,185           |
| Defence legal fees and other administrative costs            | 2,042           | 1,298           |
| Gross increase/(decrease) in provision for future payments   | <u>41,713</u>   | <u>78,195</u>   |
| Contribution to Welsh Risk Pool                              | 0               | 0               |
| Premium for other insurance arrangements                     | 0               | 0               |
| Irrecoverable debts  | (444)           | 3,208           |
| <b>Less: income received/due from Welsh Risk Pool</b>        | <u>(39,648)</u> | <u>(75,851)</u> |
| <b>Total</b>   | <u>1,621</u>    | <u>5,552</u>    |

|   | 2023-24   | 2022-23   |
|---|-----------|-----------|
|   | £         | £         |
| Permanent injury included within personal injury £: | (112,703) | (581,464) |

Reduction in irrecoverable debts reflects the settlement of a number of outstanding historic disputes within the year.

## 4. Miscellaneous Income

|   | 2023-24        | 2022-23        |
|---|----------------|----------------|
|   | £000           | £000           |
| Local Health Boards   | 100,634        | 87,894         |
| Welsh Health Specialised Services Committee (WHSSC)/Emergency Ambulance Services Committee (EASC) | 355,137        | 331,078        |
| NHS Wales trusts  | 8,087          | 8,056          |
| Welsh Special Health Authorities  | 29,388         | 26,439         |
| Foundation Trusts   | 0              | 0              |
| Other NHS England bodies  | 10,338         | 10,514         |
| Other NHS Bodies  | 0              | 0              |
| Local authorities   | 10,398         | 9,621          |
| Welsh Government  | 1,736          | 1,663          |
| Welsh Government Hosted bodies  | 0              | 0              |
| Non NHS:  |                |                |
| Prescription charge income  | 160            | 150            |
| Dental fee income   | 3,533          | 3,802          |
| Private patient income  | 916            | 645            |
| Overseas patients (non-reciprocal)  | 214            | 454            |
| Injury Costs Recovery (ICR) Scheme  | 2,489          | 2,490          |
| Other income from activities  | 1,963          | 2,221          |
| Patient transport services  | 0              | 0              |
| Education, training and research  | 32,714         | 32,304         |
| Charitable and other contributions to expenditure   | 2,344          | 2,529          |
| Receipt of NWSSP Covid centrally purchased assets   | 0              | 0              |
| Receipt of Covid centrally purchased assets from other organisations                              | 0              | 0              |
| Receipt of donated assets   | 577            | 414            |
| Receipt of Government granted assets  | 0              | 0              |
| Right of Use Grant (Peppercorn Lease)   | 0              | 143            |
| Non-patient care income generation schemes  | 3,395          | 4,019          |
| NHS Wales Shared Services Partnership (NWSSP)   | 36             | 44             |
| Deferred income released to revenue   | 39             | 341            |
| Right of Use Asset Sub-leasing rental income  | 0              | 0              |
| Contingent rental income from finance leases  | 0              | 0              |
| Rental income from operating leases   | 0              | 0              |
| Other income:   | 0              |                |
| Provision of laundry, pathology, payroll services   | 10,850         | 10,128         |
| Accommodation and catering charges  | 4,892          | 4,311          |
| Mortuary fees   | 604            | 706            |
| Staff payments for use of cars  | 0              | 0              |
| Business Unit   | 0              | 0              |
| Scheme Pays Reimbursement Notional  | 0              | 0              |
| Other   | 17,073         | 11,852         |
| <b>Total</b>  | <b>597,517</b> | <b>551,818</b> |
| <b>Other income Includes;</b>   |                |                |
| Non Staff SLAs with Cardiff University  | 7,771          | 4,808          |
| Creche Fees   | 615            | 662            |
| Compensation Payments received  | 0              | 0              |
| Equipment Evaluation Income   | 300            | 0              |
| NHS Non Patient Care Income   | 1,276          | 0              |
| Non Patient Related Staff Recharges   | 539            | 0              |
| Other   | 6,572          | 6,382          |
| <b>Total</b>  | <b>17,073</b>  | <b>11,852</b>  |
| 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:   | 51.79          | 51.79          |

Injury Costs Recovery (ICR) Scheme income is subject to a provision for impairment of 51.79% re personal injury claims and 17.87% re RTA claims to reflect expected rates of collection based on the UHB's past recoverability performance.

## 5. Investment Revenue

|                             | 2023-24  | 2022-23  |
|-----------------------------|----------|----------|
|                             | £000     | £000     |
| <b>Rental revenue :</b>     |          |          |
| PFI Finance lease income    |          |          |
| planned                     | 0        | 0        |
| contingent                  | 0        | 0        |
| Other finance lease revenue | 0        | 0        |
| <b>Interest revenue :</b>   |          |          |
| Bank accounts               | 0        | 0        |
| Other loans and receivables | 0        | 0        |
| Impaired financial assets   | 0        | 0        |
| Other financial assets      | 0        | 0        |
| <b>Total</b>                | <b>0</b> | <b>0</b> |

## 6. Other gains and losses

|  | 2023-24     | 2022-23     |
|--|-------------|-------------|
|  | £000        | £000        |
| Gain/(loss) on disposal of property, plant and equipment                           | (19)        | (34)        |
| Gain/(loss) on disposal other than by sale of right of use assets                  | 8           | 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           |
| <b>Total</b>   | <b>(11)</b> | <b>(34)</b> |

## 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 | 309          | 200          |
| Interest on obligations under PFI contracts;      |              |              |
| main finance cost                                 | 1,064        | 1,128        |
| contingent finance cost                           | 0            | 0            |
| Impact of IFRS 16 on PPP/PFI contracts            | 0            | 0            |
| Interest on late payment of commercial debt       | 0            | 4            |
| Other interest expense                            | (2)          | 2            |
| <b>Total interest expense</b>                     | <b>1,371</b> | <b>1,334</b> |
| Provisions unwinding of discount                  | 62           | (60)         |
| Other finance costs                               | 0            | 0            |
| <b>Total</b>                                      | <b>1,433</b> | <b>1,274</b> |

## 8. Future change to SoCNE/Operating Leases

### LHB as lessee

As at 31st March 2024 the LHB had 196 operating leases agreements.

|  | 2023-24                | 2023-24     | 2023-24     | 2022-23      |
|--|------------------------|-------------|-------------|--------------|
|  | Low Value & Short Term | Other       | Total       | Total        |
|  | £000                   | £000        | £000        | £000         |
| <b>Payments recognised as an expense</b>           |                        |             |             |              |
| Minimum lease payments                             | 290                    | 0           | 290         | 3,235        |
| Contingent rents                                   | 0                      | 0           | 0           | 0            |
| Sub-lease payments                                 | 0                      | 0           | 0           | 0            |
| <b>Total</b>                                       | <b>290</b>             | <b>0</b>    | <b>290</b>  | <b>3,235</b> |
| <b>Total future minimum lease payments Payable</b> | <b>£000</b>            | <b>£000</b> | <b>£000</b> | <b>£000</b>  |
| Not later than one year                            | 104                    | 0           | 104         | 247          |
| Between one and five years                         | 58                     | 0           | 58          | 99           |
| After 5 years                                      | 0                      | 0           | 0           | 0            |
| <b>Total</b>                                       | <b>162</b>             | <b>0</b>    | <b>162</b>  | <b>346</b>   |

As a result of the implementation of IFRS 16 the current year operating lease figures relate to low value and short term leases only.

| Number of operating leases expiring    | Land & Buildings | Vehicles | Equipment  | Total      |
|--|------------------|----------|------------|------------|
| Not later than one year                | 0                | 0        | 61         | 61         |
| Between one and five years             | 0                | 0        | 135        | 135        |
| After 5 years                          | 0                | 0        | 0          | 0          |
| <b>Total</b>                           | <b>0</b>         | <b>0</b> | <b>196</b> | <b>196</b> |
| <b>Charged to the income statement</b> | <b>139</b>       | <b>0</b> | <b>151</b> | <b>290</b> |

There are no future sublease payments expected to be received

### LHB as lessor

|   | 2023-24     | 2022-23     |
|---|-------------|-------------|
|   | £000        | £000        |
| <b>Rental revenue</b>                                 |             |             |
| Rent  | 0           | 0           |
| Contingent rents                                      | 0           | 0           |
| <b>Total revenue rental</b>                           | <b>0</b>    | <b>0</b>    |
| <b>Total future minimum lease payments Receivable</b> | <b>£000</b> | <b>£000</b> |
| Not later than one year                               | 0           | 0           |
| Between one and five years                            | 0           | 0           |
| After 5 years   | 0           | 0           |
| <b>Total</b>  | <b>0</b>    | <b>0</b>    |

## 9. Employee benefits and staff numbers

### 9.1 Employee costs

|   | Permanent Staff | Staff on Inward Secondment | Agency Staff  | Specialist Trainee (SLE) | Collaborative Bank Staff | Other        | Total          | 2022-23        |
|---|-----------------|----------------------------|---------------|--------------------------|--------------------------|--------------|----------------|----------------|
|   | £000            | £000                       | £000          | £000                     | £000                     | £000         | £000           | £000           |
| Salaries and wages  | 685,768         | 1,577                      | 15,117        | 42,489                   | 0                        | 9,144        | 754,095        | 705,192        |
| Social security costs   | 71,848          | 0                          | 0             | 5,113                    | 0                        | 0            | 76,961         | 65,890         |
| Employer contributions to NHS Pension Scheme                    | 119,521         | 0                          | 0             | 5,913                    | 0                        | 0            | 125,434        | 106,372        |
| Other pension costs   | 373             | 0                          | 0             | 0                        | 0                        | 0            | 373            | 549            |
| Other employment benefits                                       | 0               | 0                          | 0             | 0                        | 0                        | 0            | 0              | 0              |
| Termination benefits  | 47              | 0                          | 0             | 0                        | 0                        | 0            | 47             | 0              |
| <b>Total</b>  | <b>877,557</b>  | <b>1,577</b>               | <b>15,117</b> | <b>53,515</b>            | <b>0</b>                 | <b>9,144</b> | <b>956,910</b> | <b>878,003</b> |
| Charged to capital  |                 |                            |               |                          |                          |              | 1,154          | 1,154          |
| Charged to revenue  |                 |                            |               |                          |                          |              | 955,756        | 876,849        |
|   |                 |                            |               |                          |                          |              | <b>956,910</b> | <b>878,003</b> |
| Net movement in accrued employee benefits (untaken staff leave) |                 |                            |               |                          |                          |              | 340            | (4,018)        |

The following categories of Staff are included within the 'other heading'

- 1) IR35 applicable staff
- 2) Cardiff University staff

The employer contributions to the NHS Pension Scheme disclosed above includes £36.412m of NHS Pension contributions paid by Welsh Government for the twelve month period, calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions. This expenditure is accounted for by the Health Board as notional expenditure paid to NHSBA by Welsh Government, this has been covered off by notional funding provided to the Health Board. There is therefore no impact to the UHB's Revenue Resource Performance as a result of the inclusion of these notional transactions. A further £1.801m for notional expenditure in regard of NHS pension contributions is included within the SLE payroll costs. The total funding received for the 6.3% pension contributions therefore is £38.213m and further information is disclosed in Note 34.1.

### 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 Restated |
| Administrative, clerical and board members    | 2,613           | 2                          | 16           | 0                        | 0                        | 5         | 2,636         | 2,554           |
| Medical and dental                            | 1,026           | 3                          | 0            | 661                      | 0                        | 27        | 1,717         | 1,648           |
| Nursing, midwifery registered                 | 4,493           | 0                          | 135          | 0                        | 0                        | 1         | 4,629         | 4,374           |
| Professional, Scientific, and technical staff | 476             | 1                          | 0            | 0                        | 0                        | 1         | 478           | 446             |
| Additional Clinical Services                  | 2,871           | 0                          | 4            | 0                        | 0                        | 0         | 2,875         | 2,848           |
| Allied Health Professions                     | 1,343           | 2                          | 5            | 0                        | 0                        | 0         | 1,350         | 1,364           |
| Healthcare Scientists                         | 564             | 0                          | 1            | 0                        | 0                        | 0         | 565           | 536             |
| Estates and Ancillary                         | 1,219           | 0                          | 10           | 0                        | 0                        | 0         | 1,229         | 1,191           |
| Students                                      | 19              | 0                          | 0            | 0                        | 0                        | 0         | 19            | 32              |
| <b>Total</b>                                  | <b>14,624</b>   | <b>8</b>                   | <b>171</b>   | <b>661</b>               | <b>0</b>                 | <b>34</b> | <b>15,498</b> | <b>14,993</b>   |

### 9.3 Retirements due to ill health

|                                      | 2023-24   | 2022-24   |
|--------------------------------------|-----------|-----------|
| Number                               | 28        | 20        |
| Estimated additional pension costs £ | 2,126,286 | 1,237,539 |

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 LHB does not have an employee benefit scheme.

## 9.5 Reporting of other compensation schemes - exit packages

| Exit packages cost band (including any special payment element) | 2023-24                           | 2023-24                    | 2023-24                       | 2023-24  | 2022-23                       |
|---|-----------------------------------|----------------------------|-------------------------------|--|-------------------------------|
|   | Number of compulsory redundancies | Number of other departures | Total number of exit packages | Number of departures where special payments have been made | Total number of exit packages |
|   | Whole numbers only                | Whole numbers only         | Whole numbers only            | Whole numbers only   | Whole numbers only            |
| less than £10,000   | 0                                 | 0                          | 0                             | 0  | 0                             |
| £10,000 to £25,000  | 0                                 | 0                          | 0                             | 0  | 0                             |
| £25,000 to £50,000  | 0                                 | 1                          | 1                             | 1  | 0                             |
| £50,000 to £100,000   | 0                                 | 0                          | 0                             | 0  | 0                             |
| £100,000 to £150,000  | 0                                 | 0                          | 0                             | 0  | 0                             |
| £150,000 to £200,000  | 0                                 | 0                          | 0                             | 0  | 0                             |
| more than £200,000  | 0                                 | 0                          | 0                             | 0  | 0                             |
| <b>Total</b>  | <b>0</b>                          | <b>1</b>                   | <b>1</b>                      | <b>1</b>   | <b>0</b>                      |

| Exit packages cost band (including any special payment element) | 2023-24                         | 2023-24                  | 2023-24                     | 2023-24   | 2022-23                     |
|---|---------------------------------|--------------------------|-----------------------------|---|-----------------------------|
|   | Cost of compulsory redundancies | Cost of other departures | Total cost of exit packages | Cost of special element included in exit packages | Total cost of exit packages |
|   | £                               | £                        | £                           | £   | £                           |
| less than £10,000   | 0                               | 0                        | 0                           | 0   | 0                           |
| £10,000 to £25,000  | 0                               | 0                        | 0                           | 0   | 0                           |
| £25,000 to £50,000  | 0                               | 46,669                   | 46,669                      | 46,669  | 0                           |
| £50,000 to £100,000   | 0                               | 0                        | 0                           | 0   | 0                           |
| £100,000 to £150,000  | 0                               | 0                        | 0                           | 0   | 0                           |
| £150,000 to £200,000  | 0                               | 0                        | 0                           | 0   | 0                           |
| more than £200,000  | 0                               | 0                        | 0                           | 0   | 0                           |
| <b>Total</b>  | <b>0</b>                        | <b>46,669</b>            | <b>46,669</b>               | <b>46,669</b>                                     | <b>0</b>                    |

| Exit costs paid in year of departure | Total paid in year | Total paid in year |
|--------------------------------------|--------------------|--------------------|
|                                      | 2023-24            | 2022-23            |
|                                      | £                  | £                  |
| Exit costs paid in year              | 46,669             | 0                  |
| <b>Total</b>                         | <b>46,669</b>      | <b>0</b>           |

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS).

Where the LHB has agreed early retirements, the additional costs are met by the LHB and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

The LHB did agree an exit package in 2023-24.

All special payments are severance payments, there was only one special payment for £46,669.

