Aneurin Bevan University Health Board Annual Report and Annual Accounts 2020/21

Our Annual Report is a suite of documents that tell you about our organisation, the services and care we provide and what we do to plan, deliver and improve healthcare for you. It provides information about how we performed in 2020/21, what we have achieved, how we plan to continue to improve next year and our plans for the future. This report also explains how important it is for us to work with you and listen to your views, to better deliver services that meet your needs, as close to your home as possible.

Our Annual Report for the period 1st April 2020 to 31st March 2021 includes:

- Our **Performance Report** which details how we have performed against our targets and the actions planned to maintain or improve our performance.

- Our **Accountability Report** which details our key accountability requirements and provides information about how we manage and control our resources, identify and respond to our risks, and comply with our own governance arrangements.

- Our **Financial Statements and Annual Accounts** which detail how we have spent our money and met our obligations.

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Aneurin Bevan University Health Board
Section 1 – Performance Report
1st April 2020 – 31st March 2021

Introduction

The Manual for Accounts (MfA) establishes that the purpose of the performance report (or section of the annual report) is to provide information on the organisation, its main objectives and strategies and the principal risks that that the organisation faces. This report provides this for the Health Board for the year 1st April 2020 – 31st March 2021.

Areas of Responsibility

Aneurin Bevan University Health Board was established in October 2009 and achieved 'University' status in December 2013. We serve a population of more than 639,000 people, which is approximately 21% of the total Welsh population.

With a budget of over **£1.6 billion,** we deliver healthcare services to people in Blaenau Gwent, Caerphilly, Monmouthshire, Newport, Torfaen and also provide some services to the people of South Powys.

We are governed by a Board, which comprises Executive Directors and Independent Members who make decisions about all services and care provided in our area. In 2020/21, the Board was chaired by Ann Lloyd and the operational leadership and direction was provided by Judith Paget, our Chief Executive and Accountable Officer.

The Health Board has continued to develop to ensure we operate in a patient-focused, safe, open and prudent way. The Board sets the strategic objectives, monitors progress, agrees actions to achieve these objectives, and ensures appropriate controls are in place and working properly throughout the organisation.

Impact of COVID-19 on delivery of services

The last year, 2020/2021, was very challenging for the Health Board along with the rest of the NHS and care services in responding to the COVID-19 pandemic. We are extremely proud of the way in which our staff responded showing resilience, bravery, dynamism, resourcefulness and great skill to deal with the major challenges presented during the pandemic. To ensure that we were able to continue to respond appropriately to people's health care needs we introduced new ways of working, revolutionising the number of patients supported through digital consultations and reviews, introduced digital communications between inpatients and their families when visiting was restricted, ensured our staff had appropriate and effective PPE and embraced agile working to

keep our staff as safe as possible and successfully opened the Grange University Hospital ahead of schedule.

Primary and community services continue to be a priority and along with our mental health and learning disability services have maintained all core essential services throughout the pandemic and have responded to the changing needs presented throughout the year.

Supporting staff physically, mentally and emotionally in response to the changing environment has meant a greater need for our Employee Wellbeing Services. This service has proved invaluable for our staff and we believe will continue to be even more important going forward.

Closer working with our public sector partners facilitated the successful introduction of the Gwent Test, Trace and Protect Programme with 98% contact tracing success rate. Our preparedness for the COVID-19 Vaccinations meant that the Health Board was able to start swiftly and following the JCVI guidelines, continue to quickly adapt to the needs of our population. We have vaccinated over half a million people in the past four and a half months.

As part of the Health Board's commitment to delivering its Integrated Medium Term Plan (IMTP), ten organisational priorities would be given greater focus and enhanced Executive leadership during 2020/21 to ensure delivery quickly and with purpose. These were:

On the 16th March 2020, and in response to the unprecedented challenge associated with the COVID-19 pandemic, the Integrated Medium Term Planning process for NHS Wales was suspended and Welsh Government adopted a quarterly COVID-19 operating framework. Health Boards were required to develop operational plans describing their response to COVID-19 and the delivery of essential and routine health services.

The reality of steering the organisation through the COVID-19 pandemic has impacted on the progress that has been possible to deliver these organisational priorities. For some priorities this meant accelerating the scale and pace of delivery, for others it was necessary to suspend them and to refocus resources to support the immediate and substantial response to COVID-19 pandemic.

The Health Board had to suspend routine elective services and undertake major reconfiguration of our hospitals wards and departments where infection prevention and control was key to create a safe environment for patients with and without COVID-19. This was aligned to the NHS Wales COVID-19 Operating Framework which was produced to assist the NHS in Wales in its response and the phased return to urgent and planned services.

Along with all Health Boards in Wales, the interruption to services has resulted in increased waiting lists and longer waiting times. The challenge has been to adapt to redesign access pathways and new ways of working which are safe and maximise capacity.

Staff have achieved incredible feats in the last 12 months. In particular successfully opening a new hospital in the middle of a pandemic is an outstanding achievement. This was a key enabler for the Health Board to manage its COVID response and ensure the continuation of care in a safer and more appropriate environment, providing enhanced diagnostic and surgical capacity.

The following narrative provides an overview of some of the key areas and how these services have performed during 2020/2021.

Planning and Delivery of Safe, Effective and Quality Services

The Health Board’s response to the COVID-19 pandemic changed during the year as we became much more informed about the disease and ways to improve our care. This was characterised by transformation across the system through planning and delivery of services underpinned by the principles of our Clinical Futures Strategy, leading to the early commissioning and opening of the Grange University Hospital (GUH) and reconfiguration of services in the remaining Local General Hospitals and community to support greater resilience. Through these enabling changes, the Health Board became better equipped to focus on widening access across our communities.

The quality of services and patient safety remained at the core of our response, with an additional and clear focus on the well-being of our staff who met the challenge of managing winter pressures whilst ensuring that essential services were maintained and that routine care was undertaken where safe and practical.

Underpinning and balancing our response was the equal weight given to *The Four Harms* aimed at reducing the inequalities that could contribute to higher mortality rates in some communities.

Harm from Covid-19 itself

Lessons learned in the Immediate Response phase helped to inform our advance planning for the anticipated second wave of the pandemic and the adaptation of essential services to make them sustainable after the opening of GUH. An example of this learning was in our Primary Care and Community Services who have been at the forefront of new ways of working through embracing technology. We captured the views and experiences of frontline staff and senior managers through online surveys and semi-structured interviews in June 2020. The fundamental need at the time of an emergency response was for timely decision-making, as slow decision making, or not making a decision, could cause harm in itself. This knowledge helped to adapt our governance structures, improve communication and ensure delivery of priorities and strengthened the longer term strategic support for care homes.

Harm from an overwhelmed NHS and social care system

Ensuring that our response to COVID-19 was consistent with the modelling scenarios set out by Welsh Government assisted the Health Board in maintaining essential services during peaks in infection rates as well as meeting the demands of winter pressures and reducing the potential for harm from an overwhelmed NHS and Social Care system. Use of the capacity provided by the new GUH and application of COVID and non-COVID patient pathways through our care system assisted with reducing the potential for hospital acquired infection and enabled sustainable management of our workforce. Use of the new state-of-the-art critical care facilities to care for critically ill patients was central to our ability to manage these pathways.

Harm from a reduction in non COVID-19 activity

Understanding our demand and capacity alongside a phased response plan also helped us to manage our services through the winter, ensuring that our actions were effective, timely and proportional and to re-introduce services as and when it was safe to do so, reducing the potential for harm due to reductions in non-COVID activity.

ABUHB Phased Response to the Covid-19 Pandemic

The response structure was adaptable and flexible to enable clear and effective decision-making within a well-defined strategic, tactical and operational framework using specially developed tools, such as, the Organisational Thermometer, to help the organisation respond to triggers and changes in demand.

In light of the scientific expertise advising Government, all Health Board processes and protocols relating to COVID-19 were based on National Government guidance. Planning for the winter period was based on a *likely* scenario and *reasonable worst case scenario,* with the objective to balance demand and bed capacity.

Harm from a wider societal actions/lockdown

The potential for psychological and social harm as well as effects on the physical health of the population has been highlighted during the pandemic. Social isolation, psychological trauma, anxiety, depression and other symptoms of distress can affect the well-being of the many groups in society including children, students, elderly, and health and care staff.

Core essential mental health and learning disability services were maintained throughout the pandemic and staff responded to the changing needs with new ways to support better mental health and well-being in the community whilst continuing to develop our crisis services as part of a wider transformation of mental health and learning disabilities services. A number of adjustments were made to service delivery to create capacity and meet the needs of patients and citizens in innovative ways, including the increased use of non-face-to-face contacts, with telephone and virtual modes of communication used where clinically appropriate.

Further evidence has emerged over the period that the effects of the pandemic on mental health will be more severe and long lasting for some population groups. Frontline staff and people who have experienced bereavement are now at increased risk of poor mental well-being. Mental well-being is a recognised public health priority and the Health Board has put into place an Enhanced Foundation Tier Project to improve population mental well-being and reduce inequalities. Plans have been developed to ensure longer term accessibility, availability and awareness of appropriate, consistent, up-to-date and evidence based self-help resources, recognising that this need will be substantial as part of the COVID-19 recovery process for many people.

Health Board Annual Plan for 2021/22

The learning outlined above has helped the Health Board to determine its ongoing response to COVID-19, continue to deliver services to our population and allow transformation to flourish across the system.

Clinical Futures principles are integrated in our response to the Covid-19 pandemic, moving forward with clear decision–making towards our long-term ambitions whilst supporting the leadership and resilience shown by our front-line teams who have continued to act with professionalism and compassion throughout a difficult period. Our plan for 2021/22 has been

developed in light of the above challenges and experiences recognising that the impacts of the pandemic on our population, our workforce, our partners and our system run deep and will dominate efforts to reset health and well-being services for our communities. The plan is designed to capture our core intentions and give clear priorities for dealing with COVID-19 related demand and the risks and challenges in refocussing on the delivery of routine care in a flexible and agile way. Sustainable cultural change through delivery of our Annual Plan will make it possible for people to see the system and how it works and enable and encourage staff to act.

Primary Care

The rapid development of the pandemic from March 2020 necessitated a reactive response in Primary and Community care to ensure that the Health Board was able to respond to and manage an unprecedented set of circumstances. The opportunity of the pause between phases one and two allowed a review to be undertaken and for changes and adaptations to be made.

In the period between June and October 2020 the Health Board started to return to 'business as usual' in commencing with non-urgent care and this was reflected in primary and community services, including increased consultations in primary care, recommencement of some dental interventions and additional outpatient activity. Although there were reductions in planned activity again in December, the complete cessation of all non-urgent work seen in phase one was not repeated.

General Medical Services

General Medical Services (GMS) have responded well to the COVID-19 situation with services maintained in accordance with Welsh Government guidance with robust escalation and communication processes in place.

Following the first, reactive phase of the pandemic, a GMS recovery plan and toolkit were developed and practices were supported to begin the resumption of services in line with the Welsh Government recovery plan. Essential services were maintained, and an audit in relation to the 6-8 week physical examination of babies has commenced. Further contractual relaxations or suspensions were introduced and managed accordingly. Core contractual aspects, such as the vacant practice process, have also continued.

The Health Board supported the implementation of the COVID-19 specific improvement grants which supported 50 primary care providers across 71 buildings in order to develop COVID-19 safe environments.

COVID-19 Primary Community Immunisation Services was offered to all practices with 73 out of 74 GP practices participating. A detailed resource pack was prepared, with regular updates provided. Weekly meetings with practices take place and continuous review of data, activity and delivery of the programme is ongoing.

The current backlog of care and of unknown harms remains a significant concern to the Health Board. This will also be impacted by the resumption of secondary care services and the pathways to support this. There will be an increase in demand and it is expected that number of face to face appointments will rise. Further analysis of the telephony infrastructure is required and the current Access Standards will remain in place for 2021/22.

Dental Services

Dental Services were significantly impacted by the COVID-19 pandemic and in the first phase of emergency response government escalation guidance dictated only very urgent and emergency treatments were undertaken.

The guidance is now in the amber phase and a dental recovery plan has been developed, with a robust communication network supporting this roll out. A collaborative "Neighbourhood Care Network" (NCN) approach between dental practices was established which supported aspects such as "buddying" arrangements. The 3 COVID-19 Hub sites remain in place and the 3 General Dental Services (GDS) Health Board designated Non-COVID-19 Aerosol Generating Procedure (AGP) Urgent Dental Care sites that were established ended on 31st December 2020. Welsh Government provided financial support (£82K) for improved ventilation for 77 out of 78 practices providing AGPs. . Additional urgent access sessions were secured and from March 2021, 33 practices were funded for 100% Annual Contract Value to provide Emergency Dental Service appointments, resulting in approximately 600 additional appointments. The Attend Anywhere video consultation, telephone advice and guidance virtual system was introduced with 21 practices having implemented it, with 144 consultations undertaken between October 20 and February 2021.

It is acknowledged that there is a backlog of care provision in dentistry and dental practices have been asked to delay routine dental checks for low risk patients so that they have appointment slots available for those who need urgent treatment or treatment that has been delayed. At this time, it is important that those most in need of dental care receive it ahead of those who are not currently experiencing problems. This will continue in quarter 1 and 2 of 2021/22 and the Welsh Government requirements in relation to access and care provision will be implemented. As it is anticipated that the need for urgent appointment will increase. The dental domiciliary service has yet to commence however, there are plans in place to address this.

Optometry

Service provision was maintained in accordance with red/amber phases of the pandemic. The Health Board established 17 host optometry practices during the red phase; of these, 4 optometry practices were able to provide enhanced care via Independent Prescribers.

During phase two all practices were open at least 75% of core hours pre-COVID-19 and a number of services were able to recommence including, General Ophthalmic Service, Eye Health Emergency Wales, domiciliary, prison and low vision.

Teams in all settings have embraced remote working and a change has been seen in how colleagues communicate with patients; this will be considered as part of our long term provision of care.

Pharmacy

A change in activity was noted over the last year and community pharmacies were active partners in supporting the influenza vaccination programme. The acute pharmacy team was instrumental in supporting the opening of the Grange University Hospital. The team ensured critical care drugs were readily available for clinicians in Gwent and developed a dashboard describing the availability, which was adopted nationally as part of the COVID-19 response. We were the first Health Board to adopt the new National Pharmacy System, which is now implemented in all 4 pharmacies in the Health Board.

Combined Community Teams – closer working across disciplines and agencies

During the COVID pandemic the Combined Community Teams (CCT) as a collaborative approach, across team and organisational boundaries, was developed to ensure the most effective response in support of residents. Each of the borough teams developed processes to understand the triggers requiring a centralised direction to assist with decision making. This process was tested at a table top exercise in late June and then operationally tested from November 2020 to February 2021. The process was reported as working well and was particularly successful in supporting care home escalation. As the Health Board works toward Place Based Care, the principles of this approach will be important in supporting integration.

Therapy Services

During the pandemic, we matched and redeployed a number of Allied Health Professional (AHP) and health science staff, to potential gaps in service. Staff, whose usual roles were put on hold, were assigned to alternative profession specific areas and some staff also offered their support to undertake roles outside their usual role to ensure smooth running of the Health Board. Therapy managers provided cross cover between all therapy services and the Assistant Directors of Therapies and Health Science were deployed to support local hospital planning and contribute to the overall strategic COVID-19 planning for the Health Board.

A wide number of AHP and health science professions have instigated remote assessment, treatment and support strategies for their services and are using new remote and distanced practice, including wide use of 'Attend Anywhere' service. In one service (Community Stroke and ABI team) the virtual approach has led to a 4:1 ratio of virtual contacts compared with face-to-face contacts. Dietetic Services have used urgent remote access to services via telephone, whilst the Occupational Therapy and the Community Neuro Rehab Service team has been undertaking community visits, including care homes and specialist placements, using technology and alternative working practices e.g. assessment and treatments undertaken at distance / from the garden. Physiotherapy Services has been utilising telephone assessments and guidance and children's physiotherapy used Attend Anywhere for assessments and complex treatments. Speech and Language Therapy Service is using virtual strategies for vulnerable and high risk cases via video link with speech therapy being offered individually; the service is exploring delivery using a group function based on modified evidence based programmes.

Acute Services

The Health Board Risk Profile indicates that there is a potential risk to population health in relation to avoidable harm due to prioritisation of COVID-19 management. However, the evidence points to hospitals and care settings to be high-risk environments for COVID-19 transmission presenting a significant risk to patient safety. Therefore, important surveillance and monitoring of COVID-19 infections acquired within hospitals (nosocomial transmission) has been essential to identify sources and to minimise risk of further transmission.

Elective care

Prioritising Patients Based on Clinical Risk

Elective activity undertaken during the pandemic and a focus on when we can re-start services has been based on the Essential Services Framework guidance distributed by Welsh Government, where delivery was defined by the clinical prioritisation of the patient rather than a time based approach. Services deemed as essential are broadly defined as services that are life-saving or life impacting, where harm would be significant or irreversible without timely intervention. The focus has been on re-establishing elements of routine service although the challenge has been to be able to respond to surges in COVID-19 pressures.

The management of elective waiting lists has still been measured based on the national Referral to Treatment (RTT) performance standard and guidance. At the end of March 2021 the Health Board reported 35,367 patients who had breached the maximum 36 week RTT target of which there were 29,354 patients waiting over 52 weeks. At the end of March 2020 the reported position was 1,623 patients waiting 36 weeks of which 113 patients had been waiting over 52 weeks. The suspension of routine elective services during the pandemic and the approach to not adjust

patient pathway waits if the patient was unavailable or anxious about attending due to COVID-19, had a significant impact on the increase in waiting list volumes and waiting times.

It was important therefore, that when services re-started with constricted capacity and resources, to be able to identify and target where best to prioritise resources to maximise outcomes and mitigate greatest harm from delayed pathways. During the acute phase of COVID-19 the Royal College of Surgeons (RCS) introduced guidance on how and what pathways should be prioritised and indicated defined deferment periods to each priority code to support a reduction of further harm from waiting. By the end of March 2021, 96% of all surgical waiting lists for patients waiting for a surgical intervention had been allocated a risk priority. Going forward, patients requiring treatment will continue to be prioritised based on clinical need rather than time waited on waiting lists and this has had and will continue to have a negative impact on overall waiting times.

Outpatients

The ongoing work as part of the All Wales Outpatient Transformation Programme continues to build on the new ways of working and modernisation established during the first wave of the pandemic. This includes the outpatient improvement measures outlined by the Planned Care Programme Board requirements, key targets regarding risk-management of long waiting follow-up patients which have been set by Welsh Government. The main targets include:

- 20% reduction in the total size of the follow up waiting list (March 2021 position of 104,511 against a target of 100,053)
- Total patients waiting >100% past their planned review date.(March 2021 position of 12,739 against a target of 5,637)

These targets were set by Welsh Government against the March 2019 year end position as a baseline. The targets were challenging given the volume of patients, however, there has been no account taken of the suspension of elective services during the pandemic.

Consequently, the Health Board has embraced the opportunity to undertake more outpatient work virtually. On average 47% of all of the consultations undertaken are via video, telephone and use of Attend Anywhere. It has been essential to ensure that there is a clinically led review of requests for face-to-face clinics and ensure the highest priority patients and conditions are allocated clinical space or whether the review could be undertaken virtually. Going forward, service plans will be based on the opportunities around these new models of attendance and not just face-to-face consultations.

There are a number of initiatives that the Health Board has explored to manage the task ahead to deal with the backlog of new and follow up patients waiting to be reviewed including group video consultations which will be piloted in the community respiratory/asthma service. The Health Board is also tasked with discharging 20% of patients reviewed to a "See on Symptom" (SOS) or "Patient Initiated Follow up" (PIFU) list. This

ensures that patients are empowered to be seen when there is a change in their condition and they are able to access care and advice much quicker. It also removes the need for redundant follow up appointments and allows for patients with more complex needs to be seen whilst improving patient access and experience. Throughout the pandemic the Health Board has not been able to achieve this target mainly due to the fewer patients being reviewed and the cautious approach of clinical teams during a pandemic and in ensuring that this is the best outcome for patients who may not have been seen for some time.

The Health Board has implemented a new process in the latter part of 2020 to provide "advice only" letters to GPs, which has avoided addition to an outpatient waiting list. Almost 4,000 letters have been sent and this example of good practice is set to be adopted across NHS Wales.

As with the treatment waiting lists consideration will be given to how to risk prioritise the outpatient waiting lists. At present the Health Board is taking a risk-managed approach to discussions with patients around their place on the waiting lists and timeline of being seen. Given the number of patients waiting for a first appointment Welsh Government has outlined that there will be standard communication to patients which clearly explains the challenges within Health Boards and expectations in terms of waiting times. The Health Board is focussed on those patients waiting 52 weeks and over, cancer and urgent patients and those patients on the follow up waiting list who are significantly past their review date.

Diagnostic access

The reduced diagnostic activity during the pandemic has resulted in significant increases in waiting times for patients. Diagnostic services have focused on the most urgent patients which resulted in an increase in the number of patients waiting longer than the 8 week target.

There were 5,707 patients waiting over 8 weeks at the end of March 2021 compared with 1,491 at the end of March 2020.

With regard to endoscopy, the initial response to COVID-19 mirrored guidance from the British Gastroenterology Society and the Royal College of Surgeons. As a consequence of reduced capacity, and with clinical agreement of the physicians and surgeons, the FIT10 test was rolled out with a new pathway for lower GI USC and clinically assessed urgent referrals. Endoscopy activity has continued to increase over recent months across all sites and has recovered pre-COVID-19 levels of activity. Plans are being developed to address the backlog and options for additional capacity with support through the independent sector.

Radiology services have been effected significantly but have continued to provide access for patients requiring essential services and providing imaging of COVID-19 patients. The requirements for social distancing, cleaning and PPE has had a significant effect on capacity. However, radiology diagnostics continue to recover well, particularly in the areas around musculoskeletal ultrasound and some of the complex cardiac diagnostics which has been supported through some of the capacity in the independent sector.

Cancer and Single Cancer Pathway

In 2020 a major change came about in the management and reporting of patients on a cancer pathway. Health Boards had been managing patients under two cancer measures, a 62 day urgent suspected cancer and 31 day non-urgent suspected cancer. In June 2019 The Welsh Government announced that all Health Boards will work to implement a Single Cancer Pathway in Wales. Following a period of shadow reporting, the formal reporting against the new measures started in December 2020 with a requirement that at least 75% of patients start their first definitive treatment within 62 days of the point of suspicion.

The Single Cancer Pathway (SCP) is a Welsh Government target for diagnosing cancer and starting treatment more quickly and is a UK first for measuring waiting times for cancer but more importantly it provides an ambitious platform for transforming cancer care. The new business intelligence tools underpinning the Single Cancer Pathway will allow NHS Wales to track and manage people with suspected cancer in much greater detail.

The SCP is the culmination of more than three years of work to change how health boards identify and report cancers and to improve outcomes and experiences for people affected by cancer. For the first time, Health Boards will record how long patients wait from the point a cancer is first suspected, regardless of the way they enter the healthcare system.

Equally, for those patients who do not have cancer, they will be reassured promptly, reducing unnecessary stress and worry.

Whilst the changes implemented to the management of cancer performance have been warmly welcomed, the consequences of COVID-19 and the challenges associated with keeping patients and staff safe have made the adherence to the new measures challenging and these are reflected in the reported performance. As the pressure from the first wave of the pandemic eased, and the processes to complement the new reporting measures were implemented, performance improved and at its peak in November 2020 achieved 73.2% against the 75% threshold. The second wave was not accompanied by the dramatic drop in demand as experienced in the first wave and with the shielding advice re-administered, staff sickness rising and patients choosing to delay, the performance subsequently deteriorated. In addition, the role of out the vaccination programme led to many patients choosing to defer appointments until they were vaccinated.