## 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.

Although the guidance states that the ratio's should be split to show total pay and benefit and then the salary component of total pay & benefits separately the LHB does not have the relevant information available to comply with this requirement.

|   | 2023-24<br>£000<br>Chief     | 2023-24<br>£000<br>Employee | 2023-24<br>£000<br>Ratio | 2022-23<br>£000<br>Chief     | 2022-23<br>£000<br>Employee | 2022-23<br>£000<br>Ratio |
|---|------------------------------|-----------------------------|--------------------------|------------------------------|-----------------------------|--------------------------|
| <b>Total pay and benefits</b>                     | <b>Executive</b>             | <b>Employee</b>             | <b>Ratio</b>             | <b>Executive</b>             | <b>Employee</b>             | <b>Ratio</b>             |
| 25th percentile pay ratio                         | 231                          | 28                          | 8.23                     | 223                          | 26                          | 8.58                     |
| Median pay  | 231                          | 36                          | 6.34                     | 223                          | 34                          | 6.46                     |
| 75th percentile pay ratio                         | 231                          | 48                          | 4.83                     | 223                          | 46                          | 4.88                     |
| <b>Salary component of total pay and benefits</b> |                              |                             |                          |                              |                             |                          |
| 25th percentile pay ratio                         | 231                          | 28                          |                          | 223                          | 26                          |                          |
| Median pay  | 231                          | 36                          |                          | 223                          | 34                          |                          |
| 75th percentile pay ratio                         | 231                          | 48                          |                          | 223                          | 46                          |                          |
|   | <b>Highest Paid Director</b> | <b>Employee</b>             | <b>Ratio</b>             | <b>Highest Paid Director</b> | <b>Employee</b>             | <b>Ratio</b>             |
| <b>Total pay and benefits</b>                     |                              |                             |                          |                              |                             |                          |
| 25th percentile pay ratio                         | 231                          | 28                          | 8.23                     | 223                          | 26                          | 8.58                     |
| Median pay  | 231                          | 36                          | 6.34                     | 223                          | 34                          | 6.46                     |
| 75th percentile pay ratio                         | 231                          | 48                          | 4.83                     | 223                          | 46                          | 4.88                     |
| <b>Salary component of total pay and benefits</b> |                              |                             |                          |                              |                             |                          |
| 25th percentile pay ratio                         | 231                          | 28                          |                          | 223                          | 26                          |                          |
| Median pay  | 231                          | 36                          |                          | 223                          | 34                          |                          |
| 75th percentile pay ratio                         | 231                          | 48                          |                          | 223                          | 46                          |                          |

In 2023-24, 10 (2022-23, 5) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from **£22,720 to £320,000** (2022-23, **£20,758 to £400,527**).

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

### Financial year summary

Total remuneration includes salary and non-consolidated performance-related pay. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions. The guidance also suggests that this information should include benefits-in-kind, the LHB does not have the relevant information available to comply with this requirement. In addition, please note that overtime payments are included where applicable in the calculation of both elements of the relationship.

There has been an increase in year in the median remuneration of the workforce, which was partly the result of all staff receiving a 5% consolidated pay uplift and increase to the real living wage. There were also slight changes to the composition of the workforce which will have contributed to the change in the ratio.

## 9.6.2 Percentage Changes

|  | 2022-23<br>to<br>2023-24 | 2021-22<br>to<br>2022-23 |
|--|--------------------------|--------------------------|
|  | %                        | %                        |
| % Change from previous financial year in respect of Chief Executive                    |                          |                          |
| Salary and allowances  | 3                        | 2                        |
| Performance pay and bonuses  | 0                        | 0                        |
| % Change from previous financial year in respect of highest paid director              |                          |                          |
| Salary and allowances  | 3                        | 2                        |
| Performance pay and bonuses  | 0                        | 0                        |
| Average % Change from previous financial year in respect of employees takes as a whole |                          |                          |
| Salary and allowances  | 5                        | 8                        |
| Performance pay and bonuses  | 0                        | 0                        |

The salary in respect of employees as a whole has increased by 5% year on year, mainly as a result of all staff receiving a 5% pay award. Guidance suggests that the ratio's should be split between total pay and benefits and the salary component of total pay and benefits. The LHB does not have the relevant information to comply with this requirement and therefore only the calculation for total pay and benefits is provided.

## Pension cost

Past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

### a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31



March 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   |
|--|---------|-----------|---------|-----------|
| NHS                                    | Number  | £000      | Number  | £000      |
| Total bills paid                       | 7,305   | 362,462   | 7,864   | 344,958   |
| Total bills paid within target         | 6,353   | 351,782   | 6,684   | 336,633   |
| Percentage of bills paid within target | 87.0%   | 97.1%     | 85.0%   | 97.6%     |
| <b>Non-NHS</b>                         |         |           |         |           |
| Total bills paid                       | 313,943 | 1,033,511 | 362,856 | 1,024,980 |
| Total bills paid within target         | 303,193 | 994,919   | 345,405 | 980,609   |
| Percentage of bills paid within target | 96.6%   | 96.3%     | 95.2%   | 95.7%     |
| <b>Total</b>                           |         |           |         |           |
| Total bills paid                       | 321,248 | 1,395,973 | 370,720 | 1,369,938 |
| Total bills paid within target         | 309,546 | 1,346,701 | 352,089 | 1,317,242 |
| Percentage of bills paid within target | 96.4%   | 96.5%     | 95.0%   | 96.2%     |

### 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        | 4        |
| Compensation paid to cover debt recovery costs under this legislation                  | 0        | 0        |
| <b>Total</b>   | <b>0</b> | <b>4</b> |

## 11.1 Property, plant and equipment

2023-24

|  | Land<br>£000  | Buildings,<br>excluding<br>dwellings<br>£000 | Dwellings<br>£000 | Assets under<br>construction &<br>payments on<br>account<br>£000 | Plant and<br>machinery<br>£000 | Transport<br>equipment<br>£000 | Information<br>technology<br>£000 | Furniture<br>& fittings<br>£000 | Total<br>£000  |
|--|---------------|--|-------------------|--|--------------------------------|--------------------------------|-----------------------------------|---------------------------------|----------------|
| Cost at 31 March bf  | 90,861        | 633,431                                      | 4,963             | 52,465   | 155,839                        | 1,454                          | 24,530                            | 116                             | 963,659        |
| NHS Wales Transfers  | 0             | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0              |
| Prepayments  | 0             | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0              |
| Transfer of Finance Leases to ROU Asset Note                 | 0             | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0              |
| <b>Cost or valuation at 1 April 2023</b>                     | <b>90,861</b> | <b>633,431</b>                               | <b>4,963</b>      | <b>52,465</b>  | <b>155,839</b>                 | <b>1,454</b>                   | <b>24,530</b>                     | <b>116</b>                      | <b>963,659</b> |
| Indexation   | (2,504)       | 13,055                                       | 296               | 0  | 0                              | 0                              | 0                                 | 0                               | 10,847         |
| Additions  |               |  |                   |  |                                |                                |                                   |                                 |                |
| - purchased  | 280           | 15,669                                       | 0                 | 9,384  | 8,793                          | 154                            | 3,630                             | 0                               | 37,910         |
| - donated  | 0             | 60   | 0                 | 0  | 476                            | 0                              | 19                                | 0                               | 555            |
| - 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             | 45,867                                       | 0                 | (45,867)   | 0                              | 0                              | 0                                 | 0                               | 0              |
| Revaluations   | 0             | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0              |
| Reversal of impairments                                      | 0             | 23,398                                       | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 23,398         |
| Impairments  | (350)         | (26,772)                                     | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | (27,122)       |
| Reclassified as held for sale                                | 0             | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0              |
| Disposals  | 0             | 0  | 0                 | 0  | (9,122)                        | (166)                          | (3,996)                           | 0                               | (13,284)       |
| <b>At 31 March 2024</b>                                      | <b>88,287</b> | <b>704,708</b>                               | <b>5,259</b>      | <b>15,982</b>  | <b>155,986</b>                 | <b>1,442</b>                   | <b>24,183</b>                     | <b>116</b>                      | <b>995,963</b> |
| Depreciation at 31 March bf                                  | 0             | 20,221                                       | 427               | 0  | 99,942                         | 549                            | 16,360                            | 116                             | 137,615        |
| NHS Wales Transfers  | 0             | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0              |
| Transfer of Finance Leases to ROU Asset Note                 | 0             | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0              |
| <b>Depreciation at 1 April 2023</b>                          | <b>0</b>      | <b>20,221</b>                                | <b>427</b>        | <b>0</b>   | <b>99,942</b>                  | <b>549</b>                     | <b>16,360</b>                     | <b>116</b>                      | <b>137,615</b> |
| Indexation   | 0             | 1,206  | 25                | 0  | 0                              | 0                              | 0                                 | 0                               | 1,231          |
| Transfer from/into other NHS bodies                          | 0             | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0              |
| Reclassifications  | 0             | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0              |
| Revaluations   | 0             | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0              |
| Reversal of impairments                                      | 0             | (2,942)                                      | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | (2,942)        |
| Impairments  | 0             | (1,527)                                      | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | (1,527)        |
| Reclassified as held for sale                                | 0             | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0              |
| Disposals  | 0             | 0  | 0                 | 0  | (9,050)                        | (166)                          | (3,996)                           | 0                               | (13,212)       |
| Provided during the year                                     | 0             | 22,898                                       | 451               | 0  | 14,223                         | 154                            | 3,635                             | 0                               | 41,361         |
| <b>At 31 March 2024</b>                                      | <b>0</b>      | <b>39,856</b>                                | <b>903</b>        | <b>0</b>   | <b>105,115</b>                 | <b>537</b>                     | <b>15,999</b>                     | <b>116</b>                      | <b>162,526</b> |
| <b>Net book value at 1 April 2023</b>                        | <b>90,861</b> | <b>613,210</b>                               | <b>4,536</b>      | <b>52,465</b>  | <b>55,897</b>                  | <b>905</b>                     | <b>8,170</b>                      | <b>0</b>                        | <b>826,044</b> |
| <b>Net book value at 31 March 2024</b>                       | <b>88,287</b> | <b>664,852</b>                               | <b>4,356</b>      | <b>15,982</b>  | <b>50,871</b>                  | <b>905</b>                     | <b>8,184</b>                      | <b>0</b>                        | <b>833,437</b> |
| <b>Net book value at 31 March 2024</b><br><b>comprises :</b> |               |  |                   |  |                                |                                |                                   |                                 |                |
| Purchased  | 88,287        | 645,998                                      | 4,356             | 15,957   | 49,628                         | 905                            | 8,127                             | 0                               | 813,258        |
| Donated  | 0             | 18,854                                       | 0                 | 25   | 1,111                          | 0                              | 57                                | 0                               | 20,047         |
| Government Granted   | 0             | 0  | 0                 | 0  | 132                            | 0                              | 0                                 | 0                               | 132            |
| <b>At 31 March 2024</b>                                      | <b>88,287</b> | <b>664,852</b>                               | <b>4,356</b>      | <b>15,982</b>  | <b>50,871</b>                  | <b>905</b>                     | <b>8,184</b>                      | <b>0</b>                        | <b>833,437</b> |
| <b>Asset financing :</b>                                     |               |  |                   |  |                                |                                |                                   |                                 |                |
| Owned  | 87,714        | 643,884                                      | 3,024             | 15,982   | 50,871                         | 905                            | 8,184                             | 0                               | 810,564        |
| On-SoFP MIMS Funded PPP contracts                            | 573           | 0  | 1,332             | 0  | 0                              | 0                              | 0                                 | 0                               | 1,905          |
| On-SoFP PFI contracts  | 0             | 20,968                                       | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 20,968         |
| PFI residual interests                                       | 0             | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0              |
| <b>At 31 March 2024</b>                                      | <b>88,287</b> | <b>664,852</b>                               | <b>4,356</b>      | <b>15,982</b>  | <b>50,871</b>                  | <b>905</b>                     | <b>8,184</b>                      | <b>0</b>                        | <b>833,437</b> |

The net book value of land, buildings and dwellings at 31 March 2024 comprises :

|                 | £000           |
|-----------------|----------------|
| Freehold        | 734,622        |
| Long Leasehold  | 20,968         |
| Short Leasehold | 1,905          |
|                 | <b>757,495</b> |

Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account.

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.

Of the totals at 31st March 2024, £0 related to land valued at open market value and £0 related to buildings, installations and fittings valued at open market value.

Figures for freehold land and buildings are given gross with separate accumulated depreciation.

## 11.1 Property, plant and equipment

| 2022-23  | Land<br>£000   | Buildings,<br>excluding<br>dwellings<br>£000 | Dwellings<br>£000 | Assets under<br>construction &<br>payments on<br>account<br>£000 | Plant and<br>machinery<br>£000 | Transport<br>equipment<br>£000 | Information<br>technology<br>£000 | Furniture<br>& fittings<br>£000 | Total<br>£000  |
|--|----------------|--|-------------------|--|--------------------------------|--------------------------------|-----------------------------------|---------------------------------|----------------|
| Cost at 31 March bf                                | 105,461        | 656,690                                      | 4,538             | 34,107   | 156,379                        | 1,446                          | 25,237                            | 116                             | 983,974        |
| 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              | (1,724)                                      | 0                 | 0  | (2,388)                        | 0                              | 0                                 | 0                               | (4,112)        |
| <b>Cost or valuation at 1 April 2022</b>           | <b>105,461</b> | <b>654,966</b>                               | <b>4,538</b>      | <b>34,107</b>  | <b>153,991</b>                 | <b>1,446</b>                   | <b>25,237</b>                     | <b>116</b>                      | <b>979,862</b> |
| Indexation   | (2,543)        | 5,343  | 225               | 0  | 0                              | 0                              | 0                                 | 0                               | 3,025          |
| <b>Additions</b>                                   |                |  |                   |  |                                |                                |                                   |                                 |                |
| - purchased  | 0              | 8,108  | 0                 | 28,322   | 9,190                          | 19                             | 1,012                             | 0                               | 46,651         |
| - donated  | 0              | 0  | 0                 | 0  | 386                            | 0                              | 21                                | 0                               | 407            |
| - 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                                  | 40             | 9,924  | 0                 | (9,964)  | 0                              | 0                              | 0                                 | 0                               | 0              |
| Revaluations                                       | (520)          | (27,720)                                     | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | (28,240)       |
| Reversal of impairments                            | 32             | 29,583                                       | 200               | 0  | 0                              | 0                              | 0                                 | 0                               | 29,815         |
| Impairments  | (11,609)       | (46,773)                                     | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | (58,382)       |
| Reclassified as held for sale                      | 0              | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0              |
| Disposals  | 0              | 0  | 0                 | 0  | (7,728)                        | (11)                           | (1,740)                           | 0                               | (9,479)        |
| <b>At 31 March 2023</b>                            | <b>90,861</b>  | <b>633,431</b>                               | <b>4,963</b>      | <b>52,465</b>  | <b>155,839</b>                 | <b>1,454</b>                   | <b>24,530</b>                     | <b>116</b>                      | <b>963,659</b> |
| Depreciation at 31 March bf                        | 0              | 82,157                                       | 571               | 0  | 96,775                         | 410                            | 14,338                            | 116                             | 194,367        |
| NHS Wales Transfers                                | 0              | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0              |
| Transfer of Finance Leases to ROU Asset Note       | 0              | (508)  | 0                 | 0  | (2,388)                        | 0                              | 0                                 | 0                               | (2,896)        |
| <b>Depreciation at 1 April 2022</b>                | <b>0</b>       | <b>81,649</b>                                | <b>571</b>        | <b>0</b>   | <b>94,387</b>                  | <b>410</b>                     | <b>14,338</b>                     | <b>116</b>                      | <b>191,471</b> |
| Indexation   | 0              | 17   | 2                 | 0  | 0                              | 0                              | 0                                 | 0                               | 19             |
| Transfer from/into other NHS bodies                | 0              | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0              |
| Reclassifications                                  | 0              | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0              |
| Revaluations                                       | 0              | (42,382)                                     | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | (42,382)       |
| Reversal of impairments                            | 0              | (12,737)                                     | (570)             | 0  | 0                              | 0                              | 0                                 | 0                               | (13,307)       |
| Impairments  | 0              | (28,408)                                     | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | (28,408)       |
| Reclassified as held for sale                      | 0              | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0              |
| Disposals  | 0              | 0  | 0                 | 0  | (7,595)                        | (3)                            | (1,741)                           | 0                               | (9,339)        |
| Provided during the year                           | 0              | 22,082                                       | 424               | 0  | 13,150                         | 142                            | 3,763                             | 0                               | 39,561         |
| <b>At 31 March 2023</b>                            | <b>0</b>       | <b>20,221</b>                                | <b>427</b>        | <b>0</b>   | <b>99,942</b>                  | <b>549</b>                     | <b>16,360</b>                     | <b>116</b>                      | <b>137,615</b> |
| <b>Net book value at 1 April 2022</b>              | <b>105,461</b> | <b>573,317</b>                               | <b>3,967</b>      | <b>34,107</b>  | <b>59,604</b>                  | <b>1,036</b>                   | <b>10,899</b>                     | <b>0</b>                        | <b>788,391</b> |
| <b>Net book value at 31 March 2023</b>             | <b>90,861</b>  | <b>613,210</b>                               | <b>4,536</b>      | <b>52,465</b>  | <b>55,897</b>                  | <b>905</b>                     | <b>8,170</b>                      | <b>0</b>                        | <b>826,044</b> |
| <b>Net book value at 31 March 2023 comprises :</b> |                |  |                   |  |                                |                                |                                   |                                 |                |
| Purchased  | 90,861         | 595,027                                      | 4,536             | 52,440   | 54,743                         | 905                            | 8,102                             | 0                               | 806,614        |
| Donated  | 0              | 18,183                                       | 0                 | 25   | 968                            | 0                              | 68                                | 0                               | 19,244         |
| Government Granted                                 | 0              | 0  | 0                 | 0  | 186                            | 0                              | 0                                 | 0                               | 186            |
| <b>At 31 March 2023</b>                            | <b>90,861</b>  | <b>613,210</b>                               | <b>4,536</b>      | <b>52,465</b>  | <b>55,897</b>                  | <b>905</b>                     | <b>8,170</b>                      | <b>0</b>                        | <b>826,044</b> |
| <b>Asset financing :</b>                           |                |  |                   |  |                                |                                |                                   |                                 |                |
| Owned  | 90,269         | 592,720                                      | 3,232             | 52,465   | 55,897                         | 905                            | 8,170                             | 0                               | 803,658        |
| On-SoFP PFI contracts                              | 592            | 20,490                                       | 1,304             | 0  | 0                              | 0                              | 0                                 | 0                               | 22,386         |
| PFI residual interests                             | 0              | 0  | 0                 | 0  | 0                              | 0                              | 0                                 | 0                               | 0              |
| <b>At 31 March 2023</b>                            | <b>90,861</b>  | <b>613,210</b>                               | <b>4,536</b>      | <b>52,465</b>  | <b>55,897</b>                  | <b>905</b>                     | <b>8,170</b>                      | <b>0</b>                        | <b>826,044</b> |

The net book value of land, buildings and dwellings at 31 March 2023 comprises :

|                 | £000           |
|-----------------|----------------|
| Freehold        | 686,221        |
| Long Leasehold  | 20,490         |
| Short Leasehold | 1,896          |
|                 | <b>708,607</b> |

Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account. 0

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards. 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.

Of the totals at 31st March 2023, £0 related to land valued at open market value and £0 related to buildings, installations and fittings valued at open market value. Figures for freehold land and buildings are given gross with separate accumulated depreciation.

The LHB had to charge accelerated depreciation on the following: (1) Park View Health centre which is going to be demolished as the LHB is building a new Health and Wellbeing centre in Ely, £1.016m. (2) Llanedeyrn Health centre has been earmarked for closure as the LHB is building a new Health and Wellbeing centre in Llanedeyrn, £0.159m.

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

### Disclosures:

i) Donated additions 2023/2024

Of the donated additions shown in Note 11.1

£0.316m of equipment was funded by the Noah's Ark Charity for the Children's Hospital. £0.087m was contributed by the LHB's Charitable Fund towards the purchase of equipment and £0.060m to building works during the year. Other donors funded £0.091m towards the purchase of equipment.

ii) 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.

The LHB will periodically instruct the District Valuer to Carry out "Good Housekeeping Valuations" when assets resulting from major capital schemes are first brought into use.

During the year the LHB carried out 8 such revaluations, the total effect of which was (£23.688m) impairments written off via the Statement of Comprehensive Net Expenditure (SoCNE).

The significant schemes brought into use were:

Canolfan Iechyd Genomig Cymru (Wales Genomic Health Centre) (£9.768m) was written off the carrying value via the SoCNE. The Health centre is situated in a leased building, this impairment relates to the works carried out to fit out the centre as a specialist genomics centre only. The value of the leased building is shown in note 11.3 Right of Use assets.

Maelfa Health and Well Being Centre (£7.048m) was written off the carrying value via the SoCNE.

In addition a further 6 minor schemes were completed and (£8.473m) was written off the carrying value via the SoCNE, whilst a reversal of impairment of £1.601m was credited to the SoCNE.

iii) The useful economic life of LHB buildings has been determined on an asset by asset basis by the District Valuer. These lives are reviewed by the LHB on an annual basis to ascertain their appropriateness and are reviewed every five years by the District Valuer. Major new construction projects are allocated useful economic lives by the District Valuer when they are first brought into use, smaller alterations to existing structures are initially allocated a useful life of 30 years and alterations to mechanical and engineering assets are allocated 15 year lives. Equipment assets are allocated lives on an individual basis based on the professional judgement and past experience of clinicians, finance staff and other LHB professionals. Again the appropriateness of these lives is reviewed on an annual basis.

iv) During the year the LHB has received Non Cash Allocation from the Welsh Government for impairment to assets charged to the SoCNE and this Allocation is included in our Revenue Resource Limit.

v) As per Welsh Government guidance, the LHB has applied an Indexation factor to its Land and Buildings for 2023/24. For a handful of sites this has resulted in a reversal of a prior period Impairment charge and therefore £24.739m has been credited to the SoCNE, a handful of sites were impaired as a result of the application of the indices and therefore (£0.306m) has been debited to the SoCNE.

vi) There has been no compensation received from third parties for assets impaired, lost or given up, that is included in the income statement.

vii) The LHB does not hold any property where the value is materially different from its open market value.

viii) There are no assets held for sale or sold in the period.

ix) All fully depreciated assets still in use are being carried at nil net book value.

x) There are no assets requiring Fair Value measurement under IFRS 13.

## 11. Property, plant and equipment

### 11.2 Non-current assets held for sale

|   | Land     | Buildings,<br>including<br>dwelling | Other<br>property,<br>plant and<br>equipment | Intangible<br>assets | Other assets | Total    |
|---|----------|-------------------------------------|--|----------------------|--------------|----------|
|   | £000     | £000                                | £000   | £000                 | £000         | £000     |
| <b>Balance brought forward 1 April 2023</b>   | 0        | 0                                   | 0  | 0                    | 0            | 0        |
| Plus assets classified as held for sale in the year   | 0        | 0                                   | 0  | 0                    | 0            | 0        |
| Revaluation   | 0        | 0                                   | 0  | 0                    | 0            | 0        |
| Less assets sold in the year  | 0        | 0                                   | 0  | 0                    | 0            | 0        |
| Add reversal of impairment of assets held for sale  | 0        | 0                                   | 0  | 0                    | 0            | 0        |
| Less impairment of assets held for sale   | 0        | 0                                   | 0  | 0                    | 0            | 0        |
| Less assets no longer classified as held for sale,<br>for reasons other than disposal by sale | 0        | 0                                   | 0  | 0                    | 0            | 0        |
| <b>Balance carried forward 31 March 2024</b>  | <b>0</b> | <b>0</b>                            | <b>0</b>                                     | <b>0</b>             | <b>0</b>     | <b>0</b> |
| <b>Balance brought forward 1 April 2022</b>   | 0        | 0                                   | 0  | 0                    | 0            | 0        |
| Plus assets classified as held for sale in the year   | 0        | 0                                   | 0  | 0                    | 0            | 0        |
| Revaluation   | 0        | 0                                   | 0  | 0                    | 0            | 0        |
| Less assets sold in the year  | 0        | 0                                   | 0  | 0                    | 0            | 0        |
| Add reversal of impairment of assets held for sale  | 0        | 0                                   | 0  | 0                    | 0            | 0        |
| Less impairment of assets held for sale   | 0        | 0                                   | 0  | 0                    | 0            | 0        |
| Less assets no longer classified as held for sale,<br>for reasons other than disposal by sale | 0        | 0                                   | 0  | 0                    | 0            | 0        |
| <b>Balance carried forward 31 March 2023</b>  | <b>0</b> | <b>0</b>                            | <b>0</b>                                     | <b>0</b>             | <b>0</b>     | <b>0</b> |

*There are no assets held for sale or sold in the period.*

## 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, 5 are significant in their own right:

Whitchurch GP Surgery held under buildings with a NBV of £2,966k at 31 March 2024, SE Wales Renal Units held under buildings with a NBV of £1,704k at 31 March 2024, Canolfan Iechyd Genomig Cymru (Wales Genomic Health Centre) held under Land and Buildings with a NBV of £6,615k at 31 March 2024, a Surgical Robot held under Plant & Machinery with a NBV of £2,861k at 31 March 2024 and Ultrasound equipment held under Plant and Machinery with a NBV of £3,324k at 31 March 2024.

The value relating to the Wales Genomic Health centre is the lease value only, works carried out to refit the building as a specialised genomic centre are included within Note 11.1.

|  | Land<br>£000 | Land<br>&<br>buildings<br>£000 | Buildings<br>£000 | Dwellings<br>£000 | Plant and<br>machinery<br>£000 | Transport<br>equipment<br>£000 | Information<br>technology<br>£000 | Furniture<br>& fittings<br>£000 | Total<br>£000 |
|--|--------------|--------------------------------|-------------------|-------------------|--------------------------------|--------------------------------|-----------------------------------|---------------------------------|---------------|
| <b>2023-24</b>                               |              |                                |                   |                   |                                |                                |                                   |                                 |               |
| <b>Cost or valuation at 31 March</b>         | 273          | 10,241                         | 9,747             | 0                 | 7,093                          | 530                            | 156                               | 0                               | 28,040        |
| Lease prepayments in relation to RoU Assets  | 0            | 0                              | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | 0             |
| Transfer of Finance Leases from PPE Note     | 0            | 0                              | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | 0             |
| Operating Leases Transitioning               | 0            | 0                              | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | 0             |
| <b>Cost or valuation at 1 April</b>          | 273          | 10,241                         | 9,747             | 0                 | 7,093                          | 530                            | 156                               | 0                               | 28,040        |
| Additions                                    | 94           | 0                              | 3,347             | 0                 | 3,448                          | 65                             | 0                                 | 0                               | 6,954         |
| Transfer from/into other NHS bodies          | 0            | 0                              | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | 0             |
| Disposals other than by sale                 | 0            | (36)                           | (65)              | 0                 | 0                              | (32)                           | 0                                 | 0                               | (133)         |
| Reclassifications                            | 0            | 0                              | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | 0             |
| Revaluations                                 | 0            | 0                              | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | 0             |
| Reversal of impairments                      | 0            | 0                              | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | 0             |
| Impairments                                  | 0            | 0                              | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | 0             |
| De-recognition                               | 0            | 0                              | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | 0             |
| <b>At 31 March</b>                           | 367          | 10,205                         | 13,029            | 0                 | 10,541                         | 563                            | 156                               | 0                               | 34,861        |
| <b>Depreciation at 31 March</b>              | 2            | 793                            | 1,460             | 0                 | 3,083                          | 98                             | 66                                | 0                               | 5,502         |
| Transfer of Finance Leases from PPE Note     | 0            | 0                              | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | 0             |
| Operating Leases Transitioning               | 0            | 0                              | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | 0             |
| <b>Depreciation at 1 April</b>               | 2            | 793                            | 1,460             | 0                 | 3,083                          | 98                             | 66                                | 0                               | 5,502         |
| 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            | (36)                           | (35)              | 0                 | 0                              | (20)                           | 0                                 | 0                               | (91)          |
| 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                     | 38           | 879                            | 4,268             | 0                 | 834                            | 153                            | 66                                | 0                               | 6,238         |
| <b>At 31 March</b>                           | 40           | 1,636                          | 5,693             | 0                 | 3,917                          | 231                            | 132                               | 0                               | 11,649        |
| <b>Net book value at 1 April</b>             | 271          | 9,448                          | 8,287             | 0                 | 4,010                          | 432                            | 90                                | 0                               | 22,538        |
| <b>Net book value at 31 March</b>            | 327          | 8,569                          | 7,336             | 0                 | 6,624                          | 332                            | 24                                | 0                               | 23,212        |
| <b>RoU Asset Total Value Split by Lessor</b> |              |                                |                   |                   |                                |                                |                                   |                                 |               |
|  | Land<br>£000 | Land<br>&<br>buildings<br>£000 | Buildings<br>£000 | Dwellings<br>£000 | Plant and<br>machinery<br>£000 | Transport<br>equipment<br>£000 | Information<br>technology<br>£000 | Furniture<br>& fittings<br>£000 | Total<br>£000 |
| NHS Wales Peppercorn Leases                  | 0            | 0                              | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | 0             |
| NHS Wales Market Value Leases                | 0            | 0                              | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | 0             |
| Other Public Sector Peppercorn Leases        | 140          | 0                              | 22                | 0                 | 0                              | 0                              | 0                                 | 0                               | 162           |
| Other Public Sector Market Value Leases      | 0            | 38                             | 0                 | 0                 | 0                              | 0                              | 0                                 | 0                               | 38            |
| Private Sector Peppercorn Leases             | 128          | 0                              | 278               | 0                 | 0                              | 0                              | 0                                 | 0                               | 406           |
| Private Sector Market Value Leases           | 59           | 8,531                          | 7,036             | 0                 | 6,624                          | 332                            | 24                                | 0                               | 22,606        |
| <b>Total</b>                                 | 327          | 8,569                          | 7,336             | 0                 | 6,624                          | 332                            | 24                                | 0                               | 23,212        |

## 11.3 Right of Use Assets continued

The organisation's right of use asset leases are disclosed across the relevant headings below.