The overwhelming focus of the Health Board now turns to the recovery of the cancer position through the reduction of backlog over 62 days, improving access to timely first seen appointments within 2 weeks and achieving a diagnosis within 28 days. Positive improvements in these metrics within the latter stages of the year provide a promising indication of an improving compliance position as the Health Board moves into the new financial year.

The service has recognised the opportunities COVID-19 has presented to develop and implement the SCP and allowed for discussions regarding the management of cancer pathways and particularly rules around the current

adjustment protocol for cancer pathways. In preparation, the service has been working to ensure that patients referred during the pandemic are all treated equally with the same urgency, despite the need for social isolating or shielding.

Despite the challenges, the Health Board's cancer services continue to pilot and lead the development of the Single Cancer pathway across Wales and this is reflected in the Health Board's performance. The new single pathway approach should reduce the need for significant administrative input and should improve consistency and data accuracy. The development of the Health Board's business intelligence tool which monitors the patients on the Single Cancer Pathway and assists management and escalation has attracted attention from a number of other Health Boards. The Rapid Diagnostic Centre (RDC) continues to show evidence of diagnosing complex patients significantly faster. The Health Board is currently commissioning a rapid access suspected cancer clinic at St Joseph's Hospital. It is anticipated that with the initiatives in place and the support of the project manager targeting those areas that are of concern, cancer pathways will continue to improve for patients and will impact positively on performance.

Eye Care Measures

All individuals who are referred to hospital for ophthalmology will have a maximum waiting time based on a clinical assessment of their condition and well-being. All ophthalmology patients who require regular ongoing review or treatment will be seen within clinically indicated intervals, reviewed at each appointment. These measures provide a focus on the experience and the outcomes for patients, rather than traditional waiting time measures. However, the Health Board must report performance compliance to Welsh Government for both the Eye Care and Referral to Treatment measures.

The new performance measure is calculated as 95% of priority or risk 1 patients, to be seen by their target date or within 25% in excess of their target date for care/treatment. The measure is based on priority and urgency of care required by each patient. Priority is based on the risk of harm associated with the patient's eye condition if the target review date is missed. Urgency is seen as how soon that patient should be seen given the current state and/or risk of progression of the condition.

At the start of the pandemic, the Ophthalmology service and primary care worked collaboratively to protect essential eye care services in an aim to minimise harm to service users and those waiting for assessment or care.

Host practices were identified for the majority of neighbourhood clinical networks to provide enhanced support and reduce the burden on secondary care services. Optometry team members were redeployed to General Practitioner practices to support service delivery and a WhatsApp group was established between Neighbourhood Care Networks (NCNs) to offer support between neighbouring practices. Urgent primary eye care was supported through local optometry practices with patients able to access telephone and video appointments and Personal Protective

Equipment (PPE) was provided to community optometry practices. For those patients with COVID-19 symptoms and urgent eye problems which could not wait for symptoms to pass, a medical decision was made balancing the risk of potential sight loss versus COVID-19 symptoms. Those requiring urgent treatments were seen in a dedicated suspected/confirmed COVID-19 area. Overall the number of patients seen has reduced in order to maintain social distancing requirements but a number of services continued, such as, Emergency Eye Clinic, Rapid Access Clinics, Urgent lasers, Urgent Suspected Cancers and Virtual Glaucoma reviews. Due to the vulnerable nature and age of the majority of service users only those patients at risk of permanent sight loss were brought into face to face clinics during the two COVID-19 surges.

The focus during the pandemic has been to see patients categorised as R1 (at risk of permanent sight loss), whether they were new or follow up review patients. During 2020/21 83% of patients reviewed were follow up patients compared to 70% in the previous year. In 2020/21 the average attendance was 89% with patients the Risk factor R1 and this had increased by over 60% compared to those seen at the beginning of April 2020.

However, despite the focus on the R1 patients the number of patients past target on the waiting list increased during the year. This is due to a pre-COVID-19 gap in capacity and demand made worse by a reduction in capacity due to social distancing requirements. The secondary care eye services were impacted in terms of capacity by staff availability (COVID-19 related sickness and shielding), social distancing requirements and COVID-19 related infection control guidance on the physical capacity and layout of clinics, emergency eye care, day case and inpatient treatments. Ophthalmology staff were also re-deployed to support the wider secondary care COVID-19 response.

During the pandemic the service expanded the Wet AMD service (R1 patients requiring regular treatment) and this will continue into the new financial year.

The Health Board had already engaged in an outsourcing contract for patients referred with cataracts. However, whilst this contract paused for the first 9 months of 2020, it is now re-established.

Mental Health

In response to the COVID-19 pandemic several adjustments were made across mental health services, to create capacity and meet need in a different way. Mental health was considered to be an essential service and because of lockdown, shielding and social distancing, teams had to re-think how people referred were going to be assessed as well how support was to be given to those already in the mental health system.

It was inevitable with social distancing and major efforts to reduce the spread of the virus that face-to-face contacts with service users, between staff and between organisations would have to be severely curtailed. An increase in the use of telephone and virtual modes of communication was reflected in health and social care.

In terms of the Neurodevelopment and specialist Child and Adolescent Mental Health Service, performance against the 80% target has been maintained throughout the pandemic. Teams responded well to the needs of service users, and the service did not see a reduction in the number of referrals for SCAMHS/ND assessments.

In addition to face-to-face assessments, technological solutions such as Attend Anywhere was useful for communicating with families. The combination of face-to-face (with appropriate safety measures in place at the time), telephone and virtual communication has enabled the teams to maintain delivery and referral to treatment. The direct line built upon what was previously in place in terms of existing phone lines for professionals as well as the existing single point of access for young people's emotional wellbeing and mental health (the SPACE – Wellbeing panel). The consultation line that was previously available for professionals was made available for families enabling them to be able to speak directly with a skilled clinician and receive advice and support.

The Primary Care Mental Health Service (PCMHSS) had to completely transform resulting in 100% of the service being provided remotely at the height of the pandemic. The service continues to deliver the majority of consultations via telephone or video conferencing. Where face-to-face appointments have resumed, accommodation has been a challenge as not all locations can be compliant with social distancing requirements, which has meant identifying suitable alternative facilities. Appointments often take longer, as practitioners need to comply with PPE guidance, pre-appointment checks and cleaning routines. Performance has not been where the service would like in relation to access, however, the service is focusing on assessment, to ensure that all patients receive the initial assessment with a registered mental health practitioner. This is part of an approach which aims to minimise the number of interactions with different practitioners and to direct patients to the most appropriate care and support first time. Where therapy is indicated, the aim has been to maintain care interventions with the same practitioner. Overall, this is deemed to better care for individual patients whilst acknowledging that it may initially impact on the access performance target.

With regard to demand for services, referrals for adults are back to pre-COVID-19 levels and Children and Young People (CYP) referrals are at a level that exceeds pre-pandemic referral numbers. Despite the many challenges described, and loss of some staff, the service is focussed on improving performance in 2021/2022.

With regards to Psychological Therapy, compliance against the 80% target of patients being seen and treated within 26 weeks, has not been achieved but has remained relatively stable. Psychologists have throughout the pandemic supported the wider Health Board, for example, employee well-being, development of community resilience resources and supporting adult acute services. In addition, the service has had to adapt to provide appropriate therapy interventions including remote interventions.

For those patients at risk of relapse, self-harm or suicide, care and treatment has been intensified. Face to face consultations have been available throughout the pandemic, particularly for high risk patients. This is indicated by an increase in the number of contacts over the period.

The service has introduced new procedures to see service users at the same time and this has now reduced the resource required. Going forward, much of the service strategy is built on the provision of interventions in a group format.

Infection control procedures, access to appropriate clinic space and staff absences/redeployment have had an impact on performance. The older adult directorate compliance is 82.5% for January but continues to aim to do better.

It is widely anticipated that there will be significant mental health consequences of the COVID-19 pandemic and public health control measures. Isolation, loneliness, and disconnection are commonly reported. Many people within the community have suffered significant loss and trauma. Psychological therapies are the indicated intervention in such circumstances and the service anticipate a significant rise in referrals once services return to a more normal state. Access to psychological therapies for older adults within the Health Board has been identified as a challenge and referral rates in both primary and secondary mental health services do not represent the accepted prevalence of mental health conditions in older people within the Health Board area. Specifically, there is a historical under-referral of older adults for psychological therapy and research evidence to suggest that medication is the default option. Plans to address this will require a different approach in terms of services offered and re-allocation of resources to help achieve this.

Screening

In March 2020, during the early stages of the COVID-19 Pandemic, the Welsh Government agreed with Public Health Wales' recommendation to temporarily pause some of the population based screening programmes. This was in response to the Welsh Government's announcement to suspend non-urgent outpatient appointments and non-urgent surgical admissions and procedures in order to redirect staff and resources to support the response to COVID-19.

The pause affected the following screening programmes: Breast Test Wales, Cervical Screening Wales, Bowel Screening Wales, Diabetic Eye Screening Wales and Wales Abdominal Aortic Aneurysm Screening. The Newborn Hearing Screening, Newborn Bloodspot Screening and the Antenatal Screening programmes continued throughout the pandemic and were not paused at any point.

As the numbers of COVID-19 cases started to reduce in May 2020, plans were developed to reinstate the screening programmes. Public Health Wales set out the conditions required to restart screening; using a risk assessed approach to prioritise the cohort of participants requiring their offer and to safely phase the programmes restart so that the screening could be offered safely to participants.

Programmes were reinstated in the following order: Cervical Screening (June), Bowel Screening, Breast Screening and Aneurysm Screening (August) and Diabetic Eye Screening (September).

The number of participants offered screening in each clinic was reduced to ensure COVID-19 safe pathways. There continues to be limitations in availability of clinic locations, reductions in staff availability, limitations in primary care availability for cervical screening, constraints around colonoscopy provision and reduced uptake in the Diabetic Eye Screening programme.

Recommendations have been made for early 2021/22 to tackle these challenges with the aim of bringing the delivery of the programmes back towards pre-COVID-19 levels. Several of large significant work streams that were halted due to the pandemic, such as, optimisation of the bowel screening programme and replacement programme for breast screening are now able to be restarted and will have clear public health benefit for the population to address cancer outcomes.

Stroke Care

Maintaining stroke services throughout the pandemic has faced many challenges. Early in the pandemic, we communicated with our communities and used social media to encourage people to seek help if they experienced symptoms of stroke and we are pleased that access to our stroke services was maintained. The pandemic forced us to work in a different way as the clinical teams were severely impacted through sickness and shielding, and some clinical staff were redeployed to support the Health Board's wider pandemic response. We were also forced to make changes to our clinical accommodation to facilitate the required COVID-19 safety measures. We made adjustments to our rehabilitation pathways, needing to consolidate our rehab sites so that our clinical teams were better able to respond. Our Community Neuro Rehab Service team worked hard to increase early supported discharge to allow those recovering from a stroke to return home as soon as possible and this work continues. Even though the early move to the Grange University Hospital in November meant that we were able to occupy our purposely designed Hyper Acute Stroke Unit earlier than planned, the stroke service remained challenged by wider pressures in the system, impacting on our ability to fully implement our acute stroke pathway. However, we are now working to recover and re-establish our acute and rehabilitation pathways.

Unscheduled Care

Attendance at the Health Board's Emergency Departments has been increasing since early in 2020 and improvement changes have been made to patient flow both in and across the hospital network. The implementation of temporary site based leadership arrangements have supplemented the focus on managing daily operational pressures and working between sites.

The table below illustrates the increase in demand at the Health Board’s Emergency Departments since early 2020

Month/Year	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-20	Feb-20	Mar-20	Apr-20
Patients	10240	6908	10086	10996	12261	12988	12512	11011	11118	10157	9515	9200	12465	14328

Flow Centre Model

Informed by the analysis of demand, indicating that greater than 30% of patients attending the emergency department could be re-directed to a more appropriate location we are supporting patients to access the right services first time. Access and flow is enhanced for patients who require definitive treatment in emergency departments and minor injuries units. The risk of nosocomial infection is reduced. The Health Board is optimally prepared for a further wave of COVID-19.

Urgent Primary Care 24/7

In line with the Quarter 3 and 4 Plan a range of priorities have been taken forward in the context of urgent care, in parallel to the opening of the new hospital, to ensure improved system response and resilience. The model for urgent care centres at Royal Gwent and Nevill Hall Hospitals has been established with the urgent care centre at Royal Gwent Hospital created in November and at Nevill Hall Hospital in December. Patients are diverted away from the GUH where appropriate through redirection by 111 and the flow centre. Extended 24 hour GP Out of Hours services have commenced at Royal Gwent and Nevill Hall Hospitals with a multi-disciplinary workforce in place to provide up to 90 appointments per day and patients redirected to booked appointments via the clinical hub.

Clinical Review Hub (Contact First)

This is a key element of reconfigured urgent care, with the principal aim of establishing 111 as the first point of contact and entry into urgent care, rather than via a 999 emergency call. A phased approach is being taken to mitigate any potential clinical risks working jointly with WAST, NHS 111 and the new Urgent Primary Care 24/7 Clinical Review Hubs. Phase 1 of the Health Board’s Contact First service went live in November 2020 using manual redirection of 111 ED/MIU calls using a restricted 'Always' List to align with opening of The Grange University Hospital, following a comprehensive risk assessment, mitigating actions and finalisation and agreement of all required pathways. The core Contact First Team was expanded with increased scope and call volume. Phase 2 is scheduled for implementation in May 2021 following engagement with the Community Health Council and other key stakeholders and a full communications strategy has been agreed with WAST and 111.

An evaluation strategy is in place to inform Phase 3 which will seek to extend the service from July 2021, piloting Emergency Department bookings and wider pathway expansion to CAMHS, Mental Health and wider specialist services.

Agile Working & New Ways of Working

The pandemic has catapulted different ways of working into the here and now and will mean very significant changes for our workforce, our patients and service users, our citizens and our health system. Our Agile Working Framework provides our workforce with a one stop shop for support and resources. We are currently reviewing agile working in the context of our Estates Strategy to understand how we can provide our accommodation differently along with digital solutions to support agile working and more effective use of resources. We plan to retain much of the new and innovative ways of working which have served us well during the pandemic. This will include building on the way services have supported patients to access digital consultations and review where appropriate, for example reducing outpatient waiting times.

Maintaining these changes supports the delivery of care closer to home, our continued response to the challenges of COVID-19 and delivering our commitment to becoming carbon neutral by 2030. Importantly it takes account of the changing needs of our staff and their wellbeing. Our plan is to ensure that we capture the learning from the pandemic and apply it so that we become a more innovative, agile, and socially responsible organisation aligned to our Clinical Futures Strategy and the Well Being of Future Generations Act. New ways of working will be supported by an Organisational Development programme focused on developing and nurturing innovative and collaborative behaviours.

Design and Implementation of Testing and Immunisation for COVID-19

The Health Board is responsible for symptomatic COVID-19 testing in its geographical area and this is well embedded within our internal test, trace and protect structure (TTP). Our Coronavirus Testing Programme has been operational since March 2020 and has grown exponentially in the last year. The programme aims to deliver timely, efficient and effective testing for anyone that needs a test. Over 650,000 tests have been undertaken in the first 12 months at the time of reporting.

Our testing programme manages sixteen community testing facilities, a fleet of mobile home visit teams, staff to test in each of our hospitals, a regular testing programme for public-facing Health Board staff and a dedicated team to respond quickly to outbreaks, clusters and incidents.

Testing is an integral component of the region’s ability to discharge its responsibilities set out in the Coronavirus Control Plan for Wales. The Testing Service works as an integrated function with local authorities and Public Health Wales and local incident management teams to consider community transmission.

Our testing programme has 5 key work streams:

- Community testing for symptomatic members of our communities
- Hospital testing to support the delivery of safe and effective healthcare
- Pre-elective testing to provide safe care to patients

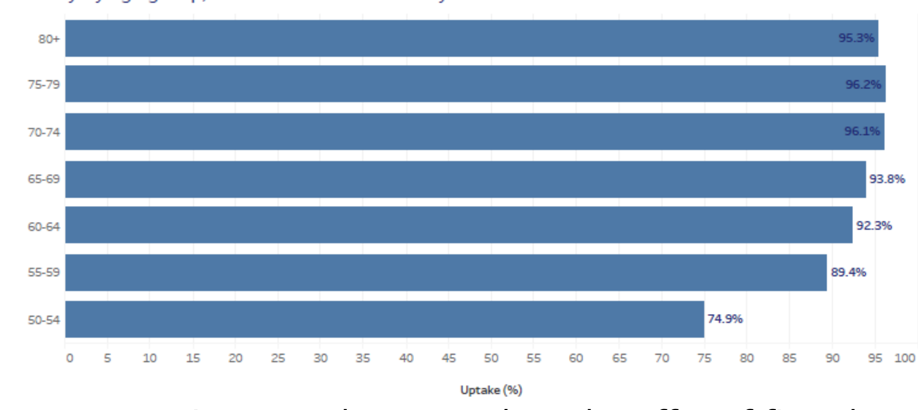
- Testing in response to outbreaks and incidents
- Regular testing of Health Board staff

Further information on the Health Board's testing programme can be found in the Covid-19 Testing Team Annual Report 2020/21.

Mass Vaccination Programme

The Mass Vaccination Programme commenced on 8th December 2020, offering vaccinations to priority groups as defined by the Joint Committee of Vaccinations and Immunisation (JCVI) and Welsh Government.

The programme delivered a total of 367,177 vaccinations between 8th December 2020 and 30th March 2021, to 277,061 residents. Over half of the Health Board's adult population, have now received their first dose of the COVID-19 vaccine, and a total of 90,116 residents have received their second dose. Vaccine supply is the limiting factor in the programme and the team has demonstrated that it can scale the programme up and down according to varying supply.



The programme is on track to complete the offer of first doses by mid-April to the first 9 Priority Groups. The programme is achieving high coverage rates with over 95% of those aged over 70 having received their first dose; over 90% of those aged between 60 and 69 years received first dose, and it has exceeded the Welsh Government target of 75%+ for 50-59 year group (vaccination is continuing in these groups).

Influenza vaccinations

Influenza is a seasonal infectious disease, which although a relatively mild respiratory illness for most individuals, is associated with significant level of morbidity and mortality in vulnerable individuals including the elderly, those with chronic disease, the immunosuppressed and pregnant women.

Outbreaks of influenza may also be associated with significant levels of staff absence creating pressures on staffing levels at times when there are greater pressures on the system. Immunisation offers a clinically significant level of protection against acquiring infection or if infected reducing the severity of the illness, hospitalisation and death.

On 21st May 2020, the Chief Medical Officer outlined the priorities for the Influenza Immunisation Programme 2020-21 (WHC 2020-009). The groups eligible for free flu vaccine on NHS remained the same as in 2019-20 and in summary includes:

- children aged two and three years on 31 August 2020
- children in primary school from reception class to year 6 (inclusive)
- people aged 65 years and older
- people aged six months to less than 65 years in clinical risk groups
- pregnant women
- people living in care homes or other long-stay care facilities
- carers
- close contacts of immunocompromised individuals

On 14th August 2020, the Chief Medical Officer emphasised the need to maximise the uptake of flu vaccine in the priority groups and set a national target of a minimum 75% uptake across all eligible groups and endorsed extending the flu programme to offer free flu vaccine to household contacts of NHS shielded patients, all adult prisoners who are not otherwise eligible, and people aged 50-64 years subject to the availability of additional vaccine.

Flu vaccine uptake data are collected, collated and published by Public Health Wales[1] and as of 23rd March 2021, the uptake in Aneurin Bevan University Health Board was:

- In in people aged 65 years and over an uptake target of 75% was set. In the Health Board uptake increased from 70.8% in 2019-20 to 78.3% in 2020-21. Overall, this is the highest in Wales. 52 (of 74) GP surgeries either met or exceeded the target
- In in people aged 6 months to 64 years in a clinical risk group an uptake target of 75% was set. In the Health Board uptake increased from 46.5% in 2019-20 to 54.6% in 2020-21. Overall, this is again the highest in Wales. However, only 4 (of 74) GP surgeries either met or exceeded the target.
- For 2 year and 3 year old children the uptake increased from 59.9% in 2019-20 to 61.2% in 2020-21. This is again the highest in Wales.
- For 4 years and 10 years, uptake increased from 68% in 2019-20 to 70% in 2020-21, which is lower than the Welsh average (72.4%)
- In the Health Board area 1,628 social care staff in various settings received free flu vaccine.
- In the Health Board area 2,100 pregnant women received free flu vaccine.

[1] http://nww.immunisation.wales.nhs.uk/ab-ivor

- The number of ABUHB staff eligible for the vaccination this season was 13,847; this is an increase of 458 staff compared to 2019/20 season. The number of staff vaccinated at the end of the season was 9,190; this represents 66.4% uptake overall amongst all staff, which is higher than the 2019-20 uptake (61.0%)

Summary by Health Board and Local Authority (23mar2021)

		Children 2 to 3 years			Clinical risk 6m to 64y			65y and older		
		Denominator	Immunised	Uptake (%)	Denominator	Immunised	Uptake (%)	Denominator	Immunised	Uptake (%)
Aneurin Bevan UHB	Blaenau Gwent	1,480	886	59.9%	11,506	5,933	51.6%	14,304	10,837	75.8%
	Caerphilly	3,975	2,433	61.2%	27,129	14,477	53.4%	36,832	28,543	77.5%
	Monmouthshire	1,857	1,397	75.2%	13,289	8,590	64.6%	26,050	21,295	81.7%
	Newport	3,891	2,287	58.8%	21,907	11,424	52.1%	27,197	20,954	77.0%
	Torfaen	2,094	1,204	57.5%	14,614	7,905	54.1%	19,721	15,543	78.8%
	AB Total	13,297	8,207	61.7%	88,445	48,329	54.6%	124,104	97,172	78.3%
Wales	Wales	66,234	37,270	56.3%	444,330	226,590	51.0%	681,255	521,082	76.5%

Delivery of Infection Control Measures to deliver both COVID-19 and non-COVID-19 Care

In line with other NHS organisations and healthcare systems across the world the COVID-19 pandemic has not only impacted "usual" services – but it has seriously challenged the significant progress made in preventing healthcare associated infections over the past 10 -15 years.

The challenge for Infection Prevention and Control (IP&C) teams lay in the lack of an evidence base for this virus – resulting in changing national guidance as and when knowledge emerged from countries managing their outbreaks, such as, China and Italy.

In light of the scientific expertise advising Government all Health Board processes and protocols relating to COVID-19 have been based on National Government guidance.

As widely reported in the media the pandemic placed huge strain on the NHS with significant attention on healthcare workers ability to access and use Personal Protective Equipment. The use of respiratory PPE was and still is particularly important to prevent transmission from staff to patient and vice versa.

Despite the negative publicity access to PPE in Wales was not an issue, although there were a number of occasions where concern was raised by procurement colleagues that supplies were low.

At the start of the pandemic it was reassuring to know that Welsh Government had stockpiled PPE but it took some time for the stock to be formally released. As we were the first Health Board in Wales to be managing outbreaks there was a need to urgently access the stock.

Stocks of PPE did fall to a low level on hospital sites but the Health Board was never in a position where stock (with the exception of visors) had been exhausted and it has maintained this position over the pandemic.

Access to visors was problematic across the UK and urgent steps were taken to liaise with local businesses who utilised their machinery to create visors; significant numbers were given to the Health Board free of charge.

It should be noted that the assessment of the equipment was made by the senior leadership of the Infection Prevention & Control Team (IP&C). In normal circumstances such equipment wold undergo strict testing at SMTL in West Wales. Nevertheless, in the absence of any visors the equipment significantly mitigated risk.