Most are individually insignificant, however, 4 are significant in their own right:

Whitchurch GP Surgery held under buildings with a NBV of £3091k at 31 March 2023, SE Wales Renal Units held under buildings with a NBV of £2556k at 31 March 2023, Cardiff Edge Business Park held under Land and Buildings with a NBV of £7124k at 31 March 2023 and a Surgical Robot held under Plant & Machinery with a NBV of £3218k at 31 March 2023.

| 2022-23                                      | Land & Buildings            |                           |                           |                           |   |   |  |  | Total<br>£000         |
|--|-----------------------------|---------------------------|---------------------------|---------------------------|---|---|--|--|-----------------------|
|  | Land<br>£000                | buildings<br>£000         | Buildings<br>£000         | Dwellings<br>£000         | Plant and<br>machinery<br>£000          | Transport<br>equipment<br>£000          | Information<br>technology<br>£000          | Furniture<br>& fittings<br>£000              |                       |
| <b>Cost or valuation at 31 March</b>         | 0                           | 0                         | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| Lease prepayments in relation to RoU Assets  | 0                           | 0                         | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| Transfer of Finance Leases from PPE Note     | 0                           | 0                         | 1,724                     | 0                         | 2,388                                   | 0                                       | 0  | 0  | 4,112                 |
| Operating Leases Transitioning               | 130                         | 9,836                     | 4,919                     | 0                         | 674                                     | 145                                     | 151  | 0  | 15,855                |
| <b>Cost or valuation at 1 April</b>          | <b>130</b>                  | <b>9,836</b>              | <b>6,643</b>              | <b>0</b>                  | <b>3,062</b>                            | <b>145</b>                              | <b>151</b>                                 | <b>0</b>                                     | <b>19,967</b>         |
| Additions                                    | 143                         | 405                       | 3,461                     | 0                         | 4,031                                   | 385                                     | 5  | 0  | 8,430                 |
| 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                           | 0                         | (357)                     | 0                         | 0                                       | 0                                       | 0  | 0  | (357)                 |
| Reversal of impairments                      | 0                           | 0                         | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| Impairments                                  | 0                           | 0                         | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| De-recognition                               | 0                           | 0                         | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| <b>At 31 March</b>                           | <b>273</b>                  | <b>10,241</b>             | <b>9,747</b>              | <b>0</b>                  | <b>7,093</b>                            | <b>530</b>                              | <b>156</b>                                 | <b>0</b>                                     | <b>28,040</b>         |
| <b>Depreciation at 31 March</b>              | 0                           | 0                         | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| Transfer of Finance Leases from PPE Note     | 0                           | 0                         | 508                       | 0                         | 2,388                                   | 0                                       | 0  | 0  | 2,896                 |
| Operating Leases Transitioning               | 0                           | 0                         | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| <b>Depreciation at 1 April</b>               | <b>0</b>                    | <b>0</b>                  | <b>508</b>                | <b>0</b>                  | <b>2,388</b>                            | <b>0</b>                                | <b>0</b>                                   | <b>0</b>                                     | <b>2,896</b>          |
| Recognition                                  | 0                           | 0                         | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| Transfers from/into other NHS bodies         | 0                           | 0                         | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| Disposals other than by sale                 | 0                           | 0                         | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| Reclassifications                            | 0                           | 0                         | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| Revaluations                                 | 0                           | 0                         | (508)                     | 0                         | 0                                       | 0                                       | 0  | 0  | (508)                 |
| 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                     | 2                           | 793                       | 1,460                     | 0                         | 695                                     | 98                                      | 66   | 0  | 3,114                 |
| <b>At 31 March</b>                           | <b>2</b>                    | <b>793</b>                | <b>1,460</b>              | <b>0</b>                  | <b>3,083</b>                            | <b>98</b>                               | <b>66</b>                                  | <b>0</b>                                     | <b>5,502</b>          |
| <b>Net book value at 1 April</b>             | <b>130</b>                  | <b>9,836</b>              | <b>6,135</b>              | <b>0</b>                  | <b>674</b>                              | <b>145</b>                              | <b>151</b>                                 | <b>0</b>                                     | <b>17,071</b>         |
| <b>Net book value at 31 March</b>            | <b>271</b>                  | <b>9,448</b>              | <b>8,287</b>              | <b>0</b>                  | <b>4,010</b>                            | <b>432</b>                              | <b>90</b>                                  | <b>0</b>                                     | <b>22,538</b>         |
| <b>RoU Asset Total Value Split by Lessor</b> | <b>Land &amp; Buildings</b> |                           |                           |                           |   |   |  |  |                       |
| <b>Lessor</b>                                | <b>Land<br/>£000</b>        | <b>buildings<br/>£000</b> | <b>Buildings<br/>£000</b> | <b>Dwellings<br/>£000</b> | <b>Plant and<br/>machinery<br/>£000</b> | <b>Transport<br/>equipment<br/>£000</b> | <b>Information<br/>technology<br/>£000</b> | <b>Furniture<br/>&amp; fittings<br/>£000</b> | <b>Total<br/>£000</b> |
| NHS Wales Peppercorn Leases                  | 0                           | 0                         | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| NHS Wales Market Value Leases                | 0                           | 0                         | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 0                     |
| Other Public Sector Peppercorn Leases        | 142                         | 0                         | 49                        | 0                         | 0                                       | 0                                       | 0  | 0  | 191                   |
| Other Public Sector Market Value Leases      | 0                           | 57                        | 0                         | 0                         | 0                                       | 0                                       | 0  | 0  | 57                    |
| Private Sector Peppercorn Leases             | 129                         | 0                         | 290                       | 0                         | 0                                       | 0                                       | 0  | 0  | 419                   |
| Private Sector Market Value Leases           | 0                           | 9,391                     | 7,948                     | 0                         | 4,010                                   | 432                                     | 90   | 0  | 21,871                |
| <b>Total</b>                                 | <b>271</b>                  | <b>9,448</b>              | <b>8,287</b>              | <b>0</b>                  | <b>4,010</b>                            | <b>432</b>                              | <b>90</b>                                  | <b>0</b>                                     | <b>22,538</b>         |



## 11.3 Right of Use Assets continued

### Quantitative disclosures

|   | 2023-24  | 2023-24       | 2023-24      | 2023-24        | 2022-23        |
|---|----------|---------------|--------------|----------------|----------------|
|   | LAND     | BUILDINGS     | OTHER        | TOTAL          |                |
|   | £000     | £000          | £000         | £000           | £000           |
| <b>Maturity analysis</b>  |          |               |              |                |                |
| <b>Contractual undiscounted cash flows relating to lease liabilities</b>        |          |               |              |                |                |
| Less than 1 year  | 0        | 2,842         | 1,406        | 4,248          | 3,240          |
| 2-5 years   | 0        | 4,549         | 4,270        | 8,819          | 8,131          |
| > 5 years   | 0        | 8,106         | 1,901        | 10,007         | 10,304         |
| Less finance charges allocated to future periods                                | 0        | -915          | -693         | (1,608)        | (1,226)        |
| <b>Total</b>  | <b>0</b> | <b>14,582</b> | <b>6,884</b> | <b>21,466</b>  | <b>20,449</b>  |
| <b>Lease Liabilities (net of irrecoverable VAT)</b>                             |          |               |              | 2023-24        | 2022-23        |
| Current   |          |               |              | 3,931          | 3,036          |
| Non-Current   |          |               |              | 17,535         | 17,413         |
| <b>Total</b>  |          |               |              | <b>21,466</b>  | <b>20,449</b>  |
| <b>Amounts Recognised in Statement of Comprehensive Net Expenditure</b>         |          |               |              | 2023-24        | 2022-23        |
| Depreciation  |          |               |              | 6,238          | 3,114          |
| Impairment  |          |               |              | 0              | 0              |
| Variable lease payments not included in lease liabilities - Interest expense    |          |               |              | 309            | 200            |
| Sub-leasing income  |          |               |              | 0              | 0              |
| Expense related to short-term leases  |          |               |              | 203            | 0              |
| Expense related to low-value asset leases (excluding short-term leases)         |          |               |              | 87             | 0              |
| <b>Amounts Recognised in Statement of Cashflows (net of irrecoverable VAT )</b> |          |               |              |                |                |
| Interest expense  |          |               |              | (309)          | (200)          |
| Repayments of principal on leases   |          |               |              | (5,632)        | (2,742)        |
| <b>Total</b>  |          |               |              | <b>(5,941)</b> | <b>(2,942)</b> |

The organisation's right of use asset leases are varied in nature and include property, lease vehicles, photocopiers and medical equipment. Property leases have rent review clauses built in and therefore rent costs are likely to increase. The Health Board does not have any sale and leaseback transactions.

## 12. Intangible non-current assets

2023-24

|  | Software<br>(purchased) | Software<br>(internally<br>generated) | Licences<br>and<br>trademarks | Patents  | Development<br>expenditure-<br>internally<br>generated | Assets under<br>Construction | Total        |
|--|-------------------------|---------------------------------------|-------------------------------|----------|--|------------------------------|--------------|
|  | £000                    | £000                                  | £000                          | £000     | £000   | £000                         | £000         |
| Cost or valuation at 1 April 2023      | 9,346                   | 0                                     | 373                           | 0        | 500  | 0                            | 10,219       |
| Revaluation                            | 0                       | 0                                     | 0                             | 0        | 0  | 0                            | 0            |
| Reclassifications                      | 0                       | 0                                     | 0                             | 0        | 0  | 0                            | 0            |
| Reversal of impairments                | 0                       | 0                                     | 0                             | 0        | 0  | 0                            | 0            |
| Impairments                            | 0                       | 0                                     | 0                             | 0        | 0  | 0                            | 0            |
| Additions- purchased                   | 192                     | 0                                     | 585                           | 0        | 0  | 0                            | 777          |
| Additions- internally generated        | 0                       | 0                                     | 0                             | 0        | 0  | 0                            | 0            |
| Additions- donated                     | 0                       | 0                                     | 22                            | 0        | 0  | 0                            | 22           |
| 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                              | (1,433)                 | 0                                     | 0                             | 0        | 0  | 0                            | (1,433)      |
| <b>Gross cost at 31 March 2024</b>     | <b>8,105</b>            | <b>0</b>                              | <b>980</b>                    | <b>0</b> | <b>500</b>   | <b>0</b>                     | <b>9,585</b> |
| Amortisation at 1 April 2023           | 7,376                   | 0                                     | 112                           | 0        | 468  | 0                            | 7,956        |
| 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               | 742                     | 0                                     | 55                            | 0        | 32   | 0                            | 829          |
| Reclassified as held for sale          | 0                       | 0                                     | 0                             | 0        | 0  | 0                            | 0            |
| Transfers                              | 0                       | 0                                     | 0                             | 0        | 0  | 0                            | 0            |
| Disposals                              | (1,433)                 | 0                                     | 0                             | 0        | 0  | 0                            | (1,433)      |
| <b>Amortisation at 31 March 2024</b>   | <b>6,685</b>            | <b>0</b>                              | <b>167</b>                    | <b>0</b> | <b>500</b>   | <b>0</b>                     | <b>7,352</b> |
| <b>Net book value at 1 April 2023</b>  | <b>1,970</b>            | <b>0</b>                              | <b>261</b>                    | <b>0</b> | <b>32</b>  | <b>0</b>                     | <b>2,263</b> |
| <b>Net book value at 31 March 2024</b> | <b>1,420</b>            | <b>0</b>                              | <b>813</b>                    | <b>0</b> | <b>0</b>   | <b>0</b>                     | <b>2,233</b> |
| <b>NBV at 31 March 2024</b>            |                         |                                       |                               |          |  |                              |              |
| Purchased                              | 1,417                   | 0                                     | 806                           | 0        | 0  | 0                            | 2,223        |
| Donated                                | 3                       | 0                                     | 7                             | 0        | 0  | 0                            | 10           |
| Government Granted                     | 0                       | 0                                     | 0                             | 0        | 0  | 0                            | 0            |
| Internally generated                   | 0                       | 0                                     | 0                             | 0        | 0  | 0                            | 0            |
| <b>Total at 31 March 2024</b>          | <b>1,420</b>            | <b>0</b>                              | <b>813</b>                    | <b>0</b> | <b>0</b>   | <b>0</b>                     | <b>2,233</b> |

## 12. Intangible non-current assets Continued

2022-23

|  | Software<br>(purchased) | Software<br>(internally<br>generated) | Licences and<br>trademarks | Patents  | Development<br>expenditure-<br>internally<br>generated | Assets under<br>Construction | Total         |
|--|-------------------------|---------------------------------------|----------------------------|----------|--|------------------------------|---------------|
|  | £000                    | £000                                  | £000                       | £000     | £000   | £000                         | £000          |
| <b>Cost or valuation at 1 April 2022</b>     | <b>9,251</b>            | <b>0</b>                              | <b>112</b>                 | <b>0</b> | <b>500</b>   | <b>0</b>                     | <b>9,863</b>  |
| Revaluation                                  | 0                       | 0                                     | 0                          | 0        | 0  | 0                            | 0             |
| Reclassifications                            | 0                       | 0                                     | 0                          | 0        | 0  | 0                            | 0             |
| Reversal of impairments                      | 0                       | 0                                     | 0                          | 0        | 0  | 0                            | 0             |
| Impairments                                  | 0                       | 0                                     | 0                          | 0        | 0  | 0                            | 0             |
| Additions- purchased                         | 362                     | 0                                     | 254                        | 0        | 0  | 0                            | 616           |
| Additions- internally generated              | 0                       | 0                                     | 0                          | 0        | 0  | 0                            | 0             |
| Additions- donated                           | 0                       | 0                                     | 7                          | 0        | 0  | 0                            | 7             |
| 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                                    | (267)                   | 0                                     | 0                          | 0        | 0  | 0                            | (267)         |
| <b>Gross cost at 31 March 2023</b>           | <b>9,346</b>            | <b>0</b>                              | <b>373</b>                 | <b>0</b> | <b>500</b>   | <b>0</b>                     | <b>10,219</b> |
| Amortisation at 31 March bf                  | 6,797                   | 0                                     | 112                        | 0        | 343  | 0                            | 7,252         |
| NHS Wales Transfers                          | 0                       | 0                                     | 0                          | 0        | 0  | 0                            | 0             |
| Transfer of Finance Leases to ROU Asset Note | 0                       | 0                                     | 0                          | 0        | 0  | 0                            | 0             |
| <b>Amortisation at 1 April 2022</b>          | <b>6,797</b>            | <b>0</b>                              | <b>112</b>                 | <b>0</b> | <b>343</b>   | <b>0</b>                     | <b>7,252</b>  |
| Revaluation                                  | 0                       | 0                                     | 0                          | 0        | 0  | 0                            | 0             |
| Reclassifications                            | 0                       | 0                                     | 0                          | 0        | 0  | 0                            | 0             |
| Reversal of impairments                      | 0                       | 0                                     | 0                          | 0        | 0  | 0                            | 0             |
| Impairment                                   | 0                       | 0                                     | 0                          | 0        | 0  | 0                            | 0             |
| Provided during the year                     | 846                     | 0                                     | 0                          | 0        | 125  | 0                            | 971           |
| Reclassified as held for sale                | 0                       | 0                                     | 0                          | 0        | 0  | 0                            | 0             |
| Transfers                                    | 0                       | 0                                     | 0                          | 0        | 0  | 0                            | 0             |
| Disposals                                    | (267)                   | 0                                     | 0                          | 0        | 0  | 0                            | (267)         |
| <b>Amortisation at 31 March 2023</b>         | <b>7,376</b>            | <b>0</b>                              | <b>112</b>                 | <b>0</b> | <b>468</b>   | <b>0</b>                     | <b>7,956</b>  |
| <b>Net book value at 1 April 2022</b>        | <b>2,454</b>            | <b>0</b>                              | <b>0</b>                   | <b>0</b> | <b>157</b>   | <b>0</b>                     | <b>2,611</b>  |
| <b>Net book value at 31 March 2023</b>       | <b>1,970</b>            | <b>0</b>                              | <b>261</b>                 | <b>0</b> | <b>32</b>  | <b>0</b>                     | <b>2,263</b>  |
| <b>NBV at 31 March 2023</b>                  |                         |                                       |                            |          |  |                              |               |
| Purchased                                    | 1,967                   | 0                                     | 254                        | 0        | 0  | 0                            | 2,221         |
| Donated                                      | 3                       | 0                                     | 7                          | 0        | 0  | 0                            | 10            |
| Government Granted                           | 0                       | 0                                     | 0                          | 0        | 0  | 0                            | 0             |
| Internally generated                         | 0                       | 0                                     | 0                          | 0        | 32   | 0                            | 32            |
| <b>Total at 31 March 2023</b>                | <b>1,970</b>            | <b>0</b>                              | <b>261</b>                 | <b>0</b> | <b>32</b>  | <b>0</b>                     | <b>2,263</b>  |

## Additional Disclosures re Intangible Assets

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Disclosures:

i) Donated Assets

The Noah's Ark Charity contributed £0.022m towards the purchase of intangible assets.

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 basis based on the professional judgement and past experience of clinicians, finance staff and other LHB professionals. The appropriateness of these lives is reviewed on an annual basis.

All fully depreciated assets still in use are being carried at nil net book value.

## 13 . Impairments

### 13 . Impairments

|   | 2023-24<br>Property, plant<br>& equipment<br>£000 | 2023-24<br>Right of<br>Use Assets<br>£000 | 2023-24<br>Intangible<br>assets<br>£000 | 2022-23<br>Property, plant<br>& equipment<br>£000 | 2022-23<br>Right of<br>Use Assets<br>£000 | 2022-23<br>Intangible<br>assets<br>£000 |
|---|---|---|---|---|---|---|
| Impairments arising from :  |   |   |   |   |   |   |
| Loss or damage from normal operations   | 0   | 0   | 0                                       | 0   | 0   | 0                                       |
| Abandonment in the course of construction   | 0   | 0   | 0                                       | 0   | 0   | 0                                       |
| Over specification of assets (Gold Plating)   | 0   | 0   | 0                                       | 0   | 0   | 0                                       |
| Loss as a result of a catastrophe   | 0   | 0   | 0                                       | 0   | 0   | 0                                       |
| Unforeseen obsolescence   | 0   | 0   | 0                                       | 0   | 0   | 0                                       |
| Changes in market price   | 0   | 0   | 0                                       | 8,487   | 0   | 0                                       |
| Others (specify)  | 25,595  | 0   | 0                                       | 7,710   | 0   | 0                                       |
| Reversal of Impairments   | (26,340)  | 0   | 0                                       | (22,931)  | 0   | 0                                       |
| <b>Total of all impairments</b>   | <b>(745)</b>                                      | <b>0</b>                                  | <b>0</b>                                | <b>(6,734)</b>                                    | <b>0</b>                                  | <b>0</b>                                |
| <b>Analysis of impairments charged to reserves in year :</b>  |   |   |   |   |   |   |
| Charged to the Statement of Comprehensive Net Expenditure   | (745)   | 0   | 0                                       | (13,148)  | 0   | 0                                       |
| Impairments as a result of revaluation/indexation Charged to Revaluation Reserve                        | 0   | 0   | 0                                       | 6,414   | 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                                       |
| <b>Total</b>  | <b>(745)</b>                                      | <b>0</b>                                  | <b>0</b>                                | <b>(6,734)</b>                                    | <b>0</b>                                  | <b>0</b>                                |

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.

The LHB will periodically instruct the District Valuer to Carry out "Good Housekeeping Valuations" when assets resulting from major capital schemes are first brought into use. During the year the LHB carried out 8 such revaluations, the total effect of which were:

Impairments written off via the Statement of Comprehensive Net Expenditure (SoCNE) were (£23.688m).

The significant schemes brought into use were:

Canolfan Iechyd Genomig Cymru (Wales Genomic Health Centre) (£9.768m) was written off the carrying value via the SoCNE.

Maelfa Health and Well Being Centre (£7.048m) was written off the carrying value via the SoCNE. In addition a further 6 minor schemes were completed and (£8.473m) was written off the carrying value via the SoCNE, whilst a reversal of impairment of £1.601m was credited to the SoCNE.

## 14.1 Inventories

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|                                   | 31 March<br>2024<br>£000 | 31 March<br>2023<br>£000 |
|-----------------------------------|--------------------------|--------------------------|
| Drugs                             | 6,076                    | 6,105                    |
| Consumables                       | 13,068                   | 11,990                   |
| Energy                            | 83                       | 66                       |
| Work in progress                  | 0                        | 0                        |
| Other                             | 0                        | 0                        |
| <b>Total</b>                      | <b>19,227</b>            | <b>18,161</b>            |
| Of which held at realisable value | 0                        | 0                        |

## 14.2 Inventories recognised in expenses

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|  | 31 March<br>2024<br>£000 | 31 March<br>2023<br>£000 |
|--|--------------------------|--------------------------|
| Inventories recognised as an expense in the period | 3,017                    | 3,297                    |
| Write-down of inventories (including losses)       | 56                       | 73                       |
| Reversal of write-downs that reduced the expense   | 0                        | 0                        |
| <b>Total</b>                                       | <b>3,073</b>             | <b>3,370</b>             |

## 15. Trade and other Receivables

|  | 31 March<br>2024<br>£000 | 31 March<br>2023<br>£000 |
|--|--------------------------|--------------------------|
| <b>Current</b>                                       |                          |                          |
| Welsh Government                                     | 2,394                    | 490                      |
| WHSSC / EASC   | 8,642                    | 3,539                    |
| Welsh Health Boards                                  | 8,398                    | 6,140                    |
| Welsh NHS Trusts                                     | 2,291                    | 2,150                    |
| Welsh Special Health Authorities                     | 1,097                    | 626                      |
| Non - Welsh Trusts                                   | 3,577                    | 0                        |
| Other NHS  | 342                      | 3,080                    |
| 2019-20 Scheme Pays - Welsh Government Reimbursement | 97                       | 1,606                    |
| <b>Welsh Risk Pool Claim reimbursement</b>           |                          |                          |
| NHS Wales Secondary Health Sector                    | 110,959                  | 194,791                  |
| NHS Wales Primary Sector FLS Reimbursement           | 170                      | 75                       |
| NHS Wales Redress                                    | 332                      | 304                      |
| Other  | 0                        | 0                        |
| Local Authorities                                    | 2,263                    | 2,028                    |
| Capital receivables - Tangible                       | 0                        | 0                        |
| Capital receivables - Intangible                     | 0                        | 0                        |
| Other receivables                                    | 20,427                   | 21,853                   |
| Provision for irrecoverable debts                    | (7,034)                  | (7,543)                  |
| Pension Prepayments NHS Pensions                     | 0                        | 0                        |
| Pension Prepayments NEST                             | 0                        | 0                        |
| Other prepayments                                    | 7,023                    | 8,457                    |
| Other accrued income                                 | 0                        | 0                        |
| <b>Sub total</b>                                     | <b>160,978</b>           | <b>237,596</b>           |
| <b>Non-current</b>                                   |                          |                          |
| Welsh Government                                     | 0                        | 0                        |
| WHSSC / EASC   | 0                        | 0                        |
| Welsh Health Boards                                  | 0                        | 0                        |
| Welsh NHS Trusts                                     | 0                        | 0                        |
| Welsh Special Health Authorities                     | 0                        | 0                        |
| Non - Welsh Trusts                                   | 261                      | 0                        |
| Other NHS  | 13                       | 465                      |
| 2019-20 Scheme Pays - Welsh Government Reimbursement | 1,615                    | 0                        |
| <b>Welsh Risk Pool Claim reimbursement;</b>          |                          |                          |
| NHS Wales Secondary Health Sector                    | 175,511                  | 67,195                   |
| NHS Wales Primary Sector FLS Reimbursement           | 0                        | 0                        |
| NHS Wales Redress                                    | 0                        | 0                        |
| Other  | 0                        | 0                        |
| Local Authorities                                    | 213                      | 121                      |
| Capital receivables - Tangible                       | 0                        | 0                        |
| Capital receivables - Intangible                     | 0                        | 0                        |
| Other receivables                                    | 9,419                    | 7,714                    |
| Provision for irrecoverable debts                    | (5,293)                  | (5,267)                  |
| Pension Prepayments NHS Pensions                     | 0                        | 0                        |
| Pension Prepayments NEST                             | 0                        | 0                        |
| Other prepayments                                    | 704                      | 960                      |
| Other accrued income                                 | 0                        | 0                        |
| <b>Sub total</b>                                     | <b>182,443</b>           | <b>71,188</b>            |
| <b>Total</b>   | <b>343,421</b>           | <b>308,784</b>           |

## 15. Trade and other Receivables (continued)

### Receivables past their due date but not impaired

|                         | 31 March<br>2024<br>£000 | 31 March<br>2023<br>£000 |
|-------------------------|--------------------------|--------------------------|
| By up to three months   | 20,867                   | 19,347                   |
| By three to six months  | 1,150                    | 763                      |
| By more than six months | 2,970                    | 2,453                    |
|                         | <u>24,987</u>            | <u>22,563</u>            |

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

|   |                 |                 |
|---|-----------------|-----------------|
| Balance at 1 April                            | (12,811)        | (9,716)         |
| Transfer to other NHS Wales body              | 0               | 0               |
| Amount written off during the year            | 39              | 113             |
| Amount recovered during the year              | 0               | 0               |
| (Increase) / decrease in receivables impaired | 445             | (3,208)         |
| Bad debts recovered during year               | 0               | 0               |
| Balance at 31 March                           | <u>(12,327)</u> | <u>(12,811)</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 | 306          | 0            |
| Other             | 1,715        | 3,240        |
| Total             | <u>2,021</u> | <u>3,240</u> |



## 16. Other Financial Assets

|  | Current                  |                          | Non-current              |                          |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
|  | 31 March<br>2024<br>£000 | 31 March<br>2023<br>£000 | 31 March<br>2024<br>£000 | 31 March<br>2023<br>£000 |
| <b>Financial assets</b>  |                          |                          |                          |                          |
| Shares and equity type investments   |                          |                          |                          |                          |
| Held to maturity investments at amortised costs  | 0                        | 0                        | 0                        | 0                        |
| At fair value through SOCNE  | 0                        | 0                        | 0                        | 0                        |
| Available for sale at FV   | 0                        | 0                        | 0                        | 0                        |
| Deposits   | 0                        | 0                        | 0                        | 0                        |
| Loans  | 0                        | 0                        | 0                        | 0                        |
| Derivatives  | 0                        | 0                        | 0                        | 0                        |
| Other (Specify)  |                          |                          |                          |                          |
| Right of Use Asset Finance Sublease  | 0                        | 0                        | 0                        | 0                        |
| Held to maturity investments at amortised costs  | 0                        | 0                        | 0                        | 0                        |
| At fair value through SOCNE  | 0                        | 0                        | 0                        | 0                        |
| Available for sale at FV   | 0                        | 0                        | 0                        | 0                        |
| <b>Total</b>   | <b>0</b>                 | <b>0</b>                 | <b>0</b>                 | <b>0</b>                 |
| <b>RoU Sub-leasing income Recognised in Statement of Comprehensive Net Expenditure</b> |                          |                          | <b>2023-24</b>           | <b>2022-23</b>           |
| RoU Sub-leasing income   |                          |                          | 0                        | 0                        |

## 17. Cash and cash equivalents

|  | 2023-24<br>£000 | 2022-23<br>£000 |
|--|-----------------|-----------------|
| Balance at 1 April   | 2,846           | 4,607           |
| Net change in cash and cash equivalent balances                        | (66)            | (1,761)         |
| Balance at 31 March  | <b>2,780</b>    | <b>2,846</b>    |
| Made up of:  |                 |                 |
| Cash held at GBS   | 2,668           | 2,352           |
| Commercial banks   | 0               | 0               |
| Cash in hand   | 112             | 494             |
| <b>Cash and cash equivalents as in Statement of Financial Position</b> | <b>2,780</b>    | <b>2,846</b>    |
| Bank overdraft - GBS   | 0               | 0               |
| Bank overdraft - Commercial banks                                      | 0               | 0               |
| <b>Cash and cash equivalents as in Statement of Cash Flows</b>         | <b>2,780</b>    | <b>2,846</b>    |

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

Lease Liabilities (ROUA) £1.017m  
 Lease Liabilities (short-term and low value leases) £0.0m  
 PFI liabilities: (£0.513m)

The movement relates to cash, no comparative information is required by IAS 7 in 2023-24.

## 18. Trade and other payables

### Current

|  | 31 March<br>2024<br>£000 | 31 March<br>2023<br>£000 |
|--|--------------------------|--------------------------|
| Welsh Government                                       | 0                        | 7                        |
| WHSSC / EASC   | 5,148                    | 5,620                    |
| Welsh Health Boards                                    | 2,282                    | 2,947                    |
| Welsh NHS Trusts                                       | 6,046                    | 4,574                    |
| Welsh Special Health Authorities                       | 1,580                    | 112                      |
| Other NHS  | 23,515                   | 19,257                   |
| Taxation and social security payable / refunds         | 7,862                    | 9,246                    |
| Refunds of taxation by HMRC                            | 0                        | 0                        |
| VAT payable to HMRC                                    | 34                       | 7                        |
| Other taxes payable to HMRC                            | 0                        | 0                        |
| NI contributions payable to HMRC                       | 9,055                    | 10,022                   |
| Non-NHS payables - Revenue                             | 28,559                   | 39,260                   |
| Local Authorities                                      | 18,233                   | 16,731                   |
| Capital payables- Tangible                             | 16,712                   | 12,677                   |
| Capital payables- Intangible                           | 176                      | 46                       |
| Overdraft  | 0                        | 0                        |
| Rentals due under operating leases                     | 0                        | 0                        |
| RoU Lease Liability                                    | 3,931                    | 3,036                    |
| Obligations under finance leases, HP contracts         |                          |                          |
| Imputed finance lease element of on SoFP PFI contracts | 614                      | 513                      |
| Impact of IFRS 16 on SoFP PFI contracts                | 0                        | 0                        |
| Pensions: staff  | 0                        | 0                        |
| Non NHS Accruals                                       | 65,620                   | 78,143                   |
| Deferred Income:                                       |                          |                          |
| Deferred Income brought forward                        | 1,993                    | 1,808                    |
| Deferred Income Additions                              | 325                      | 504                      |
| Transfer to / from current/non current deferred income | 0                        | 0                        |
| Released to SoCNE                                      | (39)                     | (319)                    |
| Other creditors  | 36,245                   | 22,929                   |
| PFI assets –deferred credits                           | 14                       | 18                       |
| Payments on account                                    | 1,697                    | 1,720                    |
| <b>Sub Total</b>                                       | <b>229,602</b>           | <b>228,858</b>           |

### 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                                    | 17,535         | 17,413         |
| Obligations under finance leases, HP contracts         |                |                |
| Imputed finance lease element of on SoFP PFI contracts | 6,524          | 7,138          |
| Impact of IFRS 16 on SoFP PFI contracts                | 0              | 0              |
| Pensions: staff  | 0              | 0              |
| Non NHS Accruals                                       | 0              | 0              |
| Deferred Income :                                      |                |                |
| Deferred Income brought forward                        | 0              | 0              |
| Deferred Income Additions                              | 0              | 0              |
| Transfer to / from current/non current deferred income | 0              | 0              |
| Released to SoCNE                                      | 0              | 0              |
| Other creditors  | 0              | 0              |
| PFI assets –deferred credits                           | 0              | 14             |
| Payments on account                                    | 0              | 0              |
| <b>Sub Total</b>                                       | <b>24,059</b>  | <b>24,565</b>  |
| <b>Total</b>   | <b>253,661</b> | <b>253,423</b> |

It is intended to pay all invoices within the 30 day period directed by the Welsh Government.