Distribution of the equipment also proved problematic at the start of the pandemic with the IP&C team stepping in to deliver equipment when stocks were low. This was resolved with the creation of PPE hubs across the Health Board and delivery processes were refined further with aid from the armed forces.

The Health Board is now in a comfortable position as far as PPE is concerned.

The arrival of the first patient at the Royal Gwent in March 2020 and the subsequent escalation of cases meant that formal IP&C education became impossible to deliver using the traditional route. The gathering of healthcare workers in classroom sessions would have created further risk of transmission. The IP&C team responded by providing training in clinical areas backed up by demonstrating PPE donning and doffing on the Intranet site.

The IP&C team now have an agreed education strategy with performance metrics presented at the Reducing Nosocomial Infection Transmission Group.

The pandemic resulted in the need to reconfigure hospital sites and cease all but urgent clinical services in March 2020 - to keep patients safe and mitigate risk of transmission. Hospital infrastructure was rapidly reviewed and essential infection control measure instigated, such as, the adjustment of ventilation and provision of doors to bays on wards and cubicles in assessment areas, such as, MAU and ED.

Over the summer period further mitigation was put in place in line with Government guidance including 2 metre distancing across all Health Board premises and between beds with the use of plastic curtains, to break the airborne route of transmission.

Pathways were developed to stream patients into COVID-19, Non-COVID-19 and suspect COVID-19 streams and these were colour coded at a later date to Red, Purple, and Amber with a green pathway (RPAG) added for elective patients in summer 2020. These pathways remain in place to the present day and will only be stepped down in line with Government guidance.

Despite the introduction of these pathways services are restarting and have to “fit” within this RPAG configuration. This is proving challenging

but new and creative ways of working ensure patient safety is maintained.

All service restarts are reviewed at the Reducing Nosocomial Transmission Group; this includes senior leadership teams and IP&C staff. All service restarts must have IP&C scrutiny and sign off before commencing.

Compliance with Welsh Government Targets

Welsh Government targets have remained "active" despite the pandemic and the following table outlines compliance based on provisional figures up to the 31st March 2021.

Organism	2020/21 Target	Current rate	All Wales comparison
C.*difficile*	A rate of no more than 25 cases per 100,000 population	24.69 Target achieved	Second lowest
Staph *aureus*	A rate of no more than 19 per 100,000 population	26.56 23% increase Target ***not*** achieved	Second highest
E*Coli*	A rate of no more than 61 per 100,000 population	49.73 - 30% fewer cases Target achieved	Lowest When all Gram negatives combined ABuHB is the most improved with 31+% reduction overall
Klebsiella	A 10% decrease compared to 2019/20	19.45 - 20% fewer cases Target achieved	
Pseudomonas Aeruginosa	A 10% decrease compared to 2019/20	4.06 - 38% fewer cases Target achieved	

Clearly there is a need to focus on the reduction of staph aureus bloodstream infections in 21/22.

A reduction strategy will be developed taking into account the learning from cases identified in the community as well as hospital.

Treating people as individuals

Meaningful activities – direct involvement and activity packs

During autumn 2020, all volunteer activity was suspended due to government guidance and hospital visiting restrictions. This increased the issue of loneliness and boredom for patients on all ward areas, particularly for those in single rooms. The Person Centred Care Team (PCCT) visited some wards at Ysbyty Aneurin Bevan (YAB) during this time to provide some extra social interaction for these patients until volunteers were able to return.

Activities were provided including, crosswords, word puzzles, colouring activities, art packs, magazines and newsletters that can be used safely by individuals. Reminiscence Interactive Therapy Activities (RITAs) units have been provided, set up and training given to staff and volunteers on their use in providing meaningful activity and entertainment to patients. This has been invaluable in supporting patients with cognitive impairment.

Volunteers and Digital Companions

Volunteering activity in all clinical areas was suspended for a few months but is gradually being restarted where the environment is safe and the volunteers are safe in line with their personal risk assessments. However, many volunteers have requested to continue to 'visit' clients by telephone befriending and there are now 102 befriending volunteers phoning 106 clients, providing valuable social connection.

Volunteers have continued to be recruited and trained (remotely) throughout the restrictions so that they can be engaged as soon as is safely permitted. Many of the volunteers that are returning to the clinical areas are also providing digital support and becoming Digital Champions. They can support patients to use digital technology to provide both activity and entertainment and also connection with family friends.

Chaplaincy – patient and family liaison

The patient and family liaison project began in response to an evident need to improve communication between families and patients during a period where actual contact and visits were not permissible. The forced separation during times of acute sickness and potential end of life care caused emotional, psychological and spiritual distress for families and patient*s*.

Chaplains from Grange University Hospital, Royal Gwent Hospital and Nevill Hall Hospital were already working on an ad-hoc basis supporting wards by arranging telephone calls, FaceTime or WhatsApp communication between patients and families. The establishment of the Family / Patient Liaison Project formalised and better resourced this service provision. The chaplaincy service recognised a need to continue with general pastoral visiting during this period and was able to adapt and encompass this work within this framework.

The Patient Centred Care Team led a publicity and information campaign to ensure wards were made aware of the support available and revisited areas where need was greatest. The referrals via Ffrind i Mi were low, however, a significant number of requests were received direct from wards to chaplains who they knew from regular ward visiting.

Chaplains also increased the number of general visits to wards during this period and through generic pastoral visiting found a number of patients who were keen to make use of the provision.

The Family / Patient Liaison Project was intended to complement and support family communication work already being undertaken by ward staff. Overall numbers were relatively small, with thirty-seven patients

being supported with a call or Facetime to date. Chaplains continue to support a few people with family communication, usually as a result of a pastoral visit.

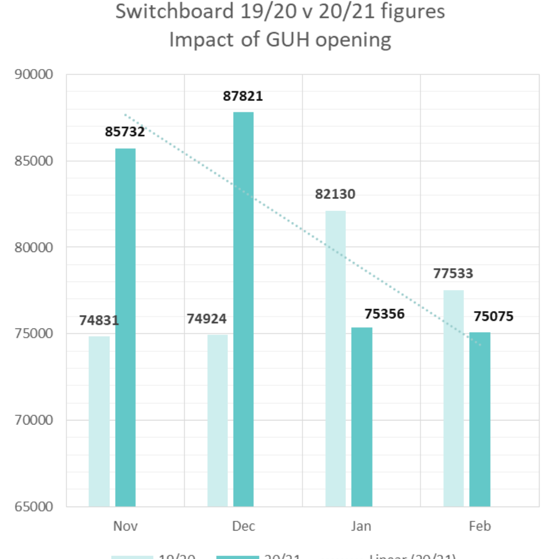
Virtual Visiting

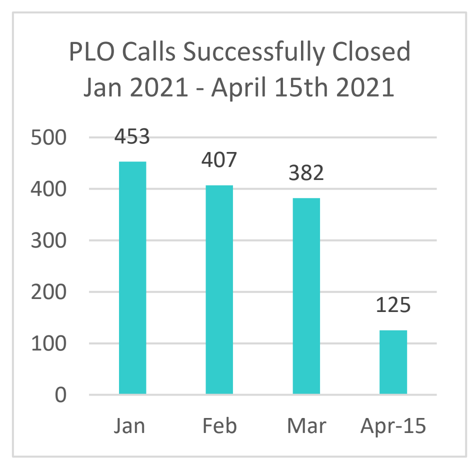
Virtual Visiting (VV) carts and a new iPad for each ward, Medical Assessment Unit, Surgical Assessment Unit and the Emergency Department are being deployed. FaceTime is available on each device so staff can now use them to create Virtual Visits although the use of Attend Anywhere is preferred. Virtual Visiting is now a local and national project, supported by Technology Enabled Cymru.

Patient and Family Liaison through Dedicated Telephony Support

During 2020/21 it was evident that the pandemic and resulting visiting restrictions resulted in much increased demand on clinical time. Wards were impacted by a significant upturn in telephone calls from relatives which they were unable to answer. This in turn had a significant impact on the switchboard services with calls reverting back to them when going unanswered. Many of these calls were harrowing, distressing and very challenging to the team to manage on a busy central telecommunication exchange.

The solution was to introduce the rapid rollout of a 'Patient Liaison Service' on the three main sites to provide the communication pathway between the caller and the patient. If the Patient Liaison Officer could answer the query immediately they did so, but they also physically visited the ward to obtain the required information for the caller. This ranged from basic wellbeing details to a request for in-depth clinical information which the ward staff then provided to the enquirer. The service commenced in mid-January 2021 and from 31st March is confined to the Grange University Hospital site due to a drop in demand at other sites.





Supporting People with Sensory Loss

The past 12 months have been challenging for the Interpreting & Translation Services, however, the Health Board has continued to source interpreters where requested to support essential patient care, including those patients requiring the support of a British Sign Language interpreter.

Interpreters have continued to attend face to face appointments where it necessitates, however, with the introduction and roll out of Attend Anywhere and Microsoft Teams, we have also been able to offer virtual appointments.

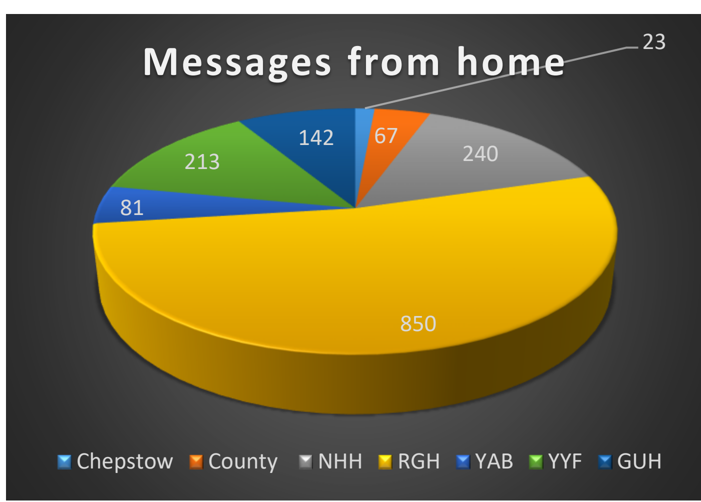
ABUHB contracted interpreters are now participating in the COVID-19 lateral flow testing programme, thereby ensuring a safer approach to face to face interpretation, in line with Welsh Government guidelines.

Messages from Home

Following national guidance, Health Board hospital sites were closed to visitors in March 2020 to enable us to keep patients, visitors and staff safe during the COVID-19 pandemic. We know that hearing from a loved one who is unable to visit is so important to patients. Whilst many people embraced technology using mobile phones, it is recognised that there were many patient who are unable to do this.

As a result, a dedicated service which enabled family and friends to email a message and / or image to a loved one in hospital was set up using the email address messagesfromhome.ABB@wales.nhs.uk

Each hospital site has a designated individual who monitors the mailbox then prints and delivers messages to the ward. Ward staff ensure that messages are distributed to the patient and assistance is provided to read the message if required. From 16th April 2020, when the first message was received, to 16th April 2021 we have distributed a total of 1,616 messages across our hospital sites as shown below:



The service has been supported by the Communications Team who issue regular reminders about the service across our social media sites. The service has received positive feedback from members of the public and staff who have supported the service. Some comments include:

> *"Great idea the importance of effective communication during these unprecedented times is paramount for patients and their families."*

> *"My daughter in New Zealand has used it to send an email to her Granny in Neville Hall Hospital. It has cheered her up so much. Thank you."*

> *"What a kind and thoughtful initiative".*

End of Life Care Companions (EoLC)

Based on the Marie Curie model, the Health Board developed an End of Life Care Companion service to support patients who were at risk of dying alone in hospitals. For those people who did have family or friends, our model would also support relatives, providing with them with respite.

Recruitment of the End of Life Care (EoLC) Companion volunteers has continued through the pandemic. Mandatory training has been delivered remotely whilst the EoLC training will commence when it can be provided safely and socially distanced. In total there are 29 volunteers that have completed the recruitment process with another 28 in process. There are currently 8 active End of Life volunteers based in the Grange University Hospital and Ysbyty Aneurin Bevan This will be extended to other hospitals as capacity allows. Some of these volunteers have also undertaken an additional days training of Food Hygiene Level 2, in order to provide further support on the wards

Patient Reported Experience Measures (PREMs), CHC Buddying

Consideration has been taken in balancing the risk of increased 'footfall' on the wards with ensuring the capture of patient experience feedback. Patient Reported Experience Measures (PREMs) have been captured in two mental health wards (Talygarn and Ty Cyfannol).

The Community Health Council (CHC) was supported to complete their patient surveys across ABUHB sites in October 2020 and in the Grange University Hospital (GUH) in March 2021 via remote access. The Person Centred Care Team was able to provide support by linking patients and CHC members via video calls.

In Patient 'Buddying' is a project between the Community Health Council and Health Board to gain inpatient feedback. Health Board staff visited wards and facilitated face/screen time between the inpatients and the Community Health Council Advocates. Phase 1 of the CHC Buddying started on 8 September 2020 at the Medical Assessment Unit at Royal Gwent Hospital and was completed 8 October at the Medical Assessment Unit at Nevill Hall Hospital in the mist of COVID-19.

Key highlights from the Emergency Department Survey GUH

'Happy or Not' consoles were commissioned by National Collaborative Commissioning Unit (NCCU) to capture patient feedback and were located in the waiting room prior to the pandemic. At the onset of the pandemic, it was deemed inappropriate to use the 'Happy or Not' consoles because of infection prevention and control issues.

On the opening of the Grange University Hospital, there was a requirement to gain real time patient feedback. In the absence of the 'Happy or Not' consoles, a discussion took place with the Person-Centred Care Team about the possibility of undertaking the National PREM. This was not deemed appropriate for an ED Department.

It was therefore agreed that a bespoke and confidential patient experience survey that would provide the ED department with real time patient experience at the point of care. The survey questions focused on 7 key themes:

- Politeness of staff
- Thoughtful and caring
- Reassuring and kind
- Informative
- Respectful of privacy
- Communication
- Cleanliness of the environment

This commenced on 11th January 2021 and was undertaken until the 31st of March 2021 A total of 321 surveys were completed and are currently being evaluated.

Improving safety

Safeguarding Issues

During the initial phase of the pandemic the Corporate Safeguarding Team adapted its practice to support front line practitioners. This involved the children service leads becoming a point of contact for the 5 Local Authority areas. The adult service leads took over the completion of the section 126 enquiries on behalf of the Divisional teams. Many services had reduced capacity as staff had been redeployed to support in-patient services.

Following the first surge, the Safeguarding Committee considered the impact of the pandemic for Safeguarding and noted that in some cases there had been delays or potential delays in safeguarding concerns being identified. As such it was agreed that staff from Health Visiting and District Nursing would not be redeployed in further surges to ensure face to face contact in these core services were maintained.

The Regional Safeguarding Board continued to meet. Initially this was with a smaller executive group to ensure the impact of COVID-19 on Safeguarding was understood. Safeguarding Reviews continued and

meetings were held via MS Teams, on a regional and local basis the use of electronic meetings has been hugely beneficial ensuring the business of safeguarding continues. Moving forward virtual meetings will continue while acknowledging that some face to face meetings will need to be reintroduced.

The NHS Wales Safeguarding Network continued to meet virtually; a forum in which we were able to share good practice.

Putting Things Right

Concerns

During 2020/21 Aneurin Bevan University Health Board continued to adhere to the National Health Service (Concerns, Complaints and Redress Arrangements) (Wales) Regulations 2011 for the Putting Things Right process wherever possible. In March 2020 a national steer issued from Welsh Government recognised the organisational challenges and advised that investigations were to be proportionate to the concern raised.

The number of complaints received by Aneurin Bevan University Health Board during 2020/21 (including, in the case of Welsh NHS bodies, concerns reported under Part 7 of the Regulations related to cross border services) was 2,224 and of those:

- 1,660 were classified as CONCCO (formal complaints)
- 564 had an Early Resolution
- 6 CONCLA (Redress)

There were a total of 27 cases presented to Redress Panel during 2020/21 but of those, 21 pre-dated this reporting period. The ABUHB Redress Panel was suspended from March – July 2020 as a direct result of the pandemic, ABUHB being hit significantly in the first wave. Our Redress Panel normally sits with clinicians from across the Health Board. As clinicians were required at the frontline or redeployed and the Redress Panel could not sit with the correct representation and had to be suspended during these months. Cases due to be heard at panel were suspended and the patients notified. The number of new cases slowed and stopped very quickly as investigations were similarly affected by the pandemic. In the summer of 2020 the Panel was recommenced and by September the cases that were previously placed on hold were worked through and concluded.

There was a noticeable decrease in complaints received during the first quarter of 2020/21, in comparison to previous years. However, for the remainder of the reporting year, numbers were relatively consistent, with a noticeable increase during months nine and twelve.

The top three themes raised during this period were:

1. Clinical care
2. Communication/Information
3. Waiting times/delays/cancellations

The Welsh Government's 'no/restricted hospital visiting' national steer, impacted upon the relative and carer experience which was evident in concerns received.

The total number of complaints closed during the reporting period was 2,138, of those, 1,615 were formal and 523 were early resolution. The number of complaints closed will not equate to the number received as some may not be closed within the reporting period.

Of the complaints closed:

- 1,612 were Regulation 24
- 0 were Regulation 26
- 17 were Regulation 33 e.g. the complaint that was also part of a Serious Incident

Waiting times, delays and cancellations concerns were in response to the national guidance issued and restrictions put in place. However, the positive following actions were undertaken in response to communication and clinical care issues:

- The introduction of 'virtual visiting', supported where possible with tablets and phones distributed to ward areas ensuring visual contact between the patient and relatives/carers could be maintained.
- 'Messages from Home', involved a dedicated email address being set up to enable family members to send an email message. The emails were printed by a designated person on each site and delivered daily to each ward.
- An 'Information and Concerns Helpline' was set up. The line was a dedicated helpline for patients and their families, which aimed to resolve queries and concerns and provide reassurance. The helpline was managed by the Corporate 'Putting Things Right' Team and was open 9am-5pm, 7 days per week.
- An 'Interim Telephony Support' service was set up to aid patient, family, carer and staff communication. In January 2021, it was universally recognised that due to significant pressures on clinical teams answering ward-based queries, an interim 12 hour a day, seven day a week telephony support service was introduced across all hospital sites. This was initially a pilot until 31st March, but has since been extended until 31st May on the GUH site. They will continue to link with queries involving other sites.
- The availability of donated nightclothes and toiletries for patients, was fundamental ensuring dignity and respect were maintained, in the absence of visitors.
- Bespoke care planning for patients with complex needs accessing secondary care.
- Care, nutrition and hydration of patients in ambulances was identified as a recurring theme in pressure ulcers incidents informal concerns and observational audits. As a result, a collaboration with WAST was established to minimise risk for patients waiting in ambulances for prolonged periods of time which remains ongoing.

- There has been significant improvements in relation to the senior nurses signing off pressure ulcers within the specified time frame. To support the senior nurse sign-off of inpatient pressure ulcer incidents, data is exported from Qlik Sense Hub and is circulated to key individuals on a weekly basis to follow up any outstanding reviews. Since the process was introduced in February 2021, there has been an increase in the number of HAPUs signed off by the Senior Nurse.
- Complaints were raised by patients who were exempt from wearing face coverings. The Health Board embarked upon a campaign aimed at raising awareness amongst staff and the general public around face covering exemptions. This resulted in the production and sharing guidelines in hospital areas and GP surgeries.

As of April 2021 the Health Board had received notification of 88 complaints that had been referred to the Public Sector Ombudsman Wales (PSOW) for 2020/21.Of these, 23 were anonymous. Of the 65 identifiable complaints, 21 related to complaints received by the Health Board during 2020/2021; the remaining 44 related to concerns from previous years. This is due to the time it takes for concerns to be referred to the PSOW by a complainant and then notification received by the Health Board from PSOW.

Patient feedback was received in relation to bereavement issues. A '*Care after Death Hub'* was established to manage the practicalities and provide a coordinated approach following a death. A single point of contact was created for relatives and carers. This was supported by a dedicated Bereavement Services set up for relatives and carers to ensure safe and dignified collection of deceased patient's property. Once again this was impacted by restricted visiting guidance.

A major theme related to concerns about the communication about the COVID-19 vaccinations and delivery programme. The Health Board created standard and consistent vaccination information and messages for complainants. A dedicated email address and phone line was established to manage these queries.

There were a number of enquiries about the safety measures employed by the Health Board to prevent the spread of COVID-19. Again, consistent and clear communications were created alongside the use of safety advisors to monitor Infection Prevention and Control measures introduced.

Improving safety - Learning from Serious Incidents

There were 169 incidents reported in 2020/21 and managed through the Serious Incident Process either as Red 1 (Corporately led) or Red 2 (Divisionally led) investigation. Due to the COVID-19 pandemic, from 16 March 2020 to 16 August 2020, the Serious Incident reporting criteria was revised by Welsh Government (WG). Even though this resulted in fewer serious incidents being formally reported it did not prevent incidents being reviewed and investigated thoroughly.

In August 2020national reporting arrangements were reinstated. Unfortunately, the second surge followed and the pressures experienced

by Health Boards was recognised and in January 2021, guidance was once again aligned to that of March 2020. This meant that the reportable criteria was reduced from 23 to 6:

1. Never Events
2. Inpatient Suicide
3. Maternal Death
4. Neonatal Death
5. Homicide
6. Any other incident of high impact (for local decision)

A robust internal investigative process continued, ensuring that actions and importantly learning continued. The learning identified and actions undertaken year include:

1. *Patient Falls*

The pandemic response meant that there were changes to the function of some wards, especially at Royal Gwent, Nevill Hall and Ysbyty Ystrad Fawr Hospitals and Community sites. This included the increased usage of bank and agency staff along with the redeployment of substantive Health Board staff to unfamiliar clinical areas. Falls data was carefully monitored during this period, with the Falls Review Panel meeting virtually. The Falls Collaborative continued to work on the development of the' Charter for Falls' and the 'Radar for Readiness' for the wards participating in the initial phase. The Collaborative will look to progress the actions aligned to the corporate action plan for the effective management and prevention of avoidable inpatient falls.

2. *Infection Prevention and Control Outbreaks*

Outbreak meetings were held and themes reviewed. An evidence-based COVID-19 Implementation Plan was developed and implemented, with monitoring through the Reducing Nosocomial Transmission Group. The plan evolved as the learning from thematic reviews and ownership improved. Weekly environmental audits were conducted, which were increased in areas of concern and COVID-19 Safety Advisors were employed.

3. *Pressure Damage*

The figures for hospital acquired pressure ulcers and the outcome of the root cause analyses were shared with Senior Nurses for action and improvement. The review attributed pressures on ward teams as a direct result of COVID-19, to include staffing deficits, high use of casual staff, and the redeployment of staff directly impacted on continuity of care.

Whilst COVID-19 has impacted and caused constraints there have also been positive outcomes such as improved ICT capabilities and agile working. This has particularly benefited the serious incident review meetings, as clinicians travel time has markedly reduced.

Delivering in Partnership

The challenges experienced across the care system during 2020-21 brought together health, social care and other partner organisations at a pace and scale not previously experienced. Whilst the impact of the pandemic presented significant challenges and pressures within our respective sectors, both the partnership arrangements and relationships strengthened to ensure an integrated response was provided. Our efforts saw the Local Resilience Forum come into fruition to implement and manage the response and recovery plans for the region, including the prevention and management of outbreaks in care homes. A Foundation Tier programme of support for Mental Wellbeing, was enabled by a range of funding within the partnership.

Further examples of our strengthened collaboration saw the implementation of an effective Track, Trace and Protect service and a mass vaccination programme ahead of schedule. Venues and staff resource have been released by partners to support our continued collaborative efforts to respond. The third sector partners have also played a key part in the response to the pandemic and strengthened their support to citizens providing the community with alternative ways of assistance during lockdown.