## 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   | 3,472         | 3,453         |
| Between two and five years  | 8,326         | 8,632         |
| In five years or more   | 12,261        | 12,480        |
| Sub-total   | <u>24,059</u> | <u>24,565</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        |
| <b>Total</b>                            | <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             |
| <b>Current</b>                              |                 |  |                                     |  |                          |  |                 |                       |                  |
| Clinical negligence:-                       |                 |  |                                     |  |                          |  |                 |                       |                  |
| Secondary care                              | 178,618         | (30,670)   | (3,953)                             | (67,241)                                 | 29,443                   | (13,610)                               | (3,221)         | 0                     | 89,366           |
| Primary care                                | 60              | 0  | 0                                   | 0  | 79                       | 0                                      | 0               | 0                     | 139              |
| Redress Secondary care                      | 199             | 0  | (79)                                | 0  | 268                      | (191)                                  | (98)            | 0                     | 99               |
| Redress Primary care                        | 0               | 0  | 0                                   | 0  | 0                        | 0                                      | 0               | 0                     | 0                |
| Personal injury                             | 659             | 0  | (50)                                | 321                                      | 918                      | (559)                                  | (285)           | 49                    | 1,053            |
| All other losses and special payments       | 1,125           | 0  | 0                                   | 0  | 101                      | (101)                                  | 0               | 0                     | 1,125            |
| Defence legal fees and other administration | 1,527           | 0  | 0                                   | (164)                                    | 1,479                    | (1,011)                                | (261)           |                       | 1,570            |
| Pensions relating to former directors       | 0               |  |                                     | 0  | 0                        | 0                                      | 0               | 0                     | 0                |
| Pensions relating to other staff            | 134             |  |                                     | 40                                       | 70                       | (131)                                  | 0               | 13                    | 126              |
| 2019-20 Scheme Pays - Reimbursement         | 30              |  |                                     | 0  | 74                       | (7)                                    | 0               | 0                     | 97               |
| Restructuring                               | 0               |  |                                     | 0  | 0                        | 0                                      | 0               | 0                     | 0                |
| RoU Asset Dilapidations CAME                | 104             |  |                                     | 0  | 268                      | 0                                      | (13)            | 0                     | 359              |
| Other Capital Provisions                    | 0               |  |                                     | 0  | 0                        | 0                                      | 0               | 0                     | 0                |
| Other                                       | 9,567           |  | (56)                                | 862                                      | 1,918                    | (148)                                  | (5,926)         |                       | 6,217            |
| <b>Total</b>                                | <b>192,023</b>  | <b>(30,670)</b>                                      | <b>(4,138)</b>                      | <b>(66,182)</b>                          | <b>34,618</b>            | <b>(15,758)</b>                        | <b>(9,804)</b>  | <b>62</b>             | <b>100,151</b>   |
| <b>Non Current</b>                          |                 |  |                                     |  |                          |  |                 |                       |                  |
| Clinical negligence:-                       |                 |  |                                     |  |                          |  |                 |                       |                  |
| Secondary care                              | 62,763          | 0  | (10,395)                            | 67,241                                   | 45,741                   | (2,100)                                | (2,605)         | 0                     | 160,645          |
| 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                             | 2,644           | 0  | 0                                   | (321)                                    | 0                        | 0                                      | 0               | 0                     | 2,323            |
| All other losses and special payments       | 0               | 0  | 0                                   | 0  | 0                        | 0                                      | 0               | 0                     | 0                |
| Defence legal fees and other administration | 665             | 0  | 0                                   | 164                                      | 833                      | (277)                                  | (9)             |                       | 1,376            |
| Pensions relating to former directors       | 0               |  |                                     | 0  | 0                        | 0                                      | 0               | 0                     | 0                |
| Pensions relating to other staff            | 608             |  | (40)                                | 0  | 0                        | 0                                      | 0               | 0                     | 568              |
| 2019-20 Scheme Pays - Reimbursement         | 1,576           |  | 0                                   | 0  | 39                       | 0                                      | 0               | 0                     | 1,615            |
| 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                                       | 2,185           |  | 0                                   | (862)                                    | 78                       | 0                                      | 0               |                       | 1,401            |
| <b>Total</b>                                | <b>70,441</b>   | <b>0</b>   | <b>(10,395)</b>                     | <b>66,182</b>                            | <b>46,691</b>            | <b>(2,377)</b>                         | <b>(2,614)</b>  | <b>0</b>              | <b>167,928</b>   |
| <b>TOTAL</b>                                |                 |  |                                     |  |                          |  |                 |                       |                  |
| Clinical negligence:-                       |                 |  |                                     |  |                          |  |                 |                       |                  |
| Secondary care                              | 241,381         | (30,670)   | (14,348)                            | 0  | 75,184                   | (15,710)                               | (5,826)         | 0                     | 250,011          |
| Primary care                                | 60              | 0  | 0                                   | 0  | 79                       | 0                                      | 0               | 0                     | 139              |
| Redress Secondary care                      | 199             | 0  | (79)                                | 0  | 268                      | (191)                                  | (98)            | 0                     | 99               |
| Redress Primary care                        | 0               | 0  | 0                                   | 0  | 0                        | 0                                      | 0               | 0                     | 0                |
| Personal injury                             | 3,303           | 0  | (50)                                | 0  | 918                      | (559)                                  | (285)           | 49                    | 3,376            |
| All other losses and special payments       | 1,125           | 0  | 0                                   | 0  | 101                      | (101)                                  | 0               | 0                     | 1,125            |
| Defence legal fees and other administration | 2,192           | 0  | 0                                   | 0  | 2,312                    | (1,288)                                | (270)           |                       | 2,946            |
| Pensions relating to former directors       | 0               |  |                                     | 0  | 0                        | 0                                      | 0               | 0                     | 0                |
| Pensions relating to other staff            | 742             |  |                                     | 0  | 70                       | (131)                                  | 0               | 13                    | 694              |
| 2019-20 Scheme Pays - Reimbursement         | 1,606           |  | 0                                   | 0  | 113                      | (7)                                    | 0               | 0                     | 1,712            |
| Restructuring                               | 0               |  |                                     | 0  | 0                        | 0                                      | 0               | 0                     | 0                |
| RoU Asset Dilapidations CAME                | 104             |  |                                     | 0  | 268                      | 0                                      | (13)            | 0                     | 359              |
| Other Capital Provisions                    | 0               |  |                                     | 0  | 0                        | 0                                      | 0               | 0                     | 0                |
| Other                                       | 11,752          |  | (56)                                | 0  | 1,996                    | (148)                                  | (5,926)         |                       | 7,618            |
| <b>Total</b>                                | <b>262,464</b>  | <b>(30,670)</b>                                      | <b>(14,533)</b>                     | <b>0</b>                                 | <b>81,309</b>            | <b>(18,135)</b>                        | <b>(12,418)</b> | <b>62</b>             | <b>268,079</b>   |
| <b>Expected timing of cash flows:</b>       |                 |  |                                     |  |                          |  |                 |                       |                  |
|   |                 |  |                                     |  | In year to 31 March 2025 | Between 1 April 2025 and 31 March 2029 | Thereafter      |                       | Total            |
|   |                 |  |                                     |  |                          |  |                 |                       | £000             |
| Clinical negligence:-                       |                 |  |                                     |  |                          |  |                 |                       |                  |
| Secondary care                              |                 |  |                                     |  | 89,366                   | 160,645                                | 0               |                       | 250,011          |
| Primary care                                |                 |  |                                     |  | 139                      | 0                                      | 0               |                       | 139              |
| Redress Secondary care                      |                 |  |                                     |  | 99                       | 0                                      | 0               |                       | 99               |
| Redress Primary care                        |                 |  |                                     |  | 0                        | 0                                      | 0               |                       | 0                |
| Personal injury                             |                 |  |                                     |  | 1,053                    | 753                                    | 1,570           |                       | 3,376            |
| All other losses and special payments       |                 |  |                                     |  | 1,125                    | 0                                      | 0               |                       | 1,125            |
| Defence legal fees and other administration |                 |  |                                     |  | 1,570                    | 1,376                                  | 0               |                       | 2,946            |
| Pensions relating to former directors       |                 |  |                                     |  | 0                        | 0                                      | 0               |                       | 0                |
| Pensions relating to other staff            |                 |  |                                     |  | 126                      | 481                                    | 87              |                       | 694              |
| 2019-20 Scheme Pays - Reimbursement         |                 |  |                                     |  | 97                       | 137                                    | 1,478           |                       | 1,712            |
| Restructuring                               |                 |  |                                     |  | 0                        | 0                                      | 0               |                       | 0                |
| RoU Asset Dilapidations CAME                |                 |  |                                     |  | 359                      | 0                                      | 0               |                       | 359              |
| Other Capital Provisions                    |                 |  |                                     |  | 0                        | 0                                      | 0               |                       | 0                |
| Other                                       |                 |  |                                     |  | 6,217                    | 233                                    | 1,168           |                       | 7,618            |
| <b>Total</b>                                |                 |  |                                     |  | <b>100,151</b>           | <b>163,625</b>                         | <b>4,303</b>    |                       | <b>268,079</b>   |

## 20. Provisions ... continued

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The expected timing of cashflows in respect of provisions arising from clinical negligence or personal injury claims (together with the associated defence costs) are based on legal opinion obtained by the UHB. The nature of litigation however means that these could be subject to change.

Amounts due in respect of pensions are profiled based on the regime which the NHS Pensions Agency currently uses to recover payments in respect of such amounts. This could be subject to change in the future.

The UHB is able to recover amounts paid out in respect of clinical negligence or personal injury claims (subject to an excess per case of £25k) from the Welsh Risk Pool. An amount of £286.971m has been shown within note 15 (Trade and Other receivables) in respect of such expected reimbursements.

### **Other Provisions include:**

Continuing Healthcare claims £0.102m

Potential payments to staff in respect of time off in lieu £0.353m

Employment Tribunal litigation cases £0.813m

Banding pay claims £0.356m

Other provisions considered commercially sensitive £5.994m

### **Continuing Healthcare cost uncertainties**

Liabilities for continuing healthcare costs continue to be a significant financial issue for the UHB. Following various annual deadlines for the submission of new claims, effected since 31st July 2014, which increased the number of claims registered each financial year, a rolling deadline now applies which allows new claims to go back one year only.

Cardiff and Vale University Health Board is responsible for post 1st April 2003 costs and the financial statements include the following amounts relating to those uncertain continuing healthcare costs:

Note 20 sets out the £0.102m provision made for probable continuing care costs relating to 9 claims received;

Note 21 sets out the £0.231m contingent liability for possible continuing care costs relating to 9 claims received;

For Phase 7 (23/24) claims received between 1st April 2023 and 31st March 2024, due to only 2 claims having been completed to date, the UHB does not currently have sufficient information available regarding the likelihood of claim success to calculate a provision for this Phase.

### **Scheme Pays**

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 Cardiff & Vale UHB, 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.

## 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 |
|---|-----------------|--|-------------------------------------|--|-------------------------|--------------------------|-----------------|-----------------------|------------------|
| Current                                     | £000            | £000   | £000                                | £000                                     | £000                    | £000                     | £000            | £000                  | £000             |
| Clinical negligence:-                       |                 |  |                                     |  |                         |                          |                 |                       |                  |
| Secondary care                              | 151,456         | (221)  | (2,498)                             | (12,523)                                 | 59,962                  | (11,378)                 | (6,180)         | 0                     | 178,618          |
| Primary care                                | 0               | 0  | 0                                   | 0  | 60                      | 0                        | 0               | 0                     | 60               |
| Redress Secondary care                      | 74              | 0  | (56)                                | 0  | 266                     | (67)                     | (18)            | 0                     | 199              |
| Redress Primary care                        | 0               | 0  | 0                                   | 0  | 0                       | 0                        | 0               | 0                     | 0                |
| Personal injury                             | 579             | 0  | 77                                  | 847                                      | 875                     | (907)                    | (763)           | (49)                  | 659              |
| All other losses and special payments       | 0               | 0  | 0                                   | 0  | 1,185                   | (60)                     | 0               | 0                     | 1,125            |
| Defence legal fees and other administration | 1,806           | 0  | 0                                   | (150)                                    | 1,238                   | (1,063)                  | (304)           |                       | 1,527            |
| Pensions relating to former directors       | 0               |  |                                     | 0  | 0                       | 0                        | 0               | 0                     | 0                |
| Pensions relating to other staff            | 138             |  |                                     | 128                                      | 17                      | (138)                    | 0               | (11)                  | 134              |
| 2019-20 Scheme Pays - Reimbursement         | 49              |  |                                     | 0  | 22                      | (40)                     | (1)             | 0                     | 30               |
| Restructuring                               | 0               |  |                                     | 0  | 0                       | 0                        | 0               | 0                     | 0                |
| RoU Asset Dilapidations CAME                | 0               |  |                                     | 0  | 104                     | 0                        | 0               | 0                     | 104              |
| Other Capital Provisions                    | 0               |  |                                     | 0  | 0                       | 0                        | 0               | 0                     | 0                |
| Other                                       | 11,607          |  | (143)                               | 0  | 4,174                   | (471)                    | (5,600)         |                       | 9,567            |
| <b>Total</b>                                | <b>165,709</b>  | <b>(221)</b>   | <b>(2,620)</b>                      | <b>(11,698)</b>                          | <b>67,903</b>           | <b>(14,124)</b>          | <b>(12,866)</b> | <b>(60)</b>           | <b>192,023</b>   |
| <b>Non Current</b>                          |                 |  |                                     |  |                         |                          |                 |                       |                  |
| Clinical negligence:-                       |                 |  |                                     |  |                         |                          |                 |                       |                  |
| Secondary care                              | 30,142          | 0  | (400)                               | 12,523                                   | 21,911                  | (1,233)                  | (180)           | 0                     | 62,763           |
| 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                             | 3,491           | 0  | 0                                   | (847)                                    | 0                       | 0                        | 0               | 0                     | 2,644            |
| All other losses and special payments       | 0               | 0  | 0                                   | 0  | 0                       | 0                        | 0               | 0                     | 0                |
| Defence legal fees and other administration | 317             | 0  | 0                                   | 150                                      | 367                     | (166)                    | (3)             |                       | 665              |
| Pensions relating to former directors       | 0               |  |                                     | 0  | 0                       | 0                        | 0               | 0                     | 0                |
| Pensions relating to other staff            | 736             |  |                                     | (128)                                    | 0                       | 0                        | 0               | 0                     | 608              |
| 2019-20 Scheme Pays - Reimbursement         | 2,144           |  |                                     | 0  | 659                     | 0                        | (1,227)         | 0                     | 1,576            |
| 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                                       | 2,474           |  | 0                                   | 0  | 0                       | 0                        | (289)           |                       | 2,185            |
| <b>Total</b>                                | <b>39,304</b>   | <b>0</b>   | <b>(400)</b>                        | <b>11,698</b>                            | <b>22,937</b>           | <b>(1,399)</b>           | <b>(1,699)</b>  | <b>0</b>              | <b>70,441</b>    |
| <b>TOTAL</b>                                |                 |  |                                     |  |                         |                          |                 |                       |                  |
| Clinical negligence:-                       |                 |  |                                     |  |                         |                          |                 |                       |                  |
| Secondary care                              | 181,598         | (221)  | (2,898)                             | 0  | 81,873                  | (12,611)                 | (6,360)         | 0                     | 241,381          |
| Primary care                                | 0               | 0  | 0                                   | 0  | 60                      | 0                        | 0               | 0                     | 60               |
| Redress Secondary care                      | 74              | 0  | (56)                                | 0  | 266                     | (67)                     | (18)            | 0                     | 199              |
| Redress Primary care                        | 0               | 0  | 0                                   | 0  | 0                       | 0                        | 0               | 0                     | 0                |
| Personal injury                             | 4,070           | 0  | 77                                  | 0  | 875                     | (907)                    | (763)           | (49)                  | 3,303            |
| All other losses and special payments       | 0               | 0  | 0                                   | 0  | 1,185                   | (60)                     | 0               | 0                     | 1,125            |
| Defence legal fees and other administration | 2,123           | 0  | 0                                   | 0  | 1,605                   | (1,229)                  | (307)           |                       | 2,192            |
| Pensions relating to former directors       | 0               |  |                                     | 0  | 0                       | 0                        | 0               | 0                     | 0                |
| Pensions relating to other staff            | 874             |  |                                     | 0  | 17                      | (138)                    | 0               | (11)                  | 742              |
| 2019-20 Scheme Pays - Reimbursement         | 2,193           |  |                                     | 0  | 681                     | (40)                     | (1,228)         | 0                     | 1,606            |
| Restructuring                               | 0               |  |                                     | 0  | 0                       | 0                        | 0               | 0                     | 0                |
| RoU Asset Dilapidations CAME                | 0               |  |                                     | 0  | 104                     | 0                        | 0               | 0                     | 104              |
| Other Capital Provisions                    | 0               |  |                                     | 0  | 0                       | 0                        | 0               | 0                     | 0                |
| Other                                       | 14,081          |  | (143)                               | 0  | 4,174                   | (471)                    | (5,889)         |                       | 11,752           |
| <b>Total</b>                                | <b>205,013</b>  | <b>(221)</b>   | <b>(3,020)</b>                      | <b>0</b>                                 | <b>90,840</b>           | <b>(15,523)</b>          | <b>(14,565)</b> | <b>(60)</b>           | <b>262,464</b>   |

## 21. Contingencies

### 21.1 Contingent liabilities

|   | 2023-24      | 2022-23      |
|---|--------------|--------------|
|   | £'000        | £'000        |
| Provisions have not been made in these accounts for the following amounts : |              |              |
| Legal claims for alleged medical or employer negligence:-                   |              |              |
| Secondary care  | 95,151       | 96,302       |
| Primary care  | 468          | 299          |
| Redress Secondary care  | 563          | 180          |
| Redress Primary care  | 0            | 0            |
| Doubtful debts  | 0            | 0            |
| Equal Pay costs   | 0            | 0            |
| Defence costs   | 1,672        | 1,400        |
| Continuing Health Care costs  | 231          | 45           |
| Other   | 0            | 0            |
| Total value of disputed claims  | 98,085       | 98,226       |
| Amounts (recovered) in the event of claims being successful                 | (95,003)     | (95,503)     |
| <b>Net contingent liability</b>   | <b>3,082</b> | <b>2,723</b> |

Other litigation claims could arise in the future due to known incidents. The expenditure which may arise from such claims cannot be determined and no provision has been made for them. The amounts disclosed as contingent liabilities in relation to potential clinical negligence or personal injury claims against the UHB arise where legal opinion as to the possibility of the claims success has deemed this to be possible, rather than remote, and no provision has already been made for such items within note 20. The UHB is assuming that all such costs would be reimbursed by the Welsh Risk Pool (subject to a £25k excess per claim). The net contingent liability contains **£2.305m** re clinical negligence and **£0.546m** re personal injury.

#### Continuing Healthcare cost uncertainties

Liabilities for continuing healthcare costs continue to be a significant financial issue for the UHB. Following various annual deadlines for the submission of new claims, effected since 31st July 2014, which increased the number of claims registered each financial year, a rolling deadline now applies which allows new claims to go back one year only.