Our partnership provided the ability to develop and implement plans to deal with exceptional demands within exceptional timeframes and has laid foundations for continued collaborative efforts to transform our services.

Delivery of Test Trace and Protect Locally

On 13th May 2020 Welsh Government (WG) published their Test, Trace and Protect (TTP) strategy supported by the Public Health Wales (PHW) Public Health Protection Response Plan. The central role of Local Health Boards and Local Authorities was clearly outlined: to set up regional and local contact tracing structures in efforts to tackle the onward transmission of COVID-19. The overall purpose of the plan and the creation of a new service was to "find, prioritise, act and report".

The Gwent Test, Trace and Protect Service (GTTPS), consisting of a partnership between the Health Board, Blaenau Gwent County Borough Council, Caerphilly County Borough Council, Monmouthshire County Council, Newport City Council, Torfaen County Borough Council and, later, the Coordination Unit (hosted by Torfaen County Borough Council) began contact tracing at the beginning of June 2020.

The GTTPS has successfully reached, isolated, and contained the onward transmission of COVID-19 in over 37,000 index cases and over 66,000 contacts up to 31st March 2021. At its peak during December 2020, GTTPS had to trace over 5,000 cases in a single week.

The workforce was scaled up over the course of the financial year to respond to the increasing demand and at peak comprised of more than 400 whole time equivalent staff (WTEs) in Local Authorities and over 70 WTEs within the Health Board. This scaling up of the workforce was

critical to reach as many cases and contacts as quickly as possible and allowed us to reach over 90% of cases (from approximately 11,000 cases) within 24 hours of a positive result in Quarter 4 of 2020-21 – a significant improvement on Quarter 3 where 42% of cases (from approximately 28,000) were reached within the first 24 hours.

The impact of TTP on reducing the onward transmission of COVID-19is significant. According to the Welsh Government's Technical Advisory Group the reduction of the R rate in Wales can be estimated at between -0.4 and 0.5 to date.

In the Audit Wales report of TTP in Wales (published March 2021) the Auditor General recognised that:

- The service was developed from scratch at unprecedented scale and pace
- It was particularly encouraging to see how well public sector partners worked together at national, regional, and local levels
- There were times when the TTP service was stretched to its limit but responded well to the challenge

The Health Board has played a pivotal role in facilitating the partnerships and enabling the delivery of operations across GTTPS. Our success has undoubtedly been down to strong partnerships between the five Local Authorities and the Health Board. Colleagues across the region have been incredibly committed to integrated public services and using the knowledge of our communities has been instrumental in the achievements of GTTPS.

As a Health Board we were the first in Wales to set up our own staff contact tracing service; the Staff Wellbeing and Support Team which traced approximately 1,700 positive staff cases between June 2020 and March 2021. The Staff Wellbeing and Support Team has also supported the management of work related to returning international travellers in partnership with the All Wales Arriving Traveller Team hosted by Cardiff Council.

At present, the GTTPS is funded until the end of September 2021. However, it is anticipated that GTTPS will be required beyond this. As we move forward, contact tracing alongside testing, vaccination, and adherence to government guidance form the essential elements that will enable our recovery.

Management of plans for excess deaths in the acute phase of COVID-19

As a result of COVID-19, a rapid increase in the capacity of body store facilities was required and these were implemented at pace due to a lack of provision within the locality, and nationwide rapid increase in demand for surge capacity. Temporary storage was situated on the Llanfrechfa Grange House Site, meeting all requirements for a facility of this nature. A bespoke ICT application was developed to track all deceased patients at all locations.

All Mortuary services liaised closely with funeral directors to ensure rapid collection of the deceased, without whom the peak occupancy would have been higher.

In addition, a Care After Death team was established in April 2020 which supported the timely release of deceased patients to funeral directors. This enabled a reduction in the number of days that deceased patients were held at Health Board premises.

Workforce Management and Wellbeing

Reviewing the shape of the workforce

Our workforce plans will optimise the opportunity to develop and implement sustainable workforce models across all aspects of our patient pathways. Our plans will focus on reviewing skill mix, development of new roles and maximising the contribution of the unregistered workforce through promoting top of licence working. This will build on our experience through enhancing new and existing roles in response to the COVID pandemic and the early opening of the Grange University Hospital (GUH). For example:

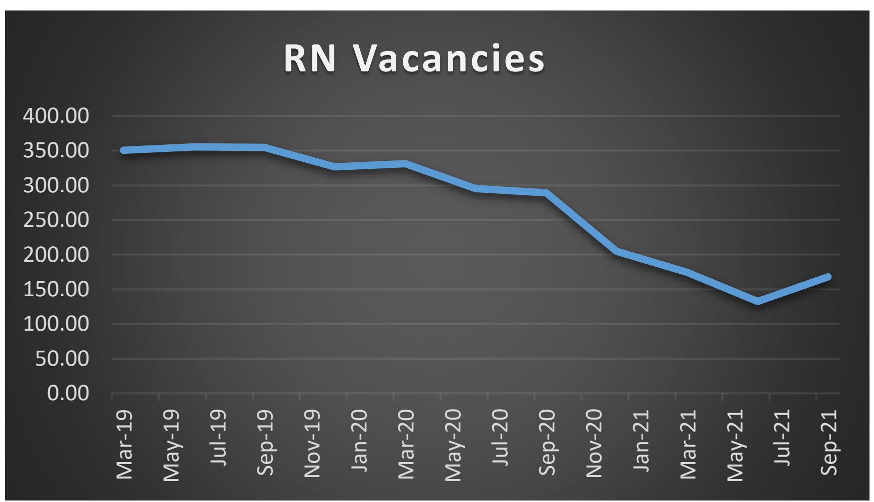
- In preparation for the GUH opening the Health Board introduced a new innovative Core Care Model which included the establishment of band 4 Assistant Practitioner (Nursing) roles.
- We also introduced new roles to support our covid-19 response such as Ward Assistants and a workforce for our Mass Vaccination Centres and Track Trace and Protect services.
- In addition, we positively engaged with the overwhelming response from volunteers and mutual aid from other local employers to respond to the unprecedented challenges of the previous 12 months. We currently have over 90 volunteers who play and active role within the mass vaccination centres.
- We also built upon new roles such as Physician Associates. The temporary relaxation of working hours rules for our current cohort of 31 (as at November 2020) Physician Associates (PAs) has enabled them to support services out of hours. Their commitment and flexibility during the pandemic has been outstanding. We are currently recruiting a further cohort and anticipate we will have an establishment of 36 going forward.

Future plans include training and education within primary care and nursing homes to support admission avoidance into secondary care through improved advanced care planning. We will continue to work closely with Health Education Inspectorate Wales (HEIW) to maximise our workforce planning capacity and skills. The restarting of core services will require a greater focus on maximising opportunities for new ways of working. This will involve the use of established standards and frameworks and encouraging the development of new workforce solutions for areas of staffing under pressure through increasing skill mix, blended roles and extended roles. Job planning will also need to be more flexible to support different and emerging models of health care.

Recruitment and Retention

We launched a specific COVID-19 recruitment campaign via Social Media on 24 March 2020 and received over 2,000 responses. This has resulted in over 750 new engagements into employment contracts or to our resource bank.

At the time of the opening of the GUH, 241 additional posts had been recruited (91% of all posts required). We have continued to ensure recruitment activity remains a top priority, recognising that some roles are hard to recruit across the UK. We continue to work proactively with national programmes such as Train, Work, Live and Student Streamlining recruitment streams. Our recruitment activity for 2020/21 has reduced Registered Nurse vacancies from 336 wte reported in April 2020 to 168 wte and we have recruited an additional 129 wte Health Care Support Workers (HCSWs) through this period.



There were 19.8 wte Ward Assistants recruited to support ward staffing and to help ensure that that Registered Nurses were not undertaking tasks that could be delegated to others.

We have supported our communities by providing economic and employment opportunities in the Gwent area. This has helped expose a broader range of people to opportunities available within the Health Service. This included:

- Airline Industry staff supporting our wellbeing offer for staff and mass vaccination centres.
- Staff from local Leisure Trusts supporting our Mass Vaccination programme.
- The patient care assistant role which was open to applicants with no formal healthcare training or experience and recruitment was also promoted via our mutual aid and partnership networks.

We have redesigned our Induction Programme for new starters into a blended delivery of virtual and face to face provision ensuring social distancing, whilst maintaining a quality experience for new starters.

Whilst progress with recruitment has been positive it is essential that this activity remains one of our top priorities, recognising that some roles such as Care of the Elderly (COTE), Intensivists, Psychiatrists, Stroke, and other speciality consultant and junior doctor posts and other clinical support roles, such as, sonographers, remain specialities which are hard to recruit to across the UK. The Health Board was able to successfully recruit the staff required to open the GUH and we plan to build upon our very successful programme of recruitment and the positive recruitment campaign for the mass vaccination programme and COVID-19 surge. We will continue to work proactively with national programmes such as Train, Work, Live and Student Streamlining recruitment streams. We will continue to comply with the Nursing Staffing Levels (Wales) Act 2016 which will be extended to include paediatric services during the next year. We will maintain our focus on intensive recruitment campaigns for Registered Nurses (RN) and Health Care Support Workers (HCSW) and all vacancies.

Recognising that we are operating in an increasingly competitive market and want to be an organisation in which people choose to workand one where they choose to stay. Our Retention Framework includes a tool kit that facilitates staff to have a voice, be engaged, supported & developed, whilst maintaining their wellbeing to reach their full potential. This ensures that we put staff at the centre of what we do and ensuring we embed our core values which creates a positive workplace culture.

Ensuring safe staffing levels

In order to establish safe staffing levels we rapidly developed and implemented additional workforce plans to respond to the surge in the early stages of the pandemic as well as reviewing workforce plans to provide the required workforce to enable the opening the Grange University Hospital (GUH) four months early, support COVID Test, Trace and Protect (TTP) and Mass Vaccination.

The workforce requirements had been carefully considered alongside the need to continue to provide safe staffing levels and effective services at all our hospitals and community services in conjunction with responding to the emerging demands of the pandemic and winter pressures.

The plans took account of the availability of new recruits from our focused recruitment campaigns, returning retirees, healthcare students and the deployment of existing staff.

The deployment of existing clinical staff was critical in ensuring that we were able to respond to the urgent needs of the pandemic. A Workforce Deployment Hub was created to identify individuals and teams who, as a result of changes to service delivery in the first wave, could be redeployed to support the COVID-19 surge plans. Where necessary additional training was provided to enable existing staff to work in a different environment. Our central deployment process has supported the deployment of over 240 staff.

Through the deployment process we were also able to deploy staff who were required to shield to work from home and also support pregnant or

vulnerable staff to move from clinical areas to safer working environments. This allowed us to staff critical areas. For example, registered nurses and doctors were redeployed to our Flow Centre to support pre-hospital streaming and to Track, Trace and Protect teams and the Staff Testing Assessment Unit. Our ability to respond has been supported by agile working, enabled by investment in additional technology and changes to how we provide our services using remote consultations via “Attend Anywhere”.

Overall staff turnover had reduced in quarter 1 by 2.6% and 1.1% in quarter 2 2020/21 compared to turnover rates between 7-8% in the previous years. We are aware that many staff delayed retirement, as well as NHS Wales agreeing to delay commencing new starters to support the COVID-19 response. Turnover has recently increased to expected levels and is currently 9.27% which reflects the expected impact of staff who delayed retirements to support the COVID-19 response. During quarter 2 we have launched a new Retention Framework to ensure we retain valuable skills and experience of our workforce.

This is an interactive toolkit that brings together best practice tools, techniques and Health Board approaches to support retention. It also provides connectivity to our Employee Experience and Agile Working Frameworks.

In order to ensure workforce continuity we supported our staff to work more flexibly by providing equipment to support home and agile working options. Two agile working surveys were undertaken with staff and the development of an Agile Working Framework provides guidance for staff and managers.

The aim of these frameworks is to demonstrate our commitment to both potential and current staff in making them a priority by always putting people first. This will enable them to have a voice and feel engaged and supported whilst maintaining their wellbeing.

Identifying and training staff to undertake new roles

Alongside recruitment of new staff the Health Board identified individuals and teams who, as a result of changes to service delivery in the first wave, could be redeployed to support the COVID-19 surge plans. Where necessary additional training was provided to enable existing staff to work in a different environment.

The Organisational Development team worked with nursing colleagues to assess the needs of staff who were being deployed to different clinical environments, healthcare students and those returning to the workforce following retirement. A clinical skills programme was developed to meet the practical and wellbeing needs of these groups. The Health Board worked in partnership with Coleg Gwent, who provided premises on their Usk Campus, to enable this clinical skills training to take place in a COVID-19 safe environment. Within this setting the Health Board provided clinical training and assessment of competence to over 1,100 new and redeployed workers.

By December 2020 there was a need to both recruit and train an additional workforce to support the implementation of the Mass Vaccination Programme. In excess of 500 Health Professionals have been engaged and trained to work in the Mass Vaccination Centres. Over 100 volunteers have been engaged through mutual aid with our Local Authority partners in addition to the military to support the Mass Vaccination Programme.

Wellbeing initiatives for staff

The development and ongoing implementation of an evidenced based staff wellbeing plan has been essential to support our staff during the different response phases of the pandemic. The Employee Wellbeing Service website is now fully operational delivering first class bilingual and evidence based reference materials that are also accessible on smartphones and mobile devices and the development of a Wellbeing Peer Support Network. Our Wellbeing offer for staff included:

- Hub and spoke model of psychological support.
- Development of a new website that is accessible to staff on their mobile devises and tablets.
- Peer support phone line.
- Drop in sessions.
- Specific group sessions around particular topics, for example, sleep and dealing with traumatic experiences.
- A series of Wellbeing surveys have been run quarterly to understand how staff are feeling and focus support in the right areas.
- Additional investment in the Wellbeing offer and plans to develop a Centre of Excellence.
- The provision of accommodation during the first wave of the Pandemic for staff who needed to isolate from vulnerable family members.
- Introduced Project Wingman at St Cadoc's Hospital. This involved a collaboration with airline staff who had been furloughed, made redundant or grounded, and who wanted to help those in need of support.
- Supporting staff to be deployed on a temporary basis to areas that were classified as lower risk to maintain safety and well-being.
- The early development of a staff testing hub for staff reporting symptoms of COVID-19 led by the Workforce team. This hub coordinated the testing and provided staff with well-being, health and isolation advice.
- Occupational Health developed an on-line referral form which sped up the referral process and reduced the time to receive advice. This change is one that has had positive feedback and will continue.

Risk assessments and shielding of staff

During the first and second COVID-19 pandemic waves guidance on shielding was provided by Welsh Government. This had an impact on our staff as well as our local community and volunteers i.e. those who were clinically vulnerable should no longer attend the workplace.

We have supported staff in line with the Welsh Government advice in relation to shielding requirements. During the first COVID surge there were over 290 staff who were required to shield. Our workforce team contacted staff who were shielding during the first surge to provide support, advice and to identify opportunities to continue to engage them in work. This was complimented by the "buddying" of staff to provide well-being support. Our approach has supported the majority of staff who were required to shield to return to work.

During the first wave of the pandemic the Health Board developed a risk assessment tool for staff with underlying conditions to provide advice and guidance on safety in the workplace. As the evidence emerged of the disproportionate, negative impact of COVID-19 on our black, asian and minority ethnic communities this risk assessment tool was further developed to take this into account. This was shared across Wales and further modified by an All Wales expert group.

The Health Board has continued to focus on supporting staff who had been previously shielding to return to work safely. Risk assessments have shown weekly improvements in compliance figures. The COVID-19 Workforce Risk Assessment Tool is now on ESR and has been added to the Compliance Matrix as a mandatory requirement.

Our ESR records currently show 61.47% compliance with completion of the Covid-19 Workforce risk assessments. The safety of our staff remains our primary concern and we are working with Divisional teams, staff side representatives and bank and agency workers to support completion of the Covid-19 workforce risk assessment. We are also proactively contacting staff who have not completed their risk assessment which has supported the improvement in compliance rates. We have developed paper copies which are then uploaded onto ESR to support staff who do not have easy access to a computer and continue to make personal contact with staff in high risk groups, who need to complete or re-new the assessment. This helps ensure that adjustments to provide a COVID safe working environment are implemented where necessary.

The Health Board is developing a programme of work to strengthen our approach to equality, diversity and inclusion. We undertook a listening exercise to ensure that staff views and concerns shape and develop the approach we take. The emerging work programme has resulted in the establishment of a new Race Equality Group. This group has agreed 3 short term priorities and a detailed action plan describing the actions and milestones needed to achieve these priorities. The work of the group will continue to review a range of evidence from National sources to inform its work plan going forward and broaden its scope to include other protected characteristics.

Review of COVID-19 staff deaths

Sadly, we are aware of three staff deaths due to COVID-19. A task force with representatives from Infection Prevention and Control, Workforce and Organisational Development and Corporate Health and Safety has been established to progress the death reviews. These reviews will identify relevant learning measures for sharing. The investigations, which are ongoing, will determine whether the deaths will be reportable to comply with RIDDOR.

Role of Employee & Professional Advisory Groups

Strong partnership working has been maintained and strengthened during the COVID-19 pandemic period and continues. Regular meetings with our local Trade Union representatives, Local Negotiating Committee and the BMA have taken place. These have provided valuable opportunities to share and discuss issues, agree staff guidance and to influence the Frequently Asked Questions developed through our all Wales networks.

This partnership working was critically important as the Health Board was opening the Grange University Hospital four months early, during winter pressures and the pandemic.

We remain committed to working in partnership with Local Authorities and the Military to support the Mass Vaccination Centres and Track Trace and Protect Service.

Further information on the role of the Healthcare Professionals Forum is available in the Annual Governance Statement.

The Welsh Language Standards

The Health Board recognises the importance of meeting language needs and the positive impact this has on patient experience and the delivery of safe, high quality care. Wales is a country with two official languages, Welsh and English, and we promote and support the right of the community we serve to live their language of choice. This is an integral part of our values as an organisation in putting 'People First' and the culture we are continuously embedding.

The organisation is continuing to make good progress in developing work processes and systems to assist in compliance with and the facilitation of the implementation of the Welsh Language Standards. The Health Board has a dedicated Welsh Language Standards page on the corporate website.

Promoting and Increasing the Use of the Welsh Language

One of the key objectives adopted by the Health Board in response to the 'Five Ways of Working' described in the Wellbeing of Future Generations Act is to 'Promote a diverse workforce able to express their cultural heritage, with opportunities to learn and use Welsh in the workplace'. In response, we have adopted a holistic approach to staff engagement and the development of Welsh language skills, working closely with local stakeholder groups in addition to national and local training providers, to increase opportunities for staff to develop their linguistic skills and sensitivity. This is supporting our response to the ambitious challenge set out in the three strategic themes of the Welsh Language Strategy - Cymraeg 2050 to: increase the number of Welsh speakers; increase the use of Welsh; and create favourable conditions for the use of Welsh – infrastructure and context.

In order to increase the use of Welsh internally, the Health Board has established a Welsh speaker's network PartnerIAITH. Launched on St David's Day 2020, the network now has 64 members of staff who have self-registered, and can access regular virtual chat clubs and events, as well as bespoke 1:1 and small group learning opportunities for learners.

We are pleased to report an increase in staff enrolling on Welsh language courses over the reporting period, despite the challenges posed by the pandemic, and applaud staff's commitment to their learning.

Number of staff enrolled on accredited courses 2019/20 – 2020/21

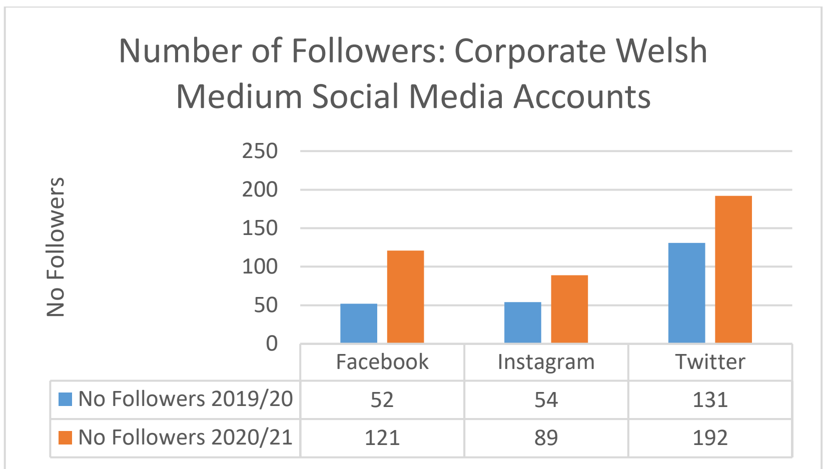
Course Title	Number Enrolled (2019/20)	Number Enrolled (2020/21)
Welsh Mynediad/Entry Level 30-week course (Year 1)	2	36
Welsh Mynediad/Entry Level 30-week course (Year 2)	0	0
Welsh Sylfaen/ Foundation (Year 1)	0	6
Welsh Canolradd/Intermediate Level 30-weel course (Year 2)	1	0

Moreover, in response to the impact that the pandemic has had on our ability to train staff in a classroom environment, we are excited to launch new digital Welsh Language Awareness training resources and a series of animation reels, to be used to promote key messages regarding the Welsh language, this year. We have also promoted free online courses provided by Coleg Cenedlaethol and are delighted to report an increased uptake of 109% in the first Quarter of 2021 compared to the same period last year.

On St David's Day 2021, we launched an internal campaign- 'Diwrnod Dwli Dysgu' (Love Learning Day). Staff were provided with numerous

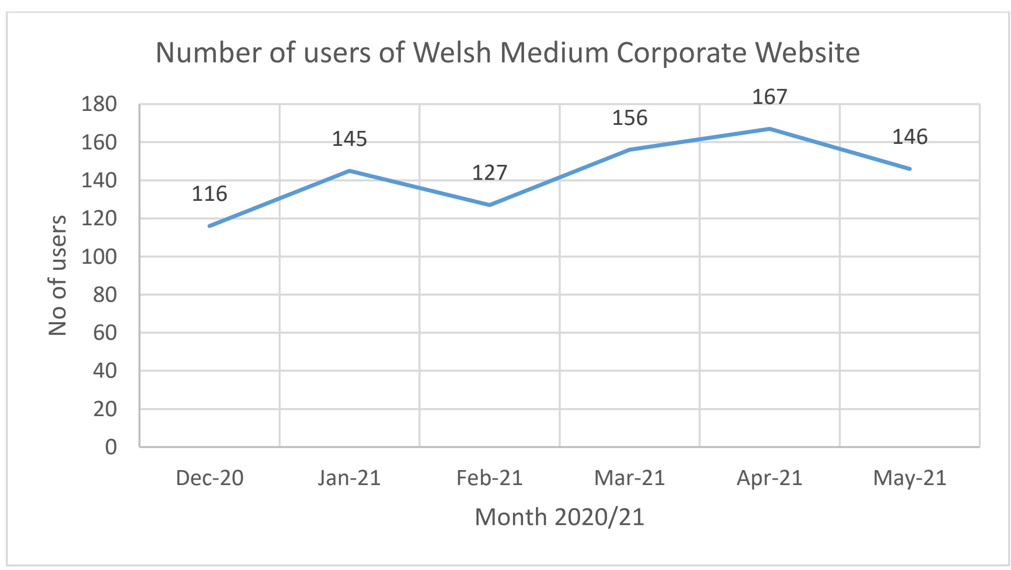
learning resources and materials, and different approaches to learning Welsh were promoted to emphasise the important message that there is no 'one-size-fits-all' method of learning any language.

Since their formation in June 2019, our Welsh Social Media accounts are steadily increasing in followers, as we continue to engage with our Welsh-speaking Community.



The promotion of bilingual campaigns across all Corporate English and Welsh Medium Channels has greatly increased our Welsh language social media presence. Successful Welsh language communication campaigns for 2020/21 to date have included: Diwrnod Shwmae, Diwrnod Hawliau, Dydd Miwsig Cymru, and Dydd Santes Dwynwen.

Since its launch in 2019, Google analytics suggest that the Welsh medium corporate website has maintained a consistent number of users over the past 6 months, the challenge now is to expand this user base by actively promoting this service to Welsh speaking patients.



The Future of Welsh in the Health Board

The progress over the reporting period demonstrates our continued commitment to delivering a service that meets the needs of both our Welsh-speaking communities and our own Workforce. This also demonstrates a significant cultural change on an organisational level, ensuring progress is made against the Standards and that Welsh speakers receive equitable, quality services. We are committed to ensuring that Welsh language needs are embedded in our corporate identity and as a golden thread throughout our Values and Behaviours

Decision Making and Governance

Role of the Board and Committees and effectiveness

The Board is chaired by Ann Lloyd CBE and the organisation's operational delivery is led by Judith Paget CBE, Chief Executive, who is the Health Board's Accountable Officer. The Board is made up of individuals from a range of backgrounds, disciplines and areas of expertise.

The Board provides leadership and direction to the organisation and has a key role in ensuring that the organisation has sound governance arrangements in place. The Board seeks to ensure that it has an open culture and high standards in the ways in which its work is conducted. Together, Board Members share corporate responsibility for all decisions and play a key role in monitoring the performance of the organisation.

The Health Board has established a range of Board Committees. These Committees are chaired by Independent Members of the Board and the Committees have key roles in relation to the system of governance and assurance, including decision making, scrutiny, development discussions, risk assessment and performance monitoring.

This year has been dominated by COVID-19 and the Health Board's response to it therefore there were no annual reviews of committee business during the year This will be resumed as soon as possible and will be part of a wider review of governance and reflection on learning following the COVID-19 pandemic period.

Further information on the role, membership and effectiveness of the Health Board and its Committees is provided in the Annual Governance Statement.

Changes to governance arrangements

In response to the COVID-19 pandemic, it was necessary for the organisation to discharge its duties differently from the 23rd March 2020 following new advice and guidance issued by Welsh Government. These adjusted governance and assurance arrangements were approved on 9th April 2020. An overview of the revised arrangements is provided in the Annual Governance Statement. The full document is available on the following link.

Civil Contingencies and Emergency Planning

In addition to the organisational response to the pandemic there has been continued planning preparation and response to requirements of the Civil Contingency Act (2004). When the Grange University Hospital opened this became our only hospital with an Emergency Department consequently ABUHB's only receiving hospital in the event of a major incident. The major incident plan has been rewritten to reflect this change and all action cards updated accordingly together with responsive departments, and in collaboration with relevant LRF partners. Training in the new plan has been undertaken with staff at strategic, tactical and operational level. A new fully equipped Hospital Co-ordination Centre is now sited at the GUH with rooms identified on the site for additional supporting aspects of the plan. There is an additional Executive co-ordination centre set up at Health Board Headquarters to provide additional resilience.

Business continuity planning and delivery has also continued during the pandemic to support severe weather, planned ICT upgrades and response to untoward incidents.

The Health Board also continued to prepare for EU Transition working both internally and with LRF partners and Welsh Government.

Planning for MERIT has continued and the requirements under the Prevent Duty, under the CONTEST strategy.

Multi-agency working

In addition to the collaborative working in response to the pandemic through the SCG there has been continued multiagency working in the form of tactical sub-groups to the SCG, which include BCM group, Mass Fatalities Group and Risk group. Additionally the LRF Executive group has met and the supportive co-ordination group to address the wider requirements of joint working under the Civil Contingencies Act.

The Health Board's Governance and Assurance Framework is outlined in the Annual Governance Statement.

Audit and Assurance – summary of sources with high level findings.

The Health Board receives assurance from a number of regulatory and advisory bodies, including internal audit, Audit Wales, Healthcare Inspectorate Wales and the Welsh Risk Pool.

The Health Board commissioned the Internal Audit Service to undertake a rapid advisory review, to assess the adjusted financial and overall governance arrangements that were put in place to maintain appropriate governance whilst enabling the senior leadership team to respond to the COVID-19 pandemic.

The Internal Audit Review report was finalised in July 2020. The main observations from the report were "*that temporary governance arrangements operated effectively during the peak. The Health Board complied with the guidance and the principles issued by Welsh Government.*"

The Audit Wales Structured Assessment Report for 2020, which examines the arrangements the Health Board has in place to support good governance across key areas of the Health Board's business and the efficient, effective and economic use of resources, made the following assessment:

"Overall, we found that the Health Board maintained good governance quickly adapting its governance arrangements to respond to the challenges of the pandemic. Financial management remains robust but ongoing COVID-19 costs risk financial deficit. Quarterly plans set out the safe restart of planned services and resources required, although reporting of delivery is not yet established."

Further information is provided in the Annual Governance Statement.

Conclusion and Forward Look

2020/2021 was an extraordinary year in everybody's lives. The Health Board took the learning from the first waves of the pandemic to plan for the winter period, which was one of the most challenging the organisation has ever faced. Admissions to our hospitals for COVID-19 tracked against our Reasonable Worst Case Scenario and the challenges faced by our staffing in supporting our communities was significant.

Amongst this challenge the staff in the organisation opened a new hospital, fully equipped, on budget and four months early. The organisation maintained essential services and in partnership supported the delivery of the Test, Trace and Protect Programme and delivered a new mass vaccination programme from scratch.

The process of recovery began in the final quarter, ensuring pathways were in place to deliver activity in safe environments and restart services paused over the winter months. As demand for services rebalances and communities are able to return to activities then the learning about adapting and changing our system will come to the fore.

It would be right to finish by paying tribute to all the Health Board's staff for their strength, courage and resilience over the last year.

Judith Paget

Judith Paget

Chief Executive **Date: 9th June 2021**

Aneurin Bevan University Health Board
Section 2 – Accountability Report
1st April 2020 – 31st March 2021

Introduction to the Accountability Report

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

This Accountability Report has three sections:

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

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

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

Corporate Governance Report

As a minimum, the corporate governance report includes:

- The Directors' Report
- The Statement of Accounting Officer's Responsibilities
- The Annual Governance Statement.

The Directors' Report

This section of the report sets out details of the Directors of the Health Board in 2020/21. This information is outlined in the Annual Governance Statement of the Health Board and can be found in detail in the Annual Governance Statement (AGS). Details of the membership of the Board and its Committees, including the Audit Committee, are also shown in this section of the AGS.

Board Members' Interests

The document, which can be accessed in the link below, shows details of directorships of other organisations or other interests that have been declared by the members of the Board of Aneurin Bevan University Health Board, and staff across the organisation, in line with the Standards of Business Conduct Policy, as at the 31st March 2021. This information is available on the Health Board's Internet site and can be accessed by following this link.

Information Governance

This section covers information relating to data related incidents where they have been formally reported to the Information Commissioner's Office. It also includes information relating to personal data related incidents, including 'serious untoward incidents'. This information is available in the Health Board's AGS.

Information on Environmental, Social and Community Issues

This section provides information on environmental, social and community issues. The Board has a Wellbeing of Future Generations Programme Board; which covers a broad agenda including energy, waste, water and sustainability. It is co-chaired by the Director for Public Health and Strategic Partnerships and the Board Secretary. The Programme Board is charged with taking forward the sustainability agenda of the organisation. Progress on energy, water and waste management initiatives and targets are reported to the Programme Board, as well as initiatives around sustainable procurement, IT and travel. The Board has not met during the COVID-19 Pandemic.

Environmental public health issues are dealt with in liaison with Public Health Wales Environmental Health Team.

During the last year, the Health Board has developed an Estates Energy Strategy which reflects the current priorities, drivers and opportunities for the Health Board. It examines how energy and carbon management in the organisation could be made more effective with best practice, technology and innovation. This includes a challenging target for carbon reduction of 3% year on year for 5 years, the performance of which is measured and reported annually. The Health Board will also be aligning its activities to complement and make progress towards the objectives and targets set out in the NHS Wales Decarbonisation Strategic Delivery Plan which was recently published by Welsh Government. The Plan responds to the declaration of the climate emergency in 2019 and also the ambition of Welsh Ministers for the Welsh public sector to be net zero by 2030.

The Health Board continues to work towards introducing more sustainable and resource efficient methods of processing waste generated from health care activities. Recycling facilities are embedded at all main hospital sites which stream off co-mingled mixed recyclates for onward sorting and reprocessing into new products and materials. Cardboard is separated and baled at the two main hospital sites within the Health Board and processed into mill size bales.

The segregation of infectious waste is continually evaluated and where possible, in line with guidance and best practice items are removed and diverted into a lower cost disposal option.

The Health Board continues to work towards implementing a zero to landfill approach in collaboration with external contractors.

The Health Board continues to operate a third party certified Environmental Management System (EMS) to the international standard ISO 14001:2015.

The EMS has been developed to become the focal point for driving forward continual environmental improvement. It provides a joined up approach for the management of waste minimisation initiatives, recycling, energy and carbon management, sustainable procurement and sustainable travel initiatives.

Certification ensures that we not only comply with legislation, but go above and beyond this and implementing best practice in our role as an exemplar NHS organisation in the area of healthcare waste and environmental management.

The organisation places high importance on continued certification to ISO 14001 and the assurance it provides to the Board and our stakeholders.

The Health Board continues to lead in the area of recycling of polypropylene instrument wrap from the Hospital Sterilisation and Disinfection Unit (HSDU) for recycling. Before the introduction of the recycling initiative, all the polypropylene wrap from HSDU was being

collected into Orange Hazardous Waste bags and consigned as Infectious Waste at considerable cost and environmental impact.

The Health Board can demonstrate a number of benefits in relation to the diversion of material from the clinical waste stream (currently 2 tonnes per month), while producing a commercial polymer with a commodity value.

Statement of the Accountable Officer's Responsibilities

The Welsh Ministers have directed that the Chief Executive should be the Accountable Officer for Aneurin Bevan University Local Health Board. The relevant responsibilities of Accountable Officers, including their responsibility for the propriety and regularity of the public finances for which they are answerable, and for the keeping of proper records, are set out in the Accountable Officer's Memorandum issued by the Welsh Government.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as Accountable Officer. As Accountable Officer, I confirm that, as far as I am aware, there is no relevant audit information of which the Health Board's Auditors are unaware, and I have taken all the steps that ought to have been taken to make myself aware of any relevant audit information and that the Health Board's auditors are aware of that information.

As Accountable Officer, I confirm that the Annual Report and Accounts as a whole are fair, balanced and understandable and that I take personal responsibility for the Annual Report and Accounts and that the judgements required for determining that they are fair, balanced and understandable.

Judith Paget

Name: Judith Paget, Chief Executive **Date:** 9th June 2021

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 Local Health Board and of the income and expenditure of the Local Health Board for that period.

In preparing those accounts, the Directors are required to:

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

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

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

By Order of the Board

Ann Lloyd

Ann Lloyd, Chair
Dated: 9th June 2021

Judith Paget

Judith Paget, Chief Executive
Dated: 9th June 2021

Glyn Jones

Glyn Jones, Director of Finance and Performance
Dated: 9th June 2021

Aneurin Bevan University Health Board
Annual Governance Statement
1st April 2020 – 31st March 2021

1. Scope of Responsibility

The Board is accountable for Governance, Risk Management and Internal Control. As Chief Executive of the Board, I have responsibility for maintaining appropriate governance structures and procedures as well as a sound system of internal control that supports the achievement of the organisation's 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.

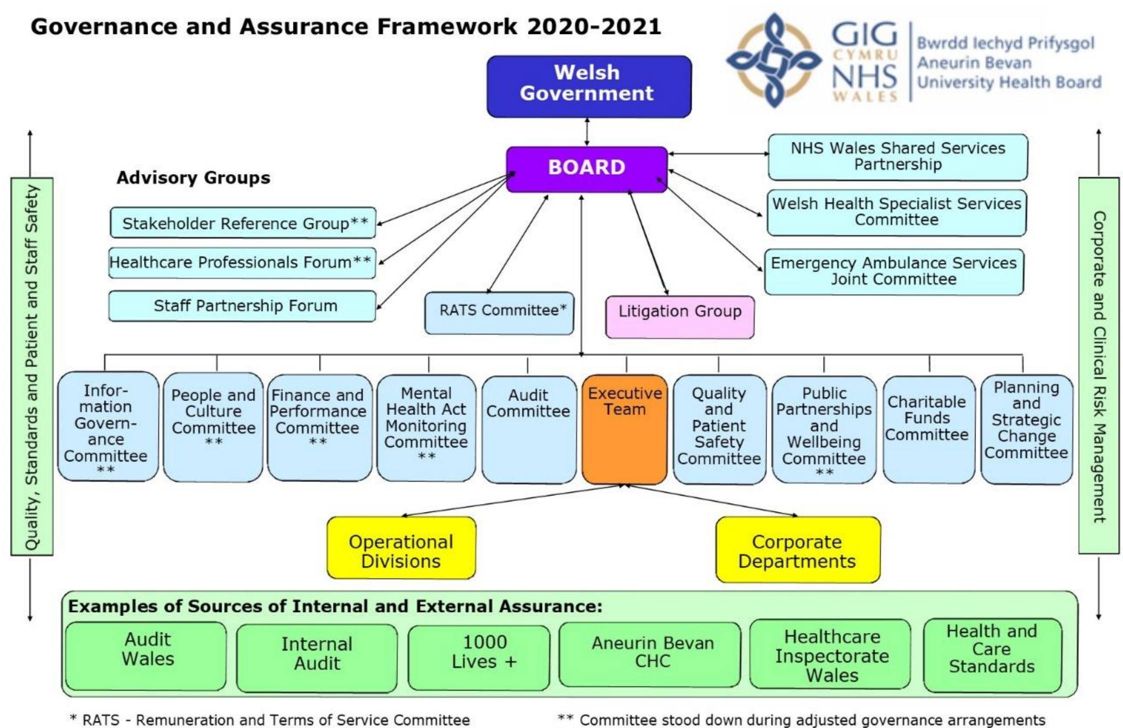
The Annual Report outlines the different ways the organisation has had to work both internally and with partners in response to the unprecedented pressure in planning and providing services. It explains arrangements for ensuring standards of governance are maintained, risks are identified and mitigated 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).

The response to the pandemic in 2020-21 affected all organisations and their ability to work as normal. It meant a very different way of working for the Health Board and its partners and it is important to recognise that decisions will have been made differently than under normal circumstances. Nevertheless, the Health Board must still demonstrate that the decisions made comply with regulation and stand up to scrutiny of their value and compliance.

2. Our Governance and Assurance Framework

Aneurin Bevan University Health Board has agreed Standing Orders for the regulation of proceedings and business of the organisation. These are designed to translate the statutory requirements set out in the LHB (Constitution, Membership and Procedures) (Wales) Regulations 2009 into day to day operating practice, and together with the adoption of a scheme of matters reserved to the Board, a scheme of delegation to officers and others and Standing Financial Instructions, they provide the regulatory framework for the business conduct of the Health Board and define its 'ways of working'. These documents, together with the Board Assurance Framework and a range of corporate policies set by the Health Board make up the Governance and Assurance Framework and arrangements of the organisation. During 2020/21 the Health Board operated an adjusted governance and assurance framework to enable us to continue to discharge organisational responsibilities effectively, whilst recognising the reality of

the required executive focus for the response to the COVID-19 Pandemic. The diagram below outlines the governance and Committee structure (indicating Committees stood down during the pandemic response).



3. The Role of the Board

The Board is chaired by Ann Lloyd CBE and the organisation's operational delivery is led by Judith Paget CBE, Chief Executive, who is the Health Board's Accountable Officer. There has been some change in the Executive and Independent membership of the Board during the last year. These changes are outlined in Table One in Attachment One.

In accordance with the Public Bodies (Admissions to Meetings) Act 1960 the organisation is required to meet in public; the Health Board usually meets six times a year in public. The Board is made up of individuals from a range of backgrounds, disciplines and areas of expertise. The Board comprises the Chair, Vice Chair and nine other Independent Members and the Chief Executive and eight Executive Directors. There are also Associate Independent Members, Special Advisors and other senior managers who routinely attend Board Meetings. The full membership of the Board and their lead roles and committee responsibilities are outlined in Table One in Attachment One.

The Board provides leadership and direction to the organisation and has a key role in ensuring that the organisation has sound governance arrangements in place. The Board seeks an open culture and high standards in the ways in which its work is conducted. Board Members share corporate responsibility for all decisions and undertake a key role in monitoring the performance of the organisation.

All the meetings of the Board in 2020/21 were appropriately constituted and quorate.   The key business and risk matters considered by the Board during 2020/21 are outlined in this statement and further information can be obtained from the published Health Board meeting papers on the Health Board's web pages via the following link.

The Board held one additional meeting over and above the scheduled six meetings of the Board in 2020/21. It held this meeting on the 30th June 2020 to consider and approve the Ysbyty Ystrad Fawr Breast Services Outline Business Case for submission to Welsh Government and to endorse the proposal to open the Grange University Hospital in November 2020, 4 months ahead of schedule.

The Board held its Annual General Meeting on Wednesday 28th October 2020. This was held via Microsoft Teams and streamed on the Health Board's YouTube Channel.

The Board met in June 2020 to formally approve the Annual Accounts for 2019/20 following detailed consideration by the Health Board's Audit Committee. This meeting has not been included in the attendance record as this is a procedural meeting and is run with the required quorate for the Board only and therefore, not all members are required to attend.

4. Committees of the Board

The Health Board has created a range of Board Committees which have key roles in the system of governance and assurance. These Committees are Chaired by Independent Members of the Board.

As outlined below, a number of these committees were suspended in line with adjusted governance arrangements during the COVID-19 pandemic, as a result, the Committee Structure during 2020/21 was not subject to the usual review, however, as outlined on page 70 a revised structure will be implemented from 1st April 2021.

In terms of the existing committee structure, the Planning and Strategic Change Committee has a different model of membership, which includes all Independent Members and Executive Members of the Board. This recognises that the committee is constituted to focus on strategic development and medium and longer term planning matters, rather than acting as an assurance committee for scrutiny purposes.

The Health Board is continuing to develop the ways in which its Committees operate and work together to ensure the Board is assured on the breadth of the Health Board's work to meet its objectives and responsibilities and the risks against their achievement in line with the Health Board's Board Assurance Framework.

The Committees that currently do not meet in public are either because of the confidential nature of their business, such as, the Remuneration and Terms of Service (RATS) Committee or they are development meetings such as the Planning and Strategic Change Committee, discussing plans and ideas often in their formative stages. The Health Board and its Committees have sought to undertake a minimum of its business in private sessions and ensure business, wherever possible, is considered in public. However, it has not been possible to hold committee meetings in public during the COVID-19 pandemic.

The Health Board has a Charitable Funds Committee which oversees the Health Board's Charitable Funds on behalf of the Board, as Corporate Trustee for charitable funds. The work of the Committee provides assurance through reporting to the Board that charitable funds are being appropriately considered.

A more detailed overview of the issues considered by the Audit Committee, Quality and Patient Safety Committee and Planning and Strategic Change Committee, which continued to operate for all or part of the adjusted governance arrangements is provided below.

Further information with regard to the purpose and business of all the Health Board's Committees can be found on the Health Board's web pages via the following link:
https://abuhb.nhs.wales/about-us/committees-partnerships/

5. Membership of the Health Board and its Committees

The Tables in Attachments 1 and 2 provides the membership of the Board during 2020/21 and attendance at Board and Committee meetings respectively for this period. All meetings were quorate.

On 23 March 2020 the Welsh Government suspended all Ministerial Public Appointment campaigns. At the time of this suspension the Health Board was actively recruiting to the Independent Member (Finance) and Independent Member (University). Action taken to ensure the Board remained stable and had appropriate capacity and capability during this time included the extension of the appointment of a Special Advisor to the Board (Finance) in addition to the existing Special Board Adviser role, which had also been extended until 31st March 2021. A successful appointment was made to the role of Independent Member (University) in January 2021. Unfortunately the Health Board continued to be unable to recruit to the role of Independent Member (Finance).

6. Discharging Good Governance during the COVID-19 Pandemic

In accordance with the Public Bodies (Admissions to Meetings) Act 1960 the organisation is required to meet in public. As a result of the public health risk linked to the pandemic there have been limitations on public gatherings and it has not therefore been possible to allow the public to attend meetings of our Board and Committees since 23rd March 2020. To ensure business was conducted in as open and transparent manner as possible during this time the Health Board live streamed its Board meetings using its YouTube digital channel from June 2020.

Welsh Government endorsed the view that NHS Wales organisations did not need to livestream all Committee meetings. Live-streaming meetings is resource intensive and the risk to openness and transparency by not live streaming has been assessed as low as individuals have not attended to observe meetings in the past. However, in order to maintain openness and transparency with regard to the ways in which the Health Board conducted its committee business, committee papers continued to be published on the Health Board's website prior to the meetings and Committee assurance reports were provided to each Board meeting.

Advice and guidance issued by Welsh Government allowed for adjusted governance and assurance arrangements and these were approved on 9th April 2020 and are provided in overview below. Board and Committee meetings were and continue to be held using the NHS Wales digital conferencing application (MS Teams). These arrangements were continually assessed during the year as the Health Board learned from its experiences of new technologies and approaches. The adjusted arrangements were formally reviewed in July 2020 and December 2020 and remained in place until 31st March 2021.

7. Revised Board and Committee Arrangements

Board meetings continued to be held bi-monthly, as per the published meeting programme. As well as using MS Teams for the meetings all Board meetings in the public domain were live streamed on the Health Board's YouTube Channel.

The programme of Board Development and Board Briefing Sessions continued and topics covered included:

- Managing Our Resources Effectively
- Refreshing and Updating the Board Assurance Framework and Risk Appetite Statement
- Development of the Health Board's Annual Plan
- Engagement of Healthcare Inspectorate Wales with the Health Board

Regular briefing sessions were held with Independent Members, to ensure they were aware of developments and decisions and to enable appropriate scrutiny and challenge. Members' service visits, such as patient safety walk arounds, were suspended during the pandemic.

During the COVID-19 Pandemic, it was recognised that the full Committee structure of the Health Board could not continue. However, it was important that as a minimum the Audit Committee and the Quality and Patient Safety Committee continued to meet. All other Committees were suspended until 31st March 2021. Key matters normally covered by these committees were considered by the Audit Committee or the Quality and Patient Safety Committee or the Board.

- **Audit Committee**

The Audit Committee is a key Committee as it monitors the design and adequacy of the Health Board's governance arrangements. During 2020/21 the Committee focused on the statutory requirements including accounts, annual report and risk management and monitored the financial position of the Health Board due to the suspension of the Finance and Performance Committee.

The Audit Committee approved an Internal Audit Plan for 2020/21, although this remained flexible to respond to changing demands and resources. It received the resulting Internal Audit Reports, noted key areas of risk and tracked the management responses made to improve systems and organisational policies. The Committee has noted improvement of agreed actions and the sharing of learning and has scrutinised and challenged areas where progress has not been as progressive as anticipated and agreed further remedial actions. This has assisted the organisation in assessing the effectiveness of the controls and actions that have been put in place.