Cardiff and Vale University Health Board is responsible for post 1st April 2003 costs and the financial statements include the following amounts relating to those uncertain continuing healthcare costs:

Note 20 sets out the £0.102m provision made for probable continuing care costs relating to 9 claims received;

Note **21.1** sets out the **£0.231m** contingent liability for possible continuing care costs relating to 9 claims received;

The UHB is providing £0.102m in respect of 9 Phase 7 (22/23) claims

For Phase 7 (23/24) claims received between 1st April 2023 and 31st March 2024, due to only 2 claims having been completed to date, the UHB does not currently have sufficient information available regarding the likelihood of claim success to calculate a provision for this Phase.

## 21.2 Remote Contingent liabilities

|                    | 2023-24<br>£000 | 2022-23<br>£000 |
|--------------------|-----------------|-----------------|
| Guarantees         | 0               | 0               |
| Indemnities        | 195             | 341             |
| Letters of Comfort | 0               | 0               |
| <b>Total</b>       | <b>195</b>      | <b>341</b>      |

The figure shown above under Indemnities relates to Clinical Negligence claims against the UHB where our legal advisors informed us that the claimants chance of success is remote

## 21.3 Contingent assets

|              | 2023-24<br>£000 | 2022-23<br>£000 |
|--------------|-----------------|-----------------|
| <b>Total</b> | <b>0</b>        | <b>0</b>        |

## 22. Capital commitments

### Contracted capital commitments at 31 March

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

|                               | 2023-24<br>£000 | 2022-23<br>£000 |
|-------------------------------|-----------------|-----------------|
| Property, plant and equipment | 19,295          | 6,555           |
| Right of Use Assets           | 0               | 0               |
| Intangible assets             | 5               | 0               |
| <b>Total</b>                  | <b>19,300</b>   | <b>6,555</b>    |

The in year increase in commitments disclosed is largely due to the progression of several major capital business cases.



## 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<br>period to 31 March 2024 |                   |
|---------------------------------------|--|-------------------|
|                                       | Number   | £                 |
| Clinical negligence                   | 100  | 15,900,549        |
| Personal injury                       | 53   | 559,158           |
| All other losses and special payments | 261  | 418,654           |
| <b>Total</b>                          | <b>414</b>   | <b>16,878,361</b> |

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

| Case Type                           | In year claims in excess of<br>£300,000 |                   | Cumulative amount<br>£ |
|-------------------------------------|---|-------------------|------------------------|
|                                     | Case Number                             | £                 |                        |
| <b>Cases in excess of £300,000:</b> |   |                   |                        |
| Clinical Negligence                 | 1                                       | 300,000           | 300,000                |
| Clinical Negligence                 | 1                                       | 475,000           | 2,693,653              |
| Clinical Negligence                 | 1                                       | 1,100,000         | 1,625,000              |
| Clinical Negligence                 | 1                                       | 2,300,000         | 3,850,000              |
| Clinical Negligence                 | 1                                       | 4,215,000         | 6,010,000              |
| Clinical Negligence                 | 1                                       | 575,000           | 575,000                |
| Clinical Negligence                 | 1                                       | 720,000           | 720,000                |
|                                     | <b>No of cases</b>                      | <b>£</b>          | <b>£</b>               |
| <b>Sub-total</b>                    | <b>7</b>                                | <b>9,685,000</b>  | <b>15,773,653</b>      |
| <b>All other cases paid in year</b> | <b>407</b>                              | <b>7,193,361</b>  | <b>17,868,539</b>      |
| <b>Total cases paid in year</b>     | <b>414</b>                              | <b>16,878,361</b> | <b>33,642,192</b>      |

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

|                                      | Number    | £                |
|--------------------------------------|-----------|------------------|
| Cumulative amount up to £300k        | 23        | 1,117,090        |
| Cumulative amount greater than £300k | 1         | 7,236,789        |
| <b>Total</b>                         | <b>24</b> | <b>8,353,879</b> |

## 24. Right of Use / Finance leases obligations

### 24.1 Obligations (as lessee)

#### Amounts payable under right of use asset leases: 2023-24

|  | LAND<br>31 March<br>2024<br>£000 | BUILDINGS<br>31 March<br>2024<br>£000 | OTHER<br>31 March<br>2024<br>£000 | TOTAL<br>31 March<br>2024<br>£000 |
|--|----------------------------------|---------------------------------------|-----------------------------------|-----------------------------------|
| <b>Minimum lease payments</b>                    |                                  |                                       |                                   |                                   |
| Within one year                                  | 0                                | 2,842                                 | 1,406                             | 4,248                             |
| Between one and five years                       | 0                                | 4,549                                 | 4,270                             | 8,819                             |
| After five years                                 | 0                                | 8,106                                 | 1,901                             | 10,007                            |
| Less finance charges allocated to future periods | 0                                | (915)                                 | (693)                             | (1,608)                           |
| <b>Minimum lease payments</b>                    | <b>0</b>                         | <b>14,582</b>                         | <b>6,884</b>                      | <b>21,466</b>                     |
| Included in:                                     |                                  |                                       |                                   |                                   |
| Current borrowings                               | 0                                | 2,710                                 | 1,221                             | 3,931                             |
| Non-current borrowings                           | 0                                | 11,872                                | 5,663                             | 17,535                            |
|  | <b>0</b>                         | <b>14,582</b>                         | <b>6,884</b>                      | <b>21,466</b>                     |

#### Present value of minimum lease payments

|  |          |               |              |               |
|--|----------|---------------|--------------|---------------|
| Within one year                                | 0        | 2,710         | 1,221        | 3,931         |
| Between one and five years                     | 0        | 4,181         | 3,820        | 8,001         |
| After five years                               | 0        | 7,691         | 1,843        | 9,534         |
| <b>Present value of minimum lease payments</b> | <b>0</b> | <b>14,582</b> | <b>6,884</b> | <b>21,466</b> |

#### Included in:

|                        |          |               |              |               |
|------------------------|----------|---------------|--------------|---------------|
| Current borrowings     | 0        | 2,710         | 1,221        | 3,931         |
| Non-current borrowings | 0        | 11,872        | 5,663        | 17,535        |
|                        | <b>0</b> | <b>14,582</b> | <b>6,884</b> | <b>21,466</b> |

#### 2022-23

|  | LAND<br>31 March<br>2023<br>£000 | BUILDINGS<br>31 March<br>2023<br>£000 | OTHER<br>31 March<br>2023<br>£000 | TOTAL<br>31 March<br>2023<br>£000 |
|--|----------------------------------|---------------------------------------|-----------------------------------|-----------------------------------|
| <b>Minimum lease payments</b>                    |                                  |                                       |                                   |                                   |
| Within one year                                  | 0                                | 2,288                                 | 952                               | 3,240                             |
| Between one and five years                       | 0                                | 5,814                                 | 2,317                             | 8,131                             |
| After five years                                 | 0                                | 9,013                                 | 1,291                             | 10,304                            |
| Less finance charges allocated to future periods | 0                                | (1,066)                               | (160)                             | (1,226)                           |
| <b>Minimum lease payments</b>                    | <b>0</b>                         | <b>16,049</b>                         | <b>4,400</b>                      | <b>20,449</b>                     |
| Included in:                                     |                                  |                                       |                                   |                                   |
| Current borrowings                               | 0                                | 2,135                                 | 901                               | 3,036                             |
| Non-current borrowings                           | 0                                | 13,914                                | 3,499                             | 17,413                            |
|  | <b>0</b>                         | <b>16,049</b>                         | <b>4,400</b>                      | <b>20,449</b>                     |

#### Present value of minimum lease payments

|  |          |               |              |               |
|--|----------|---------------|--------------|---------------|
| Within one year                                | 0        | 2,135         | 901          | 3,036         |
| Between one and five years                     | 0        | 5,395         | 2,230        | 7,625         |
| After five years                               | 0        | 8,519         | 1,269        | 9,788         |
| <b>Present value of minimum lease payments</b> | <b>0</b> | <b>16,049</b> | <b>4,400</b> | <b>20,449</b> |

#### Included in:

|                        |          |               |              |               |
|------------------------|----------|---------------|--------------|---------------|
| Current borrowings     | 0        | 2,135         | 901          | 3,036         |
| Non-current borrowings | 0        | 13,914        | 3,499        | 17,413        |
|                        | <b>0</b> | <b>16,049</b> | <b>4,400</b> | <b>20,449</b> |

## 24.3 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<br>31 March<br>2024<br>£000 | 2022-23<br>31 March<br>2023<br>£000 |
|--|-------------------------------------|-------------------------------------|
| <b>Gross Investment in leases</b>                              |                                     |                                     |
| Within one year  | 0                                   | 0                                   |
| Between one and five years                                     | 0                                   | 0                                   |
| After five years   | 0                                   | 0                                   |
| Less finance charges allocated to future periods               | 0                                   | 0                                   |
| Minimum lease payments   | <u>0</u>                            | <u>0</u>                            |
| Included in:   |                                     |                                     |
| Current asset  | 0                                   | 0                                   |
| Non-current asset  | <u>0</u>                            | <u>0</u>                            |
|  | <u>0</u>                            | <u>0</u>                            |
| <b>Present value of minimum lease payments</b>                 |                                     |                                     |
| Within one year  | 0                                   | 0                                   |
| Between one and five years                                     | 0                                   | 0                                   |
| After five years   | 0                                   | 0                                   |
| Less finance charges allocated to future periods               | 0                                   | 0                                   |
| Present value of minimum lease payments                        | <u>0</u>                            | <u>0</u>                            |
| Included in:   |                                     |                                     |
| Current asset  | 0                                   | 0                                   |
| Non-current asset  | <u>0</u>                            | <u>0</u>                            |
|  | <u>0</u>                            | <u>0</u>                            |

## 25. Private Finance Initiative contracts

### 25.1 PFI schemes off-Statement of Financial Position

The LHB has no PFI Schemes off-statement of financial position.

| Commitments under off-SoFP PFI contracts                | Off-SoFP PFI contracts | Off-SoFP PFI contracts |
|---|------------------------|------------------------|
|   | 31 March 2024          | 31 March 2023          |
|   | £000                   | £000                   |
| Total payments due within one year                      | 0                      | 0                      |
| Total payments due between 1 and 5 years                | 0                      | 0                      |
| Total payments due thereafter                           | 0                      | 0                      |
| Total future payments in relation to PFI contracts      | <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

20,986

Contract start date:

31/03/2000

Contract end date:

30/03/2031

On 31st March 2000, a 31 year Private Finance Initiative (PFI) Contract was signed between the former Cardiff & Vale Trust and IMC (Impregilio/Macob consortium) for the provision of a new hospital to be built on the former St. David's site. The hospital, which opened on 1st March 2002 provides a range of services but primarily services linked to the care for older people. The estimated capital value of the scheme at the time of construction was £13.847m and the annual payments to be made for the provision of the site and for a range of facilities management services is currently £4.652m.

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

|  | On SoFP PFI<br>Capital element<br>31 March 2024 | On SoFP PFI<br>Imputed interest<br>31 March 2024 | On SoFP PFI<br>Service charges<br>31 March 2024 |
|--|---|--|---|
|  | £000  | £000   | £000  |
| Total payments due within one year                 | 614   | 988  | 3,059   |
| Total payments due between 1 and 5 years           | 3,796   | 2,862  | 11,985  |
| Total payments due thereafter                      | 2,728   | 457  | 6,136   |
| Total future payments in relation to PFI contracts | <u>7,138</u>                                    | <u>4,307</u>                                     | <u>21,180</u>                                   |

|  | On SoFP PFI<br>Capital element<br>31 March 2023 | On SoFP PFI<br>Imputed interest<br>31 March 2023 | On SoFP PFI<br>Service charges<br>31 March 2023 |
|--|---|--|---|
|  | £000  | £000   | £000  |
| Total payments due within one year                 | 513   | 1,064  | 2,841   |
| Total payments due between 1 and 5 years           | 3,220   | 3,337  | 11,117  |
| Total payments due thereafter                      | 3,918   | 970  | 8,367   |
| Total future payments in relation to PFI contracts | <u>7,651</u>                                    | <u>5,371</u>                                     | <u>22,325</u>                                   |

|  | 3/31/2024<br>£000 |
|--|-------------------|
| Total present value of obligations for on-SoFP PFI contracts | <u>18,853</u>     |

## 25.3 Charges to expenditure

|  | 2023-24      | 2022-23      |
|--|--------------|--------------|
|  | £000         | £000         |
| Service charges for On Statement of Financial Position PFI contracts (excl interest costs) | 3,075        | 2,693        |
| 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>3,075</u> | <u>2,693</u> |

The LHB is committed to the following annual charges

| PFI scheme expiry date:                        | £000          | £000          |
|--|---------------|---------------|
| Not later than one year                        | 3,059         | 2,841         |
| Later than one year, not later than five years | 11,985        | 11,117        |
| Later than five years                          | 6,136         | 8,367         |
| <b>Total</b>                                   | <u>21,180</u> | <u>22,325</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. Only the services and other non-lease components are included and therefore the lease components are not impacted by the additional IFRS16 reporting requirements.

## 25.4 Number of PFI contracts

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

| PFI Contract   | On / Off-<br>statement<br>of financial<br>position |
|--|--|
| Number of PFI contracts which individually have a total commitment > £500m | 0  |

|              |    |
|--------------|----|
| PFI Contract | On |
|--------------|----|

## 25.5 The LHB has/has no Public Private Partnerships

In addition to the St David's PFI Scheme set out previously in Note 25.2, the LHB had one other Public Private Partnerships (PPP) Scheme during 2023/24 as set out below:

### Llandough Hospital Staff Accommodation

On 28th October 1999, the former University Hospital and Llandough NHS Trust entered into an agreement with Charter Housing for the design, construction, fit out and the subsequent operation of its staff accommodation at Llandough Hospital. The contract period is 25 years; however during 2020-21 Charter Housing had all its assets, liabilities and contractual obligations transferred into a new company Pobl Homes and Communities Limited.

## 25.5 The LHB had 1 Public Private Partnerships during the year (Continued)

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In return for the provision of the new serviced accommodation, the Trust transferred a parcel of surplus land to Charter on which seven of its existing properties resided. These properties were subsequently demolished and the land sold off by Charter. The accommodation is located on the remaining land, which had previously housed three additional properties. This is granted to Charter under a 99 year head lease for a peppercorn rent. Charter then leases the properties back to the LHB in return for an annual unitary payment of £0.048m. The LHB then leases the property back to Charter under a 27 year sub-underlease. The value of the property transferred to Charter in 1999/2000 was £0.763m.

The scheme has been assessed as being "on-statement of financial position" under IFRIC 12 and therefore the building is currently valued at £1.332m and the land at £0.573m on the LHB's statement of financial position (note 11).

On initial recognition of the asset a deferred income creditor balance was recognised in the LHB's accounts at a value of £0.454m. In line with Department of Health Guidance this creditor is being released to the SoCNE annually over the 25 year life of the contract. The amount that has been credited to operating expenses in 2023/24 was £0.018m.

## 26. Financial risk management

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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<br>£000 | 2022-23<br>£000 |
|---|-----------------|-----------------|
| (Increase)/decrease in inventories                                  | (1,066)         | 2,230           |
| (Increase)/decrease in trade and other receivables - non-current    | (111,255)       | (37,761)        |
| (Increase)/decrease in trade and other receivables - current        | 76,618          | (8,681)         |
| Increase/(decrease) in trade and other payables - non-current       | (506)           | 16,900          |
| Increase/(decrease) in trade and other payables - current           | 744             | (17,052)        |
| <b>Total</b>  | <b>(35,465)</b> | <b>(44,364)</b> |
| Adjustment for accrual movements in fixed assets - creditors        | (3,634)         | 13,644          |
| Adjustment for accrual movements in fixed assets - debtors          | 0               | 0               |
| Adjustment for accrual movements in right of use assets - creditors | (1,017)         | 0               |
| Adjustment for accrual movements in right of use assets - debtors   | 0               | 0               |
| Other adjustments   | (206)           | (20,129)        |
|   | <b>(40,322)</b> | <b>(50,849)</b> |

## 28. Other cash flow adjustments

|  | 2023-24<br>£000 | 2022-23<br>£000 |
|--|-----------------|-----------------|
| Depreciation   | 47,599          | 42,675          |
| Amortisation   | 829             | 971             |
| (Gains)/Loss on Disposal   | 11              | 34              |
| Impairments and reversals  | (745)           | (13,148)        |
| Release of PFI deferred credits  | (18)            | (18)            |
| 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               | (577)           | (414)           |
| 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               | (143)           |
| Non-cash movements in right of use assets                              | (49)            |                 |
| Non-cash movements in provisions                                       | 23,750          | 72,974          |
| Other movements  | 38,213          | 34,012          |
| <b>Total</b>   | <b>109,013</b>  | <b>136,943</b>  |

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

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### 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.