During the year the Committee considered a number of audit reports, including about Safeguarding, WCCIS, Environmental Sustainability, and financial assurance of the Grange University Hospital. The Committee closely monitored progress to ensure that progress was achieved, but it also recognised these areas were complex and these will continue to be monitored in the coming year. A limited assurance report was received for Infection Control and the Committee tasked the Executive Team with undertaking a review across the Health Board to address the need to ensure appropriate recording processes were completed.

The Committee continues to work with Audit Wales as part of its work to determine the accuracy of financial statements and its programme of performance audits and assurance reports including the Structured Assessment report.

The Committee has maintained its focus on improvements in the financial systems and control procedures and monitored payments and trending processes.

The Health Board's Counter Fraud Service provided regular update reports throughout the year and the Audit Committee approved the Counter Fraud Annual Plan and Annual Report. Positive independent assessments were

received about the effectiveness of the Health Board's Counter Fraud Service.

The Committee approved the Health Board's revised approach to risk management and noted that there will be continued refinement during 2021/22.

The Committee monitored the financial position of the organisation, in line with adjusted governance arrangements, and monitored the financial decisions taken by the Tactical and Strategic Groups as part of the Health Board's command structure for the COVID-19 Pandemic.
The Committee continued its focus on ensuring that the Health Board obtained value for money and the best use of resources and a programme of work is in place for 2021/22.

- **Quality and Patient Safety Committee**

The Quality and Patient Safety Committee is key to the Health Board's assessment and scrutiny of the quality and safety of the services it provides.

The Committee played a critical role during the pandemic where challenging decisions and action were assessed ensuring that the Health Board acted in the best interests of the patients, public and staff. The Chair of the People and Culture Committee is a member of the Committee and ensured that the health and safety interests of staff were considered. The terms of reference of the Committee were temporarily amended to reflect this additional responsibility.

The Committee has retained a clear focus on the pertinent issues, challenges and progress of the COVID-19 pandemic, from both a national and local perspective. The Committee reviewed the risk management approach to COVID-19 and received regular updates through a specific COVID-19 Risk Register. It also monitored progress through a COVID-19 dashboard and assessed the Health Boards position through participation in COVID-19 trials and studies, reflections from an Infection Prevention and Control perspective and patient experience during COVID-19.

The Committee has continued to monitor organisational performance against quality and safety measures, including mortality data, participation in National Clinical Audits, compliance with sepsis bundles and health care associated infections and falls.

The regulations for the management of concerns in Wales were introduced in April 2011; the regulations required health bodies to 'investigate once, investigate well'. The Committee has continued to monitor organisational and divisional performance against the 20 day and 30 day compliance targets for responding and to receive assurance that there is learning from each complaint or incident and that this is communicated across the Health Board. Significant work has been undertaken to improve the turnaround time, performance, and the handling and quality of responses when a complaint is received or an incident investigated.

- **Charitable Funds Committee**

Urgent matters were considered via Chair's Action by the Committee Chair. The Committee met using digital conferencing in August 2020 to receive an update on charitable funds received and bids approved and in January 2021 to consider and approve the Charitable Funds Annual Accounts.

- **Public Partnerships and Well Being Committee (suspended)**

These matters were raised directly at the Board.

- **Finance and Performance Committee (suspended)**

Finance matters were considered at Audit Committee and performance matters were raised directly at the Board. A structure was put in place which enabled the Director of Finance and Performance to track COVID-19 related expenditure and other financial expenditure changes due to suspension of Health Board service activity. This was reported to the Audit Committee and to the Board.

- **Mental Health Act Monitoring Committee**

The Vice Chair in their statutory role in this area has kept these matters under review with the Director of Primary, Community and Mental Health. This Committee resumed meetings in February 2021. Further information on how the Mental Health Act has been monitored during adjusted governance arrangements is available on the following link.

- **Remuneration and Terms of Service Committee (as required)**

This Committee met on two occasions during the year (September 2020 and March 2021). In addition, urgent action was agreed as Chair's Action and reported to the Board.

- **People and Culture Committee (suspended)**

Workforce considerations, especially with regard to health and safety of staff were considered by the Quality and Patient Safety Committee.

- **Information Governance Committee (suspended)**

Information Governance concerns were considered directly by the Board.

- **Planning and Strategic Change Committee**

Matters were considered directly by the Board, particularly the progress with the Clinical Futures Programme. This Committee was resumed on 17th June 2020.

- **Health Board Advisory Groups (suspended)**

The Healthcare Professionals Forum and the Stakeholder Reference Group were suspended for the period; however, their importance was recognised and membership continued to be engaged through briefings and communication.

Throughout the course of the past year the organisation has had to respond to unprecedented demands. The Board has received reports of practices that have been adapted and changed to ensure risks and presenting

circumstances have been managed effectively and expeditiously. The year saw the development of an agile and transformative culture where staff recognised the need to change working practices to effectively respond to the pandemic. The Health Board wishes to retain and nurture this behaviour whilst ensuring that the accountability, scrutiny and assurance framework remains effective.

The Health Board will introduce a revised Committee structure from 1st April 2021 with a clear focus on outcome measures whilst maintaining effective scrutiny and assurance around the Health Boards strategic decision making, financial accountability and patient outcomes.

Revised Terms of Reference for our Committees were adopted as draft by the Board in March 2021 and will be further refined during the year. Their effectiveness will be monitored and will form part of audit plans for the year.

- **Litigation Group**

WHC (97) 17 on Clinical Negligence and Personal Injury Litigation – Claims Handling, the Welsh Assembly Government formally delegated its authority for the management of clinical negligence and personal injury litigation claims with a value of under £1m to Health Boards and NHS Trusts on the condition that guidance in the circular was followed. The Health Board's Policy for the Management of Clinical Negligence and Personal Injury Litigation, sets out the Health Board's financial scheme of delegation following the guidelines within the Welsh Health Circular. Under the scheme a formal sub group of the Board, known as the Litigation Group has been established with delegated authority to make decisions on claims with a value above £100,000 where cases may be taken to trial and for cases which significantly threaten the reputation of the Health Board (those below £100,000 are approved in line with the Health Board's Scheme of Delegation).

- **Redress Panel**

The Putting Things Right Regulations that govern the investigation of Concerns in Wales requires the Health Board to have a Redress Panel. The purpose of the Redress Panel is to consider the findings of investigation of a concern (a complaint or incident) and to make final determinations as to whether there has been a breach of duty of care and whether any harm has been caused to the patient by the incident.

There are several Wales-wide Joint Committees, which regularly provide written update reports to the Board:

- **Welsh Health Specialised Services Committee (WHSSC):**

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

WHSSC was established in 2010 by the Local Health Boards (LHBs) in Wales to ensure that the population of Wales has fair and equitable access

to the full range of specialised services. In establishing WHSSC to work on their behalf, the seven LHBs recognised that the most efficient and effective way of planning these services was to work together to reduce duplication and ensure consistency.

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

- **Emergency Ambulance Services Committee (EASC):**

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

Advisory Groups

The Board has three advisory groups established in line with our Standing Orders: the Stakeholder Reference Group, Healthcare Professionals Forum and the Trades Union Partnership Forum (Local Partnership Forum). The Stakeholder Reference Group and Healthcare Professionals Forum were suspended as part of the adjusted governance arrangements to respond to the pandemic and therefore, did not meet during 2020/21.

- **Stakeholder Reference Group:**

The Group is made up of a range of partner organisations from across the Health Board area. The Group is chaired by an Associate Independent Member of the Board who is also the Veterans Representative.

- **Healthcare Professionals Forum:**

The Forum comprises representatives from a range of clinical and health professions within the Health Board and across primary care practitioners. The Forum is chaired by an Associate Independent Member of the Board - although Chair of the Forum retired in November 2020. The Forum will therefore need to elect a new chair during 2021/22.

- **Trades Union Partnership Forum (Local Partnership Forum):**

The Forum is the formal partnership engagement and communication mechanism of staff organisations and the Health Board. The Trades Union Partnership Forum (TUPF) is jointly chaired by the staff representative and the Chief Executive of the Health Board.

8. Review of Adjusted Governance Arrangements

The Health Board commissioned the Internal Audit Service to undertake a rapid advisory review, to assess the adjusted financial and overall governance arrangements that were put in place to maintain appropriate governance whilst enabling the senior leadership team to respond to the pandemic.

The Internal Audit Review report was finalised in July 2020. The main observations from the report were *"that temporary governance arrangements operated effectively during the peak. The Health Board complied with the guidance and the principles issued by Welsh Government."*

Nevertheless, the report advised on some areas where improvements could be made. These have been considered by the Health Board's senior leadership team and the Audit Committee. A response plan was developed and the actions undertaken and monitored. A follow up review undertaken in Quarter 4 confirmed that the recommendations raised in the original report had been actioned by the Health Board and reported to the Board and Audit Committee during October 2020. One new recommendation was highlighted to ensure that actions outstanding from committees that were stood down at the start of the pandemic should be reviewed to determine if they require reinstatement or closure. This will be undertaken by August 2021.

9. Integrated Medium Term Plan/Annual Plan

In accordance with the National Health Service Finance (Wales) Act 2014 and the Health Board's duties with regard to operational planning set out in section 175 of the NHS Wales Act 2006 the Health Board submitted its IMTP to Welsh Government. This was unable to progress as planned in 2020-2021 due to suspension of the IMTP process introduced by Welsh Government in response to the pandemic.

The 2020-21 IMTP was approved by the Health Board and submitted to Welsh Government in accordance with the NHS Planning Framework by the required deadline. However, the IMTP was not approved by Welsh Government as the IMTP process was suspended before the approval process could be completed.

In line with its planning duty, the Health Board followed the NHS Wales COVID-19 Operating Framework for 2020-21 and undertook a quarterly planning cycle to submit plans accompanied by a minimum dataset to Welsh Government building on the approved IMTP for 2019-22. The minimum dataset provides information on progress with implementing the quarterly plans which were focussed on delivering safe care and avoidance of the 'Four Harms' associated with COVID and covered risks and contingencies.

The Health Boards plans were aligned to local prevention and response and delivering quality and safety in essential services, including Test, Trace and Protect infection prevention and control and updating capacity plans based on improved modelling data. The complex challenges associated with our response and with restarting routine services used improved modelling data alongside a risk management approach to develop our plans.

Responding to the challenges set out in the National Clinical Framework and the ambitions of *A Healthier Wales* and the *Looking Forward Recovery Plan*, the Health Board took the opportunity to refresh its plan adopting a life course approach that optimises the health and well-being of our communities. In tandem with these developments, the Health Board has embraced the opportunity to move to a dynamic planning model based on data intelligence and a focus on meaningful outcomes. The Board has not commented specifically on the quality of data received at the Board and Committees, however, the ways in which performance information and data have been reported to the Board has continued to develop and the Board has commented positively on these.

The draft Annual Plan was considered at the Public Board Meeting on 24th March 2021, and was approved by the Board as a strong foundation for delivery in the coming year. The plan was submitted to Welsh Government on 31st March and now awaits government approval.
Work continues to develop a delivery framework for the plan to be in place by the end of the first quarter.

10. Revenue Resource Performance

The Health Board met its Revenue Resource Limit for the year and delivered a surplus of £245k. Against the breakeven duty over a rolling three year period, the Board reported a surplus of £512k as shown below:

3 Year Revenue Breakeven Duty	*2018/19 £000*	*2019/20 £000*	*2020/21 £000*	*Total £000*
Underspend Against Allocation	235	32	245	512

11. Capital Resource Performance

In addition to a revenue resource limit the Health Board has a capital resource limit (CRL) that sets the target for capital expenditure. The target of £110.971M was met in 2020/21 with a small underspend of £13k. The target is measured over a 3 year period as shown below:

3 Capital Resource Duty	*2018/19* *£000*	*2019/20* *£000*	*2020/21* *£000*	*Total* *£000*
Underspend Against Allocation	41	28	13	82

12. All-Wales Risk Pool Arrangements

The Welsh Risk Pool Services (WRPS) is a risk sharing mechanism, similar to an insurance arrangement which provides indemnity to NHS Wales' organisations against negligence claims and losses. Each NHS organisation must meet the first £25,000 of a claim or loss – similar to an insurance policy excess requirement.

13. Audit Wales Structured Assessment

The Audit Wales Structured Assessment Report for 2020, examines the arrangements the Health Board has in place to support good governance across key areas of the Health Board's business and the efficient, effective and economic use of resources, made the following assessment:

"Overall, we found that the Health Board maintained good governance quickly adapting its governance arrangements to respond to the challenges of the pandemic. Financial management remains robust but ongoing COVID-19costs risk financial deficit. Quarterly plans set out the safe restart of planned services and resources required, although reporting of delivery is not yet established."

The Health Board has committed to undertake a number of improvement actions during 2021 to respond to this assessment. The progress against these actions will be monitored by the Executive Team and the Health Board's Committees, but the overall organisational response to these actions will be kept under review through the Audit, Finance and Risk Committee's reporting and tracking mechanisms.

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

14. Annual Quality Statement

The Health Board is not required to prepare an Annual Quality Statement for 2020/21, however, the Performance Report provides quality performance information.

15. The Health Board's system of internal control

The Health Board's system of internal control is designed to manage risk (both clinical and non-clinical) in a positive way but recognises that risk to the Health Board's strategic priorities, aims and objectives cannot be completely eliminated but it must be able to demonstrate these have been considered and evaluated and that any impact if realised can be manged effectively.

The system of internal control has been in place for the year ended 31 March 2021 and up to the date of approval of the Annual Accounts at 9th June 2021. During 2020/21 the system of internal control was adapted in line with the Health Board's adjusted governance arrangements with monitoring by the Audit Committee and the Quality and Patient Safety Committee.

The Board Secretary is responsible for maintaining and co-ordinating the corporate risk approach whilst the Executive Lead for clinical risk management is the Director of Therapies and Health Science. The Health Board and its Committees monitor the management of risk with the executive function considering the risks profile and actively engaging in its management.

The COVID-19 pandemic meant a change to organisational activity and its control; a dedicated programme management structure - Emergency Planning Command and Control structure was created, with a flow of information to the Board. This structure was stood down on 21st December 2020 and replaced with slimmer business reporting and escalation processes with operational site Bronze Groups reporting directly to Executive Team.

The Health Board developed a specific operational risk register for the organisation's management of the pandemic and this was held, reviewed and updated by the Executive Team on a regular basis.

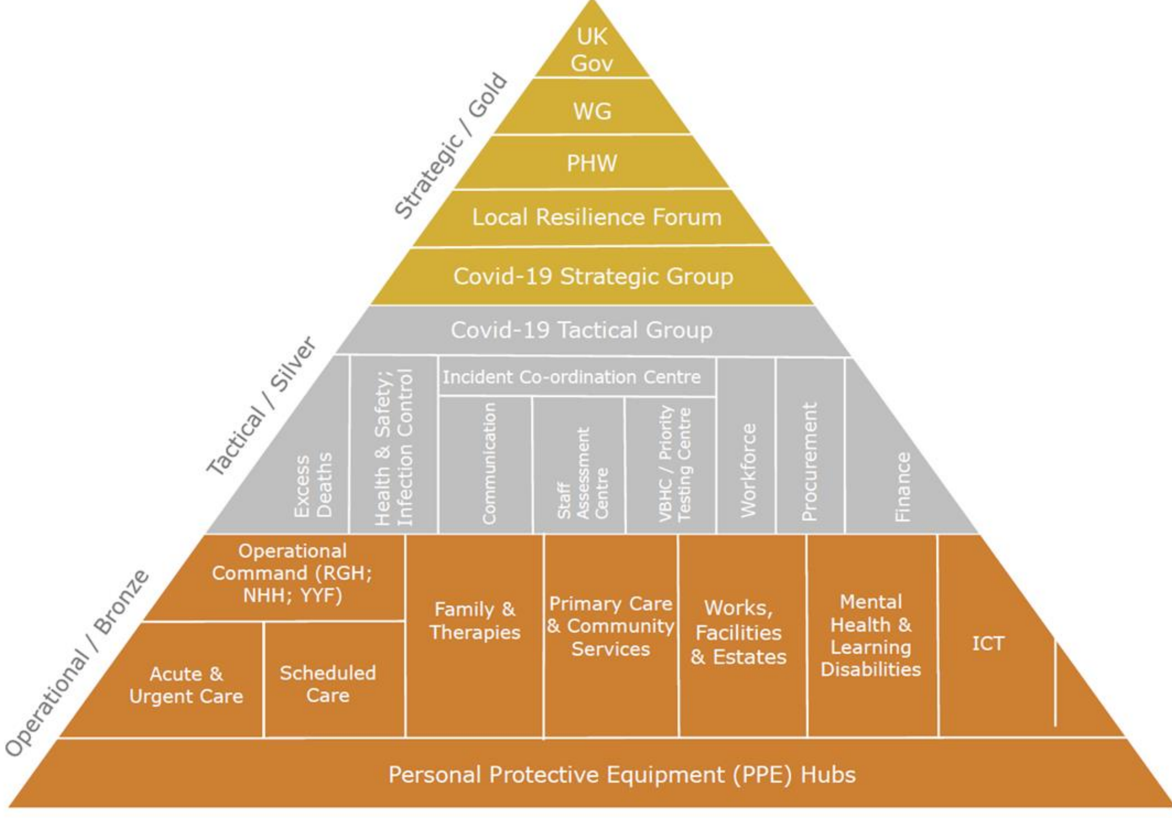
Following a refinement of risk management a reframed strategic risk register was presented to Board in March 2021. The Health Board's risk profile changed due to the response to the COVID-19 Pandemic and now includes a specific risk in relation to the impact of the pandemic and any subsequent Variants of Concern (VOCs).

16. Capacity to handle risk

As previously highlighted the need to plan and respond to the COVID-19 pandemic presented a number of challenges to the Health Board. A number of new and emerging risks were identified. Whilst the organisation did have a major incident and business continuity plan in place, as required by the Civil Contingencies Act 2004, the scale and impact of the pandemic has been unprecedented. Significant action has been taken at a national and local level to respond to the impact on the organisation and population. This has involved working in partnership on the multi-agency response as a key member of the Strategic Co-ordination Group. There remains a level of uncertainty about the overall impact this will have on the immediate and longer term delivery of services by the organisation, although I am confident that all appropriate action is being taken.

The Risk Management model in place during the Health Boards pandemic response is outlined in the Health Board Risk Management Strategy. It should be acknowledged that the Risk Management Strategy is currently under review and a revised version will be presented to the Board in September 2021.

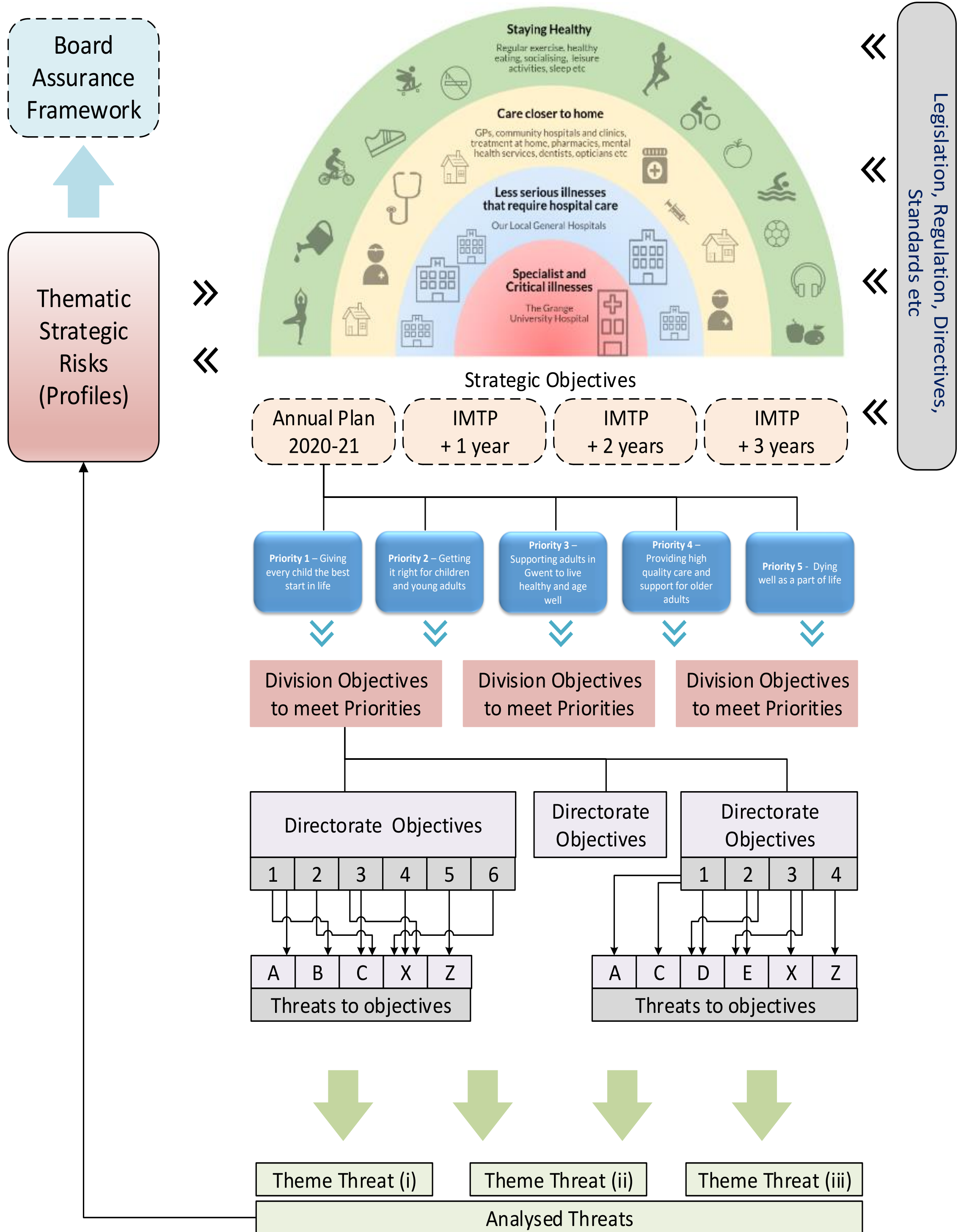
In addition to the arrangements described within the Risk Management Strategy, the Health Board also adopted a 'Command and Control' structure, a diagrammatical example of which is depicted below:



The Health Board continues to work closely with a wide range of partners, including the Welsh Government as it continues with its response, and planning into the recovery phase. It will be necessary to ensure this is underpinned by robust risk management arrangements and the ability to identify, assess and mitigate risks which may impact on the ability of the organisation to achieve our strategic objectives.

The Health Board is committed to engaging with its stakeholders in order to fully understand respective risk profiles especially in relation to shared risks. There are currently no significant, high level shared risks however, further developmental work is planned when embedding the revised risk management approach to include key stakeholders risk profiles when considering and developing our own mitigations.

The Health Board continues to evolve its approach to risk management. The revised approach is focussed on the threats to the Health Boards strategic aims and objectives and work is underway to strengthen links to performance management reporting and outcomes to demonstrate to demonstrate further assurance. The Health Board's revised approach includes the provision of a Risk Dashboard and this is reflected in the Health Board's revised Board Assurance Framework. Formal endorsement of the revised Risk Management approach was received at the Health Board's Audit Committee meeting on 8th April 2021. The diagram below provides an overview of the Risk Management model being adopted by the Health Board.



17. Risk Management Training

Risk Management training continued on an ad-hoc basis during 2020 due to the impact of Covid-19. During the 2021, a risk management training needs analysis will be undertaken to develop a robust training plan alongside the creation of a Community of Practice specifically for risk management, anticipated to have its inaugural meeting in Autumn 2021.

18. Corporate Risk Profile

As of 31st March 2021 there were 17 risks on the Health Board's Corporate Risk Profile, which also sets out the Health Boards level of acceptance and any actions being taken to address the risks.