The UHB is unaware of any other significant Post Balance Sheet Events.

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on 12th 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

| Related Party                              | Expenditure to related party<br>£000 | Income from related party<br>£000 | Amounts owed to related party<br>£000 | Amounts due from related party<br>£000 |
|--|--------------------------------------|-----------------------------------|---------------------------------------|--|
| Aneurin Bevan                              | 3,199                                | 44,303                            | 1,181                                 | 2,454                                  |
| Betsi Cadwaladr LHB                        | 396                                  | 1,295                             | 142                                   | 348                                    |
| Cardiff and Vale                           | 0                                    | 0                                 | 0                                     | 0                                      |
| Cwm Taf Morgannwg                          | 18,341                               | 42,550                            | 239                                   | 2,653                                  |
| Hywel Dda                                  | 782                                  | 7,790                             | 86                                    | 735                                    |
| Powys                                      | 54                                   | 2,267                             | 27                                    | 511                                    |
| Swansea Bay                                | 6,504                                | 8,583                             | 607                                   | 1,697                                  |
| Welsh Health Specialist Services Committee | 177,278                              | 355,221                           | 5,148                                 | 8,642                                  |
| Public Health Wales                        | 7,702                                | 6,663                             | 936                                   | 591                                    |
| Velindre                                   | 101,969                              | 5,587                             | 4,923                                 | 1,672                                  |
| Welsh Ambulance Services                   | 360                                  | 179                               | 187                                   | 28                                     |
| HEIW                                       | 209                                  | 28,194                            | 44                                    | 884                                    |
| Digital Health and Care Wales (DHCW)       | 6,663                                | 1,346                             | 1,536                                 | 213                                    |
| Welsh Government                           | 9                                    | 1,402,915                         | 0                                     | 2,394                                  |
|  | <b>323,466</b>                       | <b>1,906,893</b>                  | <b>15,056</b>                         | <b>22,822</b>                          |

The LHB has close links with Cardiff University which includes the sharing of staff as well as sharing accommodation at the University Hospital of Wales site.

The LHB is a member of the Welsh Risk Pool for Clinical Negligence, Personal Injury and other qualifying claims.

During 2023/24 the LHB has received settlements of **£15.043m** in respect of claims for reimbursements made. In addition as at 31st March the LHB had a debtor balance of **£286.971m** in respect of amounts due from the Welsh Risk Pool.

The corporate body is a registered charity and as Corporate Trustees, the LHB Board were responsible for the management of charitable fund expenditure in the period connected with Cardiff and Vale University Health Board.

During the period, other than the individuals set out below, there were no other material related party transactions involving other board members or key senior management staff.

There were no invoices written off for any of the related parties during Financial Period 2023/24

## 30. Related Party Transactions... continued

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Fiona Kinghorn was the Executive Director of Public Health for Cardiff and Vale University Health Board up to the 29th December 2023. Her husband is Chief Executive of Rhondda Cynon Taf Council.

Ceri Phillips is Vice Chair of the Cardiff and Vale University Health Board. He is also Emeritus Professor at Swansea University, and a Honorary Professor at Cardiff University.

Sara Moseley is an independent member ( Third Sector) of Cardiff and Vale University Health Board. She is CEO of Moondance Cancer Initiative.

Abigail Harris is the Executive Director of Strategic Planning for Cardiff & Vale University Health Board. She is also a Non Executive Board Member of Social Care Wales. Her husband is a voluntary Board Member of the Wales Council for Voluntary Action.

Charles Janczewski is Chair of the Cardiff and Vale University Health Board. He is the Chair of the Governance Board for Health & Wellbeing Academy at Swansea University.

Meriel Jenney is Executive Medical Director Cardiff and Vale University Health Board . She is also a honorary member of LATCH Charity.

Suzanne Rankin is Chief Executive Officer of Cardiff and Vale University Health Board. She is the Director of the Welsh Wound Innovation Centre and is a Lay Member (NHS) of Cardiff University Council. She is also the Vice Chair, Emergency Ambulance Services Committee (EASC).

Susan Elsmore was an Independent Member (Local Authority) of Cardiff and Vale University Health Board up to the 31st October 2023. She is also Cardiff Council elected member for Canton Ward. She is also cabinet member for Welsh Local Government Association. Chair of Cardiff and Vale Regional Partnership Board. She is a member and spokesperson for Social Care Health & Wellbeing Cardiff Council.

Catherine Phillips is Executive Director of Finance of Cardiff and Vale University Health Board. She is a Trustee and Wales Branch President of the Healthcare Finance Managers Associatio (HFMA).

Sam Austin was the Chair of the Stakeholder Reference Group Cardiff and Vale University Health Board up to the 31st October 2023. She is the Deputy Chief Executive of Llamau Charity and is the Chair of the Board of Trustees for Cymorth Cymru. Her daughter started working for Cardiff and Vale University Health Board in September 2023.

Susan Lloyd-Selby was appointed 1st March 2024 is an Independent Member (Local Authority) of Cardiff and Vale University Health Board. She is the Chair of Trustees for Coastlands CIO Charity and is an Elected Member of the Vale of Glamorgan Council.

Claire Beynon was appointed Director of Public Health Cardiff and Vale University Health Board on the 30th December 2023. She also teaches on an ad hoc basis at Cardiff University, Cardiff Metropolitan University, Swansea University, University of South Wales and the Faculty of Public Health. Her husband is a lecturer at Cardiff Metropolitan University.

Lani Tucker was appointed on the 17th January 2024 as an Associate Board Member of Cardiff and Vale University Health Board and is Chair. of the Stakeholder Reference Group. She is also the Health and Social Care Facilitator for Glamorgan Voluntary Services (GVS) charity.

## 30. Related Party Transactions... continued

The material transactions involving the related parties were as follows unless shown in the table re Welsh Government Bodies on page 69:

| Related Party                                  | Expenditure to<br>related party<br>£000 | Income from<br>related party<br>£000 | Amounts owed<br>to related party<br>£000 | Amounts due<br>from related party<br>£000 |
|--|---|--------------------------------------|--|---|
| Rhonnda Cynon Taf Council                      | 104                                     | 0                                    | 0  | 0   |
| Moondance Cancer Initiative                    |   | 290                                  |  | 8   |
| Cardiff University                             | 6,211                                   | 9,399                                | 4,250                                    | 3,658                                     |
| Social Care Wales                              | 11                                      | 23                                   | 11                                       | 0   |
| Swansea University                             | 80                                      | 482                                  | 49                                       | 2   |
| LATCH  | 0                                       | 190                                  | 0  | 0   |
| Cardiff Council                                | 26,813                                  | 9,201                                | 10,523                                   | 2,030                                     |
| University of South Wales                      | 77                                      | 5                                    | 11                                       | 0   |
| Vale of Glamorgan Council                      | 11,560                                  | 1,042                                | 7,696                                    | 308                                       |
| HFMA (Healthcare Finance Managers Association) |   | 50                                   |  |   |
| Cardiff Metropolitan University                | 0                                       | 39                                   | 10                                       | 11  |
| Welsh Wound Innovation Centre                  | 66                                      | 56                                   | 0  | 26  |
| Llamau   | 7                                       | 0                                    | 0  | 0   |
| Glamorgan Voluntary Services                   | 238                                     | 0                                    | 0  | 0   |
| Endowments                                     | 0                                       | 0                                    | 0  | 669                                       |
|  | 45,167                                  | 20,777                               | 22,550                                   | 6,712                                     |

## 31. Third Party assets

The LHB held £169,059 cash at bank and in hand at 31 March 2024 (31st March 2023, £159,431) which relates to monies held by the LHB on behalf of patients. 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 £8,059,401 (£9,404,932 as at 31st March 2023).

## 32. Pooled budgets

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The Health Board has entered into a pooled budget arrangement with Cardiff and Vale of Glamorgan Local Authorities, as permissible under section 33 of the NHS (Wales) Act 2006 for the operation of a Joint Equipment Store (JES). The purpose of the JES is the provision and delivery of common equipment and consumables to patients who are resident in the localities of the partners to the pooled budget. The pooled budget arrangement became operational from 1st January 2012.

The pool is hosted by Cardiff Council, who are the lead body and act as principal for this scheme. The financial operation of the pool is governed by a pooled budget agreement between Cardiff Council, Vale of Glamorgan Council and the Health Board. The Health Board makes payments to Cardiff Council on receipt of an invoice in line with the agreed contributions to the pooled budget as set out in the agreement. Expenditure incurred is subject to regular review by the partners to the agreement. Any expenditure incurred by Cardiff Council above the agreed contributions in respect of NHS equipment and consumables is invoiced separately. As the funding for the UHB's contribution to the pooled budget has not yet been top sliced and is being provided via invoicing, then no adjustment in respect of the income and expenditure arising from the activities of the pooled budget is required in these accounts. In addition as the UHB's proportion of the assets and liabilities held by the pool are not material in relation to the UHB, they have therefore not been consolidated within these financial statements.

The JES service had an agreed budget for the 2023-24 of £2,335,008 of which Cardiff & Vale UHB's contribution was £1,285,945.

Overall the Pooled Budget was overspent by £755,018 in the year. The Health element of the overspend was £420,526 and Cardiff & Vale has accounted for this in its annual accounts for the year ended 31st March 2024.

The Health and Social Care Regional Integration Fund (the RIF) is a 5 year fund to deliver a programme of change from April 2022 to March 2027. The RIF builds on the learning and progress made under the previous Integrated Care Fund (ICF) and Transformation Fund (TF) and will seek to create sustainable system change through the integration of health and social care services. In 2023-24 the UHB received a RIF allocation of £19,362,012 from Welsh Government. The UHB acts as a banker for this allocation which funded the following priority areas and strategic programmes:

- Ageing Well - @ Home, Dementia strategy
- Starting Well - Emotional Health & Wellbeing, Complex health & disabilities, Enabling Starting Well
- Living Well - Learning Disabilities & Carers
- Integration infrastructure

which were managed with the following partner organisations:

- Cardiff and Vale UHB
- Cardiff Local Authority
- Vale of Glamorgan Local Authority
- Cardiff and Vale Third Sector

Part 9 of the Social Services and Well-being (SSWWA) (Wales) Act 2014 requires Local Authorities and the Health Board for each region to establish and maintain pooled funds in relation to the exercise of care home accommodation functions. A pooled budget arrangement has been agreed between Cardiff and Vale Local Authorities and Cardiff and Vale University Health Board in relation to the provision of care home accommodation for older people. The arrangement came into effect on 1st April 2018 for a period of 12 months renewable on an ongoing basis. Cardiff Council is acting as host authority during this period. Whilst there is one pooled budget in place, the processes for commissioning and payment for services has remained with the three organisations, with each partner continuing to be responsible for their own budget and expenditure. The accountability for the functions of the statutory bodies remains with each individual organisation, in accordance with the Part 9 Guidance under SSWWA 2014. The transactions into the pool for 2023-24 were £24,284,468.

### 33. Operating segments

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IFRS 8 requires bodies to report information about each of its operating segments.

The LHB has formed the view that the activities of its divisions are sufficiently similar for the results of their operations not to have to be disclosed separately. In reaching this decision we are satisfied that the following criteria are met:

- (1) Aggregation still allows users to evaluate the business and its operating environment.
- (2) Divisions have similar economic characteristics.
- (3) The Divisions are similar re all of the following:
  - (1) The nature of the services provided.
  - (2) The Divisions operate fundamentally similar processes.
  - (3) The end customers to the processes (the patients) fall into broadly similar categories.
  - (4) They share a common regulatory environment.

The LHB did operate as a home to one hosted body during the period, The Wales External Quality Assessment Service (WEQAS). During **2023/24** these accounts contain income of **£4,852,868** and expenditure of **£4,339,462** in respect of WEQAS. The UHB does not consider the amounts involved to be sufficiently material to be reported as a separate segment.

## 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<br>£000 | 2022-23<br>£000 |
|--|-----------------|-----------------|
| <b>Statement of Comprehensive Net Expenditure<br/>for the year ended 31 March 2024</b> |                 |                 |
| Expenditure on Primary Healthcare Services   | 554             | 332             |
| Expenditure on Hospital and Community Health Services                                  | 37,659          | 33,680          |
| <b>Statement of Changes in Taxpayers' Equity<br/>For the year ended 31 March 2024</b>  |                 |                 |
| Net operating cost for the year  | 38,213          | 34,012          |
| Notional Welsh Government Funding  | 38,213          | 34,012          |
| <b>Statement of Cash Flows for year ended 31 March 2024</b>                            |                 |                 |
| Net operating cost for the financial year  | 38,213          | 34,012          |
| Other cash flow adjustments  | -38,213         | -34,012         |
| <b>2.1 Revenue Resource Performance</b>  |                 |                 |
| Revenue Resource Allocation  | 38,213          | 34,012          |
| <b>3. Analysis of gross operating costs</b>  |                 |                 |
| <b>3.1 Expenditure on Primary Healthcare Services</b>                                  |                 |                 |
| General Medical Services   | 0               | 0               |
| <b>3.3 Expenditure on Hospital and Community Health Services</b>                       |                 |                 |
| Directors' costs   | 72              | 85              |
| Staff costs  | 38,141          | 33,927          |
| <b>9.1 Employee costs</b>  |                 |                 |
| <b>Permanent Staff</b>   |                 |                 |
| Employer contributions to NHS Pension Scheme   | 38,213          | 34,012          |
| Charged to capital   | 0               | 0               |
| Charged to revenue   | 38,213          | 34,012          |
| <b>18. Trade and other payables</b>  |                 |                 |
| <b>Current</b>   |                 |                 |
| Pensions: staff  | 0               | 0               |
| <b>28. Other cash flow adjustments</b>   |                 |                 |
| Other movements  | 38,213          | 34,012          |

## 34.2 Cardiff Medicentre

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On its formation on 1st October 2009 the UHB inherited an interest in a joint venture which had been entered into by one of its predecessor organisations (South Glamorgan Health Authority) in 1992.

Our original partners in this venture are Cardiff Council, Cardiff University and the Welsh Government. The purpose of the venture was to provide dedicated business incubation facilities for start-up and spin-out companies operating in the medical healthcare and life sciences. On 1st April 2016 Welsh Government and Cardiff Council withdrew from the joint venture and sold their shares in it to Cardiff University.

The UHB does not make any direct financial contribution into the venture and ordinarily does not directly benefit financially from its operations. Given the immaterial amount involved, no adjustment has been made to these accounts to reflect the UHB's share of the joint venture. For illustrative purposes, had the UHB fully applied IFRS 11 "Joint Arrangements", then based on the last available published accounts of the Medicentre and applying the UHB's 11% share would mean that the UHB would show an investment in a joint venture (as defined by IAS 28 Investments in Associates and Joint Ventures) of £0.463m.

**THE NATIONAL HEALTH SERVICE IN WALES ACCOUNTS DIRECTION GIVEN BY WELSH MINISTERS IN ACCORDANCE WITH SCHEDULE 9 SECTION 178 PARA 3(1) OF THE NATIONAL HEALTH SERVICE (WALES) ACT 2006 (C.42) AND WITH THE APPROVAL OF TREASURY**

**LOCAL HEALTH BOARDS**

1. Welsh Ministers direct that an account shall be prepared for the financial year ended 31 March 2011 and subsequent financial years in respect of the Local Health Boards (LHB)<sup>1</sup>, in the form specified in paragraphs [2] to [7] below.

**BASIS OF PREPARATION**

2. The account of the LHB shall comply with:
  - (a) the accounting guidance of the Government Financial Reporting Manual (FRoM), 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 FRoM 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.