The profile of risks are as follows:

Category of Risk	Number of Risks at March 2021
Strategic Risks	7
Financial Risks	1
Operational/Business Risks	5
Compliance Risks	2
Public Health Risk	2

The profile of the assessed level of risks as at 31st March 2021 is outlined in the risk map below.

Consequence Score	Likelihood Score				
	1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost certain
5 - Catastrophic			3	5	
4 - Major	2	3	3	1	
3 - Moderate					
2 - Minor					
1 - Negligible					

Five risks were assessed as high level risks:

NEW RISK	Failure to identify and manage new COVID-19 variants of concern leading to rapid spread and harm.	**20**
CRR002	Failure to recruit and retain appropriately skilled staff and senior leadership to deliver high quality care.	**20**
CRR019	Failure to meet the needs of the population who require high levels of emergency supportive care, including releasing ambulances promptly to respond to unmanaged community demand.	**20**
CRR023	Potential risk to population health in relation to avoidable harm due to priority being given to management of the COVID-19 pandemic.	**20**
CRR020	Failure to implement Welsh Community Care Information System (WCCIS)	**20**

19. The risk and control framework

The Health Board's approach to risk management provides a framework and structured process for the identification and management of all risks (clinical and non-clinical) across the organisation to better inform decision making and optimise outcomes for our population. The Health Board's decision on how to manage its risks will be different for the range of risks identified and the intelligence it receives about the risk and service and this is reflected in the Health Board's current Risk Appetite Statement link. A revised risk appetite statement and agreed definitions of risk tolerance levels is currently being developed and will form an integral part of the revised Board Assurance Framework which will be considered at the May 2021 Board meeting.

The Health Board's systems and processes allow for the Board and staff to implement necessary actions to respond to risks at all organisational levels. They also facilitate the reporting of risks throughout the organisation, escalating to senior levels of management and to the Health Board and its Committees.

20. Information Governance

The Health Board has a range of responsibilities in relation to the information that it holds, uses and shares. The Medical Director is the Health Board's Caldicott Guardian and the Director of Planning, Digital and ICT (Information, Communications and Technology) is the Senior Information Risk Owner (SIRO).

The adjusted governance arrangements meant that the Information Governance Committee (IGC) was suspended during the pandemic and its function distributed to the Board, Audit Committee and Quality and Patient Safety Committee.

The Health Board continues to implement processes and communication around information asset tracking, General Data Protection Regulations (GDPR) and data protection. The information governance e-learning training material has been revised and made available on the intranet. Revision of privacy notices at a national and local level have taken place and are being deployed. Information governance policies continue to be reviewed on an all-Wales basis as part of the collaborative work required in light of GDPR to ensure consistency of policy content and context across organisations.

The Health Board continues to be proactive in using the NHS Wales Information Governance management support framework to ensure consistency of policy, standards and interpretation of the law and regulation across NHS Wales' organisations.

During 2020-21, the Health Board received just over 4,500 Data Protection Act Subject Access Requests (SARs); this is a 22% decrease from 2019-20. The largest proportion of requests received continues to be made by solicitors and legal services. The pandemic meant that staff availability was limited and meeting the 30 day time limit has been challenging, but the compliance rate has been steady at over 90% for the past few years, and this year's compliance rate is 94%.

The Wales Accord on the Sharing of Personal Information (WASPI) framework is embedded in the way in which the Health Board shares relevant information with its partner organisations. This was important when sharing personal information between partners as part of the COVID-19 response.

There were 661 information governance incidents recorded by staff this year on the Health Board's DATIX Incident Reporting System; a decrease of over 50 from the previous year. These incidents are of varying levels of concern, such as missing pages in a paper record, to ICT systems being unavailable for a period of time, but none were reported as major incidents.

One complaint was made to the Information Commissioners Office (ICO) by a complainant (there have been no concerns reported by the Health Board). The Health Board provided supportive evidence to the ICO to show that it was acting within the law and had provided the complainants with an effective service regarding their information. Again, this year, no action was taken by the ICO against the Health Board. The Health Board is open and transparent about the way it manages information; it believes it has a co-operative and trusted relationship with the public, its health and care partners and the ICO. There have been no lapses in data security other than trivial ones.

21. Health and Care Standards

The Health and Care Standards came into force on 1 April 2015 and incorporate a revision of the 'Doing Well, Doing Better: Standards for Health Services in Wales (2010)' and the 'Fundamentals of Care Standards (2003)'. They set out the Welsh Government's common framework of standards to support the NHS and partner organisations in providing effective, timely and quality services across all health care settings and describe what the people can expect when they access health services.

The Standards provide a framework that attempts to ensure that the services provided are integrated and of the highest quality. The Health and Care Standards cover seven key themes and have at their core a focus on patient-centred care and it is recognised are surrounded by the requirement for clear governance, leadership and accountability. The work on Health and Care Standards is led by the Director of Nursing and monitored in terms of compliance by the Quality and Patient Safety Committee.

A review of the governance around each of the Health and Care Standards is currently underway, with a lens on ensuring robust monitoring of the quality and safety associated with each of the standards. It is anticipated that this review will be complete by September 2021.

There is a corporate lead identified for each standard who has the required level of specialist knowledge to oversee progress in relation to the standard. These individuals will be key in the facilitation of the associated groups and committees. Their role will be to oversee the evidence and information considered in each group to ensure that it continues to provide assurance in relation to the specific standard.

An annual assurance report will be produced, using a consistent framework, for each of the 7 standards and will be reported to the Patient Quality Safety and Outcomes Committee, via the Quality and Patient Safety Operational Group. The report will provide detail in terms of concordance with the standards outlining performance and practice for each Division with actions to secure improvements where necessary. These reports will be scheduled across the year.

Following the completion of the Health and Care Standards review, it will be necessary to review and to test the process to ensure robust and comprehensive process with respect to assurance. This review will be undertaken in mid-2022.

22. Additional Assurance Disclosures

Control measures are in place to ensure compliance with all employer obligations under equality, diversity and human rights legislation.
As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure compliance with all employer obligations contained within the scheme regulations. 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.

The organisation has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements based on UKCIP 2009 weather projections to ensure compliance with the organisation's obligation under the Climate Change Act and the Adaption Reporting requirements.

The response to the COVID-19 pandemic took precedence during 2020 and this presented several new challenges. Significant action was taken at national and local levels and the Health Board continues to work in partnership with many agencies and as a key member of the Strategic Co-ordination Group. The organisation continues to work closely with a wide range of partners as it continues with its response and planning into the recovery phase. It will be necessary to ensure this is underpinned by robust risk management arrangements to achieve our strategic objectives.

23. Post Payment Verification

In accordance with the Welsh Government directions the Post Payment Verification (PPV) Team, (a role undertaken for the Health Board by the NHS Shared Services Partnership), in respect of General Medical Services Enhanced Services, General Dental Services and General Ophthalmic Services has carried out its work under the terms of the service level agreement (SLA) and in accordance with NHS Wales agreed protocols. This area is scrutinised by the Audit Committee on an annual basis.

24. Modern Slavery Act 2015 – Transparency in Supply Chains

The Health Board has signed up to and is fully committed to the Welsh Government Code of Practice Ethical Employment in Supply Chains. This has been established by the Welsh Government to support the development of more ethical supply chains to deliver contracts for the Welsh public sector and third sector organisations in receipt of public funds. The code of practice sets out a number of commitments and the Health Board has prepared an action plan so that it can monitor progress against these. Good progress has been made so far against these key commitments. The Health Board have included the requirement for all suppliers to meet the Act in our standard NHS Terms and Conditions of contract.

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

25. UK Corporate Governance Code

The Health Board has also undertaken a self-assessment against the main principles of the UK Corporate Governance Code as they relate to NHS public sector organisation in Wales. This assessment has been informed by Audit Wales Structured Assessment and key feedback from Internal Audit. The Health Board is satisfied that it was complying with the main principles of the Code, conducting its business openly and transparently whilst recognising that the pandemic will have had an impact on the methods to do this. The Health Board has not identified any departures from the Code through the year.

26. Review of effectiveness of the system of internal control

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control and this is informed by the work of the Wales Audit Office, NHS Internal Audit and the Executive Officers who have responsibility for the development and maintenance of the internal control framework and comments made by the external auditors in their audit letter and reports.

My advice to the Board is informed by reports on internal controls received from all its committees and in particular the Audit Committee and Quality and Patient Safety Committee. The Quality and Patient Safety Committee also provides assurance relating to issues of clinical governance, patient safety and health standards. In addition, reports submitted to the Board by the Executive Team identify risk issues for consideration.

This year has been dominated by COVID-19 and the Health Board's response to it, therefore, there were no annual reviews of committee

business during the year. This will be resumed as soon as possible and will be part of a wider review of governance and reflection on learning following the COVID-19 pandemic period.

27. Ministerial Directions 2020/2021 and Welsh Health Circulars

Receipt of Welsh Health Circulars are logged and a lead Executive Director identified to oversee the implementation of the required action or to develop the required response. The Board, a designated Committee or the Executive Team monitors progress against the circulars depending on the subject matter or actions required within the circular.

Whilst, there are no major issues to report with regard to the implementation of these Ministerial Directions or Welsh Health Circulars issued in 2020/2021, we have made reference to the 2019/2020 Ministerial Direction regarding the NHS Pension Tax proposal 2019 to 2020 in Note 21.1 to the financial statements. A list of Welsh Government Ministerial Directions issued in 2020/21 and action taken by the Health Board is provided as Attachment Three.

28. Internal Audit

The Head of Internal Audit provides me as Accountable Officer and the Board through the Audit Committee with an assessment 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 Committee and is focussed on significant risk areas and local improvement priorities.

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

The programme has been impacted by the need to respond to the COVID-19 pandemic with some audits deferred, cancelled or curtailed as the organisation responded to the pandemic. The Head of Internal Audit is satisfied that there has been sufficient internal audit coverage during the reporting period in order to provide the Head of Internal Audit Annual Opinion. In forming the Opinion the Head of Internal Audit has considered the impact of the audits that have not been fully completed.

The report of the Head of Internal Audit is available on the following link.

The Head of Internal Audit has concluded that:
The Board can take reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters

require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.

Due to the considerable impact of COVID-19 on the Health Board, the internal audit plan has needed to be agile and responsive to ensure that key developing risks are covered. As a result of this approach, and with the support of officers and independent members across the Health Board, the plan has been delivered substantially in accordance with the agreed schedule and changes required during the year, as approved by the Audit Committee. In addition, regular audit progress reports have been submitted to the Audit Committee. Although changes have been made to the plan during the year, the Head of Internal Audit has confirmed sufficient audit work was undertaken during the year to be able to give an overall opinion in line with the requirements of the Public Sector Internal Audit Standards.

In total, 26 reports were issued during the year, eight were allocated Substantial Assurance, eight were allocated Reasonable Assurance and one was allocated Limited Assurance. No reports were allocated with No Assurance. There were nine advisory & non-opinion reports were also issued.

The audit of Infection Prevention and Control received a Limited Assurance opinion rating and was reported to the Audit Committee in April 2021. The Committee received an explanation in relation to the reasons and the circumstances and challenges regarding the audit were acknowledged. The Executive Team will be undertaking a review across the Health Board to address the need to ensure appropriate recording processes are implemented.

The Health Board maintains a tracking system for internal audit recommendations and the agreed management actions and these are regularly reported to the Health Board's Audit Committee. In addition, the progress of actions for each limited assurance report are tracked by the Executive Team and Audit Committee. The Audit Committee reports are available on the following link.

29. Conclusion

During 2020/21 the Health Board, along with other NHS organisations, saw unprecedented demands on our services due to the COVID-19 Pandemic. This required changes and adjustments to the ways in which we worked to deliver our services and the way in which we governed our organisation and provided sound systems and mechanisms of internal control. This has been reflected in this Statement.

Whilst we continue to respond to the Pandemic we are now starting the long road to recovery. The period of adjusted governance arrangements has now ceased and the learning from the pandemic response has prompted a change to the way we conduct future business. We are now moving into an agile working environment and the use of technology to improve performance continues to grow.

Whilst the impact of the pandemic is significant the Health Board has continued to make progress and develop during 2020/21. We have been developing and embedding our approach to good governance and appropriate controls framework across the organisation and the adoption of the adjusted governance framework, a refined Board Assurance Framework and risk management approach is evidence of the Health Board's ability to change and improve. The Health Board is committed to continue to progress and improve our arrangements as we further develop as an organisation in the coming year and reflect upon the impact of COVID-19.

Information will continue to be published to provide assurance to our patients, service users, citizens and stakeholders that the services we provide are high quality, safe, effective and efficient. The opening of the Grange University Hospital provides the opportunity to continue the transformation of our health and well-being services with increased expectations from our citizens and we will continue to actively involve patients and citizens in the design, delivery and transformation of these services. Our governance mechanisms will be open and transparent to enable these expectations to be monitored, scrutinised and assessed to ensure successful delivery.

Judith Paget

Judith Paget

Chief Executive **Date: 9th June 2021**

Aneurin Bevan University Health Board
Remuneration and Staff Report
1st April 2020 – 31st March 2021

Directors Remuneration Report

This report provides information in relation to the remuneration of those persons in senior positions within the Health Board who have authority and responsibility for directing or controlling the major activities of the Health Board. This was also provided in the Health Board's Annual Accounts approved on the 9th June 2021, but have been reproduced here for ease of reference.

Remuneration Report										
Salary and Pension entitlements of Senior Managers Remuneration										
		2020-21					**2019-20**			
		Salary	**Benefits in kind**	**Pension Benefits**	**Total**		**Salary**	**Benefits in kind**	**Pension Benefits**	**Total**
Name	**Title**	**(bands of £5,000)**	**(to nearest £100)**		**(bands of £5,000)**		**(bands of £5,000)**	**(to nearest £100)**		**(bands of £5,000)**
		£000	**£00**	**£000**	**£000**		**£000**	**£00**	**£000**	**£000**
Executive Directors										
Judith Paget	Chief Executive	205 - 210	0	37	245 - 250		200 - 205	0	20	225 - 230
Glyn Jones	Director of Finance & Performance / Deputy Chief Executive	150 - 155	0	39	190 - 195		150 - 155	0	(19)	130 - 135
Nicola Prygodzicz	Director of Planning, Digital & IT	120 - 125	0	37	155 - 160		110 - 115	6	25	135 - 140
Martine Price	Acting Director of Nursing (Until 14.07.19)	0	0	0	0		35 - 40	0	11	45 - 50
Rhiannon Jones	Director of Nursing (Since 15.07.19)	130 - 135	13	84	215 - 220		90 - 95	0	110	200 - 205
Geraint Evans	Director of Workforce and Organisational Development	130 - 135	0	0	130 - 135		130 - 135	0	0	130 - 135
Dr James Calvert	Medical Director (Since 04.01.21)	40 - 45	0	32	75 - 80		0	0	0	0
Dr Sarah Aitken	Director of Public Health & Strategic Partnerships (Until 29.03.20) / Interim Medical Director (From 30.03.20 to 17.01.21) / Director of Public Health & Strategic Partnerships (From 18.01.21)	155 - 160	0	48	205 - 210		125 - 130	0	33	160 - 165
Mererid Bowley	Interim Director of Public Health & Strategic Partnerships (From 10.04.20 Until 18.01.21)	115 - 120	0	0	115 - 120		0	0	0	0
Dr Paul Buss	Medical Director (Until 30.04.20)	15 - 20	0	0	15 - 20		195 - 200	0	0	195 - 200

Peter Carr	Director of Therapies and Health Sciences	105 - 110	77	29	140 - 145		105 - 110	0	75	180 - 185
Nick Wood	Director of Primary, Community and Mental Health	140 - 145	2	28	170 - 175		140 - 145	51	34	180 - 185
Director of Operations										
Claire Birchall	Director of Operations	110 - 115	0	28	135 - 140		105 - 110	0	45	150 - 155
Board Secretary										
Richard Bevan	Board Secretary (Until 30.11.20)	70 - 75	0	0	70 - 75		100 - 105	0	23	125 - 130
Richard Howells	Interim Board Secretary (Since 01.11.20)	35 - 40	0	35	70 - 75		0	0	0	0
Special Advisor to the Board										
Philip Robson	Special Advisor to the Board	35 - 40	0	0	35 - 40		35 - 40	0	0	35 - 40
Chris Koehli	Special Advisor to the Board (Since 15.07.19)	30 - 35	0	0	30 - 35		20 - 25	0	0	20 - 25
Non-Executive Directors										
Ann Lloyd CBE	Chair	65 - 70	0	0	65 - 70		65 - 70	0	0	65 - 70
Emrys Elias	Vice Chair	55 - 60	0	0	55 - 60		55 - 60	0	0	55 - 60
Katija Dew	Independent Member (Third/Voluntary Sector)	15 - 20	0	0	15 - 20		15 - 20	0	0	15 - 20
Prof. Helen Sweetland	Independent Member (University) (Since 01.01.21)	0	0	0	0		0	0	0	0
Prof. Dianne Watkins	Independent Member (University) (Until 31.12.19)	0	0	0	0		10 - 15	0	0	10 - 15
Catherine Brown	Independent Member (Finance) (Until 14.09.19)	0	0	0	0		5 - 10	0	0	5 - 10

Richard Clark	Independent Member (Local Authority)	15 - 20	0	0	15 - 20		15 - 20	0	0	15 - 20
Pippa Britton	Independent Member (Community)	15 - 20	0	0	15 - 20		15 - 20	0	0	15 - 20
Frances Taylor	Independent Member (Community) (Until 31.01.20)	0	0	0	0		10 - 15	0	0	10 - 15
Paul Daneen	Independent Member (Community) (Since 05.03.20)	15 - 20	0	0	15 - 20		0 - 5	0	0	0 - 5
Shelley Bosson	Independent Member (Community)	15 - 20	0	0	15 - 20		15 - 20	0	0	15 - 20
David Jones	Independent Member (ICT) (Until 06.11.20)	5 - 10	0	0	5 - 10		15 - 20	0	0	15 - 20
Louise Wright	Independent Member (Trade Union)	0	0	0	0		0	0	0	0
Keith Sutcliffe	Associate Independent Member (Chair of Stakeholder Group)	0	0	0	0		0	0	0	0
David Street	Associate Independent Member (Social Services)	0	0	0	0		0	0	0	0
Louise Taylor	Associate Independent Member (Chair of Health Professionals Forum) (Since 01.10.19)	0	0	0	0		0	0	0	0

The NHS and social care financial recognition scheme bonus of £735 payment to reward eligible NHS staff has not been included in the NHS Remuneration Report calculations. This bonus payment is not a contractual payment, but a one off payment to reward eligible staff for their commitment and tireless efforts in the most challenging circumstances.

The 2019-20 salary for Nick Wood has been restated as it included an overpayment of salary which has been repaid.

The salary shown for Mererid Bowley is the amount recharged by Public Health Wales NHS Trust, it is not the actual salary paid.

Salary has been reported as gross pay, which is before the deduction of any salary sacrifice schemes. During 2020-21 Nick Wood had £7k sacrificed in respect of the lease car scheme and Nicola Prygodzicz had £1k sacrificed in respect of the home computing scheme.

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

The amount of pension benefits for the year which contributes to the single total figure is calculated using a similar method to that used to derive pension values for tax purposes and is based on information received from NHS BSA Pensions Agency.

The value of pension benefits is calculated as follows:

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

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

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

It should be noted that the table above and below only includes Directors in post at the point that the NHS Pensions Agency provided the relevant information on pensions for staff, this being February 2021. As a result no pension disclosures are made in respect of the following directors who retired during the year:

R Bevan, Board Secretary 30th November 2020

Membership of the Remunerations and Terms of Service Committee (RATS)

The Remuneration and Terms of Service Committee advises the Board on remuneration and terms and conditions matters. The membership of this Committee is published as part of the Annual Governance Statement (AGS), outlined in Attachment One below.

The remuneration policy of the Health Board for the current and future financial years is set by Welsh Government and guidance and requirements are provided to the Health Board. The remuneration levels of senior decision makers within the Health Board are determined in line with national pay scales and Welsh Government approved proposed salary levels for very senior staff, who are not covered by the Agenda for Change pay scales.

All senior managers within the Health Board are subject to annual appraisal and the Health Board's Personal Appraisal Development Review (PADR) process. This process sets objectives for staff throughout the year and assesses individual achievement against these objectives.

In relation to contracts and tenure of Board Members, the Chair, Vice-Chair and Independent Members can be appointed up to 4 year terms, which can be extended to a maximum of eight years in any one NHS organisation. Executive Members of the Board are appointed to permanent contracts in line with Welsh Government contractual guidance and requirements and as a result are required to provide three months' notice of termination of employment.

Remuneration Relationship

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in the LHB for the financial year 2020-21 was £205k - £210k (2019-20, £200k - £205k).

This was 6.8 times (2019-20, 6.7 times) the median remuneration of the workforce, which was £30,615 (2019-20, £30,038).

In 2020-21, 3 (2019-20, 14) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £18K to £228K (2019-20, £18K to £301K).

There was a 1.9% increase in the median remuneration of the workforce due to the pay awards, incremental pay progressions and workforce composition fluctuations.

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 or benefits-in-kind which due to their value are not material.

Staff Report

Staff Numbers (shown as contracted whole time equivalents): average number of employees 2020-21

9.2 Average number of employees 2020-21							
	Permanent Staff Number	Staff on Inward Secondment Number	Agency Staff Number	Specialist Trainee (SLE) Number	Collaborative Bank Staff Number	Other Number	Total Number
Administrative, clerical and board members	2,352	22	16	0	0	0	**2,390**
Medical and dental	1,010	8	60	89	0	12	**1,179**
Nursing, midwifery registered	3,601	1	223	0	0	0	**3,825**
Professional, Scientific, and technical staff	451	1	4	0	0	0	**456**
Additional Clinical Services	2,566	0	16	0	0	0	**2,582**
Allied Health Professions	764	0	10	0	0	0	**774**
Healthcare Scientists	226	5	6	0	0	0	**237**
Estates and Ancilliary	1,001	0	216	0	0	0	**1,217**
Students	1	0	0	0	0	0	**1**
Total	**11,972**	**37**	**551**	**89**	**0**	**12**	**12,661**

Staff Composition

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

The gender breakdown for all staff groups is provided below:

	Female	**Male**	**Total**
WTE	9,726.88	2,549.12	12,276
%	79.23%	20.77%	

The total number of staff per discipline differs from the staff numbers table shown above due to the gender figures being based on a point in time as at 31st March 2021. The staff numbers figures represents the average over a 52 week period of staff in post.

Sickness Absence

As a result of the COVID-19 pandemic overall staff absence for 2020/21 has reached unprecendented levels. The national measures to manage the pandemic have directly impacted on our absence levels including requirements to self-isolate and to follow Welsh Government advice in relation to shielding to ensure the safety of our workforce and patients. The Health Board has monitired absence in various categories as set out in this section.

The Health Board's sickness absence rate for 2020/2021 is 5.85%, a reduction for sickness related absence from 6.15% in 2019/2020 decreased from 6.15% in 2019/2020. At the start of the year, April's sickness levels peaked at 8.41%, reducing to a low of 5.58% in August, 2020. The latter part of the year saw another spike in absence of 7.52% in December, reducing on a month by month basis for the remainder of the year to 5.13% in March 2021. These figures include sickness absence as a result of COVID-19 symptoms or a confirmed infection which ranged from 1.87% in April 2020 to 0.35% in March 2021.

The COVID-19 pandemic has certainly impacted on the Health Board's overall absence rates, and it has been evidenced that as the community transition rates reduce or increase, this will be replicated in our sickness absence rates. Overall sickness absence for 2020/21 has been higher than 2017/18 at 5.23% and 2018/19 at 5.29% which were closer to the Health Board absence target rate of 5%.

Over the past 5 years, the average working days lost per individual has increased slightly year on year. In 2019/2020 the average sickness days lost was 15.2 per individual employee, which increased to 16 days in 2020/21. The table below provides the sickness absence trend data for the Health Board over the last six years.

Sickness Absence	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Days lost (Short term < 28 days)	61,261	53,097	60,406	54,759	68,229	60,411
Days lost (Long term >28 days)	144,562	147,711	153,345	162,684	194,289	188,778
Total days lost	205,823	200,808	213,751	217,443	262,518	249,189
Total staff years	902	880	937	954	1156	1093
Average working days lost	14.7	14.2	15.2	15.2	15.2	16.0
Total staff employed in period (headcount)	14,020	14,155	14,012	14,334	14,835	15,528
Total staff employed with no absence (headcount)	4,919	5,803	4,848	5,016	5,402	5,997
Percentage staff with no sick	40%	41%	37%	35%	36%	39%

Medical Exclusion

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

The table below highlights how the pandemic impacted on attendance overall, with a further 94,038 days lost due to staff having to be medically excluded:

Medical Exclusion	2019/20	2020/21
Days lost (Short term < 28 days)	6,779	36,331
Days lost (Long term >28 days)	2,439	57,707
Total days lost	9,218	94,038
Total staff years	40	412

Average working days lost	0.6	6
Total staff employed in period (headcount)	14,835	15,528
Total staff employed with no absence (headcount)	13,351	10,093
Percentage staff with no medical exclusion	90%	65%
Percentage staff with no sick or medical exclusion	36%	33%

Medical exclusion adds a further 6 days on average per individual employee to overall absence. Taking the overall average absence days lost per employee from 15.2 days in 2019/20 to 22 days in 2020/21, resulting in a total of 343,227 total working days lost due to sickness absence and/or medical exclusion.

Actions to reduce absence and support employee wellbeing

Improving well-being and attendance at work remains a high priority, and whilst we have had to adapt our ways of working to support staff and reduced training on managing attendance at work, a number of new initiatives have taken place. These include:

- Workforce and Organisation Development took a direct role in supporting staff on long term absence, by maintaining communication and contact with staff. This in turn allowed managers to concentrate on the operational challenges to services brought on by the pandemic, whilst ensuring staff had access to continuity of support.
- Coaching managers via virtual platforms to support absence management and well-being.
- Providing written guidance for managers on recording and reporting absences that were impacted by COVID-19 including detailed Frequently Asked Questions to support both staff and managers.
- Occupational Health developed an on-line referral form which sped up the referral process and reduced the time to receive advice. This change is one that has had positve feedback and will continue.
- The early development of a risk assessment tool for staff who had

underlying conditions or were pregnant to inform appropriate protection within the workplace. This was subsequently shared on an all Wales basis and further developed by an expert group into the current all Wales Workforce COVID-19 Risk Assessment Tool.

- The Health Board led the way for staff testing with the early development of a staff testing hub led by the Workforce team. This hub coordinated the testing and provided staff with well-being, health and isolation advice.
- Rapid development of a hub and spoke model for employee well-being through temporarily increasing psychology support through redeployment; this included the provision of a mix of individual staff support, drop in sessions and specific group sesions around particular topics, for example, sleep and dealing with traumatic experiences. This offer of support was well received from staff and demand increased significantly after the first and second surges of the pandemic.
- Peer support phone line – the Peer Support phone line, staffed by volunteers (all employees of ABUHB) was established early in the first wave of the pandemic to offer support to staff.
- A series of well-being surveys for all staff have been run quarterly over the last year to establish how staff are feeling and enable a focus of appropriate well-being support to both divisions and staff groups.
- A new well-being website was developed and launched that is accessible for staff on all platforms, including android and IOS devices and tablets, to enable staff to access evidence based support materials at any time.
- Key clinical staff who required accommodation during the first wave of the Pandemic were actively identified and provided with accommodation in order to allow them to continue to work and protect vulnerable family members.
- A review of all cases where stress/anxiety/depressions was cited as the main reason for long term absence. This resulted in staff being signposted to relevant support including those internal and external to the Health Board, such as Employee Well-being/Occupational Health and other self-help activities, such as, Silver Cloud.
- Introducing Project Wingman at St Cadoc's Hospital, Caerleon which was an initiative led by the Mental Health and Learning Disabilities Division. This involved a collaboration with airline staff who had been furloughed, made redundant or grounded, and who wanted to support NHS staff well-being. They were able to give staff who are in

stressful situations a safe haven outside of their normal workplace, to chat and have a cup of coffee, and be signposted to additional support if required. This was positively received by those that attended.

- Supporting staff to be deployed on a temporary basis to areas that were classified as lower risk to maintain safety and well-being.
- Supporting staff to work more flexibly by providing equipment to support home and agile working options.
- Two Agile working surveys have been undertaken with staff. An Agile Working Framework that is interactive and provides guidance for staff and managers has been developed and published on the intranet.
- Reviewing, monitoring and supporting those staff that have had to be medically excluded on a weekly basis. This enabled staff to have regular communication, access to accurate information, and to receive bespoke support, for example, discussions around alternative employment options.
- An ongoing commitment to working in partnership with staff side representatives to ensure employee voice is considered in absence management.

Staff Policies applied in the Year

The Health Board has a policy framework in place, which covers all policies, procedures and guidance that apply to the Health Board, our staff and those who work in partnership with the organisation or are contracted to work for the Health Board. This includes policies relevant to the protected characteristics of age, disability, gender reassignment, race, religion or belief, sex, and sexual orientation to ensure that the Health Board is fair, open and equal to all members of staff and to those who apply to work for the organisation. These policies include open and accessible training programmes, which promote equality of opportunity and raise awareness of the needs of all staff, but particularly those with protected characteristics. Policies are developed in partnership with our staff and trades unions colleagues. The Health Board has a policy database, which is actively managed and guided by the Health Board's Policy on Policies and Procedures.

Expenditure on Consultancy

Expenditure on Consultancy 2020/21
Note 3.3 from the main Accounts

Consultant	Details	£000
A2HLive LTD	COVID testing project and operational management support	3
AKESO	HSC contract review	50
Autism Spectrum Connections Cymru	Workplace Assessment	1
Avison Young (UK) LTD	Planning & valuation appraisal report re Maindiff Court site	12
Careful AI	Machine Learning /AI governance	4
Castor Business Consulting LTD	Market testing Chepstow PFI contract	12
Channel 3 Consulting LTD	WCCIS	-10
Creative Incubation LTD	Intermediate care facility workforce planning and options appraisal	2
Deloitte LLP	Employment Tax	12
Ernst & Young LLP	VAT Compliance	27
Finegreen Associates	Estates survey	14
GP Fire & security	Security infrastructure review	4
KPMG	VAT Compliance	-3
Mandatory Workplace Training LTD	TEC/Telehealth Programme	10
NHS Business Services Authority	ESR Interface - Absence inbound & Rostering Healthroster	5
POD Point LTD	Electric Vehicle charge point feasibility study & Grange University Hospital Survey & proposal	2
Templar Executives LTD	G Cloud 12 development of tool kit	23
TOTAL		168

Off Payroll Engagements

Table 1: For all off-Payroll engagements as of 31 March 2021, for more than £245 per day

No. of existing Engagements as of 31 March 2021	5
Of which, the number that have existed:	
for less than one year at time of reporting	3
for between one and two years at time of reporting	
for between two and three years at time of reporting	
for between three and four years at time of reporting	1
for four or more years at time of reporting	1

Table 2: For all new off-Payroll engagements between 1 April 2020 and 31 March 2021, for more than £245 per day

	Number
Number of new engagements between 1 April 2020 and 31 March 2021	4
Of which…	
No. assessed as caught by IR35	
No. assessed as not caught by IR35	
No. engaged directly (via contracted to department) and are on the departmental payroll	
No. of engagements reassessed for consistency/assurance purposes during the year	
No. of engagements that saw a change to IR35 status following the consistency review	

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	**0**
Number of individuals that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure should include both off-payroll and on-payroll engagements.	10

Exit Packages

Reporting of other compensation schemes - exit packages										
		2020-21		2020-21		2020-21		2020-21		2019-20
Exit packages cost band (including any special payment element)		Number of compulsory redundancies		Number of other departures		Total number of exit packages		Number of departures where special payments have been made		Total number of exit packages
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		0		0		0		0
£50,000 to £100,000		0		0		0		0		0
£100,000 to £150,000		0		0		0		0		0
£150,000 to £200,000		0		0		0		0		0
more than £200,000		0		0		0		0		0
Total		0		0		0		0		0
		2020-21		2020-21		2020-21		2020-21		2019-20

Exit packages cost band (including any special payment element)		Cost of compulsory redundancies		Cost of other departures		Total cost of exit packages		Cost of special element included in exit packages		Total cost of exit packages
		£'s		£'s		£'s		£'s		£'s
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		0		0		0		0
£50,000 to £100,000		0		0		0		0		0
£100,000 to £150,000		0		0		0		0		0
£150,000 to £200,000		0		0		0		0		0
more than £200,000		0		0		0		0		0
Total		0		0		0		0		0
Exit costs paid in year of departure						Total paid in year				Total paid in year
						2020-21				2019-20
						£'s				£'s
Exit costs paid in year						0				0
Total						0				0

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS). Where the LHB has agreed early retirements, the additional costs are met by the LHB and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

The Health Board has not approved any VERS in 2020/21.

Additional requirement as per FReM

£0 exit costs were paid in 2020-21, the year of departure (£0 - 2019-20).

Parliamentary Accountability and Audit Report

Regularity of Expenditure

Expenditure incurred by the Health Board during 2020/21 was in line with the purposes intended by the National Assembly for Wales.

Fees and charges

The Health Board incurred costs amounting to £0.373m for the provision of the statutory audit by the Wales Audit Office.

Managing public money

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

Remote Contingent Liabilities

This disclosure was introduced for the first time in 2015-16. It shows those contingent liabilities that are deemed to be extremely remote and have not been previously disclosed within the normal contingent liability note within the accounts. . It relates to 2 medical negligence cases in 2020/21 (3 medical negligence cases in 2019/20) and is reported in Note 21.2 to the main accounts.

Judith Paget

Judith Paget

Chief Executive **Date: 9th June 2021**

Certificate and independent auditor’s report of the Auditor General for Wales to the Senedd

Opinion on financial statements

I certify that I have audited the financial statements of Aneurin Bevan University Health Board for the year ended 31 March 2021 under Section 61 of the Public Audit (Wales) Act 2004. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Cash Flow Statement and Statement of Changes in Taxpayers’ Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by HM Treasury’s Financial Reporting Manual.

In my opinion the financial statements:

- give a true and fair view of the state of affairs of Aneurin Bevan University Health Board as at 31 March 2021 and of its net operating costs for the year then ended;
- have been properly prepared in accordance with 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, 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 of 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 report. I am 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.

Emphasis of Matter
I draw attention to Note 21.1 of the financial statements, which describes the impact of a Ministerial Direction issued on 18 December 2019 to the Permanent Secretary of the Welsh Government. My opinion is not modified in respect of this matter.

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 report.

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.

Report on other requirements
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 information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Governance Statement has been prepared in accordance with Welsh Ministers' guidance; and
• the information given in the Foreword for the financial year for which the financial statements are prepared is consistent with the financial statements and the has been prepared in accordance with Welsh Ministers' guidance.

Matters on which I report by exception
In the light of the knowledge and understanding of the Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Foreword or the Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:
• 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 Remuneration 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; or
• I have not received all the information and explanations I require for my audit.

Responsibilities
Responsibilities of Directors and the Chief Executive for the financial statements
As explained more fully in the Statements of Directors' and Chief Executive's Responsibilities, the Directors and the Chief Executive are responsible for the preparation of financial statements which give a true and fair view and for such internal control 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.

In preparing the financial statements, the Directors and Chief Executive are responsible for assessing the board's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor’s responsibilities for the audit of the financial statements
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 an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

My procedures included the following:

• Enquiring of management, the audited entity’s head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Aneurin Bevan University 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, posting of unusual journals and review accounting estimates for biases.

• Obtaining an understanding of Aneurin Bevan University Health Board’s framework of authority, as well as other legal and regulatory frameworks that the Aneurin Bevan University Health Board operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Aneurin Bevan University Health Board.

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 Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board; and
- 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 and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Aneurin Bevan University Health Board controls, and the nature, timing and extent of the audit procedures performed.

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

Responsibilities for regularity

The Chief Executive is responsible for ensuring the regularity of financial transactions.

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

Report

Please see my Report on the following pages.

Adrian Crompton 24 Cathedral Road
Auditor General for Wales Cardiff CF11 9LJ 15 June 2021

Report of the Auditor General to the Senedd

Introduction

Under the Public Audit Wales Act 2004, I am responsible for auditing, certifying and reporting on Aneurin Bevan University Health Board's (the HB's) financial statements. I am reporting on these financial statements for the year ended 31 March 2021 to draw attention to one key matter for my audit. This is the implication of the Ministerial Direction on senior clinicians' pensions. I have not qualified my 'true and fair' opinion in respect of any of this matter.

Ministerial direction on senior clinicians' pensions

NHS Pension scheme and pension tax legislation is not devolved to Wales. HM Treasury's changes to the tax arrangements on pension contributions in recent years included the reduction in the Annual Allowance limit from over £200,000 in 2011-12 to £40,000 in 2018-19. As a result, in cases where an individual's pension contributions exceed certain annual and/or lifetime pension contribution allowance limits, then they are taxed at a higher rate on all their contributions, creating a sharp increase in tax liability.

In a Written Statement on 13 November 2019, the Minister for Health and Social Services had noted that NHS Wales bodies were: 'regularly reporting that senior clinical staff are unwilling to take on additional work and sessions due to the potentially punitive tax liability'. In certain circumstances this could lead to additional tax charges in excess of any additional income earned.

On 18 December 2019, the First Minister (mirroring earlier action by the Secretary of State for Health and Social Care for England) issued a Ministerial Direction to the Permanent Secretary to proceed with plans to commit to making payments to clinical staff to restore the value of their pension benefits packages. If NHS clinicians opted to use the 'Scheme Pays' facility to settle annual allowance tax charges arising from their 2019-20 NHS pension savings (ie settling the charge by way of reduced annual pension, rather than by making an immediate one-off payment), then their NHS employers would meet the impact of those tax charges on their pension when they retire.

The Ministerial Direction was required because this solution could be viewed by HMRC to constitute tax planning and potentially tax avoidance, hence making the expenditure irregular. Managing Welsh Public Money (which mirrors its English equivalent) specifically states that 'public sector

organisations should not engage in…tax evasion, tax avoidance or tax planning'.

A Ministerial Direction does not make regular what would otherwise be irregular, but it does move the accountability for such decisions from the Accounting Officer to the Minister issuing the direction.

The solution applies only to annual allowance tax charges arising from an increase in the benefits accrued in the NHS Pension Scheme during the tax year ended 5 April 2020. For the tax year ended 5 April 2021, the Chancellor increased the thresholds for the tapered annual allowance and, as a result, it is anticipated that the risk to the supply of clinical staff has been mitigated.

The HB currently has insufficient information to calculate and recognise an estimate of the potential costs of compensating senior clinical staff for pension benefits that they would otherwise have lost, by using the 'Scheme Pays' arrangement. As a result, no expenditure is recognised in the financial statements but as required the HB has disclosed a contingent liability in Note 21.1 of its financial statements.

All NHS bodies will be held harmless for the impact of the Ministerial Direction, however in my opinion any transactions included in the HB's financial statements to recognise this liability would be irregular and material by their nature. This is because the payments are contrary to paragraph 5.6.1 of Managing Public Money and constitute a form of tax planning which will leave the Exchequer as a whole worse off. The Minister's direction alone does not regularise the scheme. Furthermore, the arrangements are novel and contentious and potentially precedent setting.

I have not modified my regularity opinion in this respect this year because as set out above, no expenditure has been recognised in the year ended 31 March 2021. I have however placed an Emphasis of Matter paragraph in my audit report to highlight this issue, and have prepared this report to bring the arrangement to the attention of the Senedd.

Adrian Crompton
Auditor General for Wales

15 June 2021

Attachment One

Health Board Attendance at Public Board Meetings and Committee Membership 2020/21:

Key:

- ● Audit Committee
- ◆ Quality and Patient Safety Committee
- ■ Information Governance Committee – stood down during adjusted governance
- ▲ Public Partnerships and Well Being Committee – stood down during adjusted governance
- ⬟ Charitable Funds Committee
- ❖ Remuneration and Terms of Service Committee
- ⦿ Finance and Performance Committee – stood down during adjusted governance
- ☸ Planning and Strategic Change Committee
- ◻ Litigation Group
- ⁂ Mental Health Act Monitoring Committee
- ♦ People and Culture Committee – stood down during adjusted governance

The members shown in grey boxes were those that left the organisation during 2020/21.

Name	Position	Board Committee Membership 2020/2021	Champion Roles	Attendance Record at Board 2020/21
Ann Lloyd CBE	Chair	☸ Chair ❖ Chair ◻ Chair		7 out of 7 possible meetings attended

Name	Position	Board Committee Membership 2020/2021	Champion Roles	Attendance Record at Board 2020/21
		Attends all other Committees as an observer on a periodic basis during the year.		
Judith Paget CBE	Chief Executive	☸ ⬟ ❖ Lead Officer □ Attends all committees on a periodic basis		7 out of 7 possible meetings attended
Glyn Jones	Director of Finance and Performance/ Deputy Chief Executive	● Lead Officer ⊙ Lead Officer ☸ ⬟ Lead Officer		7 out of 7 possible meetings attended
Dr Paul Buss (until 30th April 2020)	Medical Director	◆ Lead Officer ☸ □		0 out of 0 possible meetings attended
Dr Sarah Aitken (30 March 2020 to 18 January 2021)	Interim Medical Director	◆ Lead Officer ☸ □		7 out of 7 possible meetings attended
Dr Sarah Aitken (from 18 January 2021)	Director of Public Health and Strategic Partnerships	▲ Lead Officer ☸		

Name	Position	Board Committee Membership 2020/2021	Champion Roles	Attendance Record at Board 2020/21
Dr James Calvert (from 4th January 2021)	Medical Director	◆ Lead Officer ☸ □		2 out of 2 possible meetings attended
Mererid Bowley (10 April 2020 to 18 January 2021)	Interim Director of Public Health and Strategic Partnerships	▲ Lead Officer ☸		4 out of 5 possible meetings attended
Rhiannon Jones	Director of Nursing	◆ Lead Officer ☸ □		6 out of 7 possible meetings attended
Nick Wood	Director of Primary, Community and Mental Health	☸ ⁂ Lead Officer		7 out of 7 meetings attended.
Geraint Evans	Director of Workforce and OD	☸ ● Lead Officer ❖ Lead Officer		7 out of 7 possible meetings attended
Philip Robson	Special Adviser to the Board	Attends the Board and a range of committee meetings on a regular basis. Mr Robson is also Chair of the Regional Partnership Board under the Social Services and Well Being Act arrangements in the Gwent area. ▲		7 out of 7 possible meetings attended in this role.
Emrys Elias	Vice Chair of the Board	● ◆ Chair	• Safeguarding Champion • Children and Young People Lead	7 out of 7 possible meetings attended

Name	Position	Board Committee Membership 2020/2021	Champion Roles	Attendance Record at Board 2020/21
		▲ Vice Chair ☸ ⁂ Chair 💧 ❖ Vice Chair ◘ Vice Chair	• Mental Health Lead/Champion	
Nicola Prygodzicz	Director of Planning, Digital and IT	■ Lead Officer ☸ Lead Officer		7 out of 7 possible meetings attended
Katija Dew	Independent Member (Third/Voluntary Sector)	■ Vice Chair ▲ Chair ⁂ ⬟ ☸	• Citizen Engagement Champion • Mental Health Lead/Champion • Newport Lead/Champion	7 out of 7 possible meetings attended
Louise Wright	Independent Member (Trade Union)	◆ ■ ⬟ 💧 ❖ ☸	• Equalities Champion/Lead • Welsh Language Champion/Lead • Staff Welfare Champion/Lead	5 out of 7 possible meetings attended
Shelley Bosson	Independent Member (Community)	● Chair ▲	• Out of Area Referrals Champion/Lead • Caerphilly Champion/Lead	7 out of 7 possible meetings attended

Name	Position	Board Committee Membership 2020/2021	Champion Roles	Attendance Record at Board 2020/21
		⊙ ☸	• Estates Champion/Lead • Pharmaceutical Applications Champion/Lead	
Pippa Britton	Independent Member (Community)	◆ ▲ ☸ ● Chair	• Torfaen Champion/Lead	7 out of 7 possible meetings attended
Cllr Richard Clark	Independent Member (Local Authority)	⊙ Chair ☸	• Local Government Champion/Lead	6 out of 7 possible meetings attended
David Jones (Until 6th November 2020)	Independent Member (ICT)	● ■ Chair ☸ ●		3 out of 4 possible meetings attended
Dave Street	Independent Member (Directors of Social Services)	▲ ☸		0 out of 7 possible meetings attended
Keith Sutcliffe	Associate Independent Member (Chair of Stakeholder Group)	▲ ⬟ ☸		7 of 7 possible meetings attended
Richard Bevan	Board Secretary	Attends a range of committee meetings on a regular basis. Lead Officer for the Stakeholder		4 out of 4 possible meetings attended

Name	Position	Board Committee Membership 2020/2021	Champion Roles	Attendance Record at Board 2020/21
(Until 30th November 2020)		Reference Group and Healthcare Professionals Forum. ☸ ● Lead Officer		
Richard Howells (From 1st November 2020)	Interim Board Secretary	Attends a range of committee meetings on a regular basis. Lead Officer for the Stakeholder Reference Group and Healthcare Professionals Forum. ☸ ● Lead Officer		3 out of 3 possible meetings attended
Claire Birchall	Director of Operations	☸		7 out of 7 possible meetings attended
Peter Carr	Director of Therapies and Health Sciences	◆ Lead Officer □ ☸		6 out of 7 possible meetings attended
Chris Koehli	Special Advisor - Finance			6 out of 7 possible meetings attended
Louise Taylor * (Until November 2020)	Associate Independent Member (Chair of Health Professionals Forum)			0 out of 4 possible meetings attended*
Paul Deneen	Independent Member (community)	◆ ▲	Communications and Engagement	7 out of 7 possible meetings attended

Name	Position	Board Committee Membership 2020/2021	Champion Roles	Attendance Record at Board 2020/21
		☸		
Prof. Helen Sweetland (from 1st January 2021)	Independent Member (University)	☸		2 out 2 possible meetings attended
Please note that Executive members of the Board are lead officers for some committees, but can be required to attend all committees.				

The Public Board in June 2020 to receive the accounts was held on a quorum only basis and therefore is not included in this table

*Front line worker and apologies given during the pandemic

Attachment Two

Name	Position	Audit	Quality and Patient Safety	Planning and Strategic Change	Remuneration and Terms of Service	Mental Health Act Monitoring	Charitable Funds
Ann Lloyd CBE	Chair			4/4	2/2		
Judith Paget CBE	Chief Executive			4/4			2/2
Glyn Jones	Director of Finance and Performance/ Deputy Chief Executive			2/4			2/2
Dr Paul Buss	Medical Director			0/0			
Dr James Calvert (from 4th January 2021)	Medical Director			0/1			
Rhiannon Jones	Director of Nursing			2/4			
Nick Wood	Director of Primary, Community and Mental Health			4/4			
Geraint Evans	Director of Workforce and OD			4/4			
Dr Sarah Aitken	Interim Medical Director (until 18/1/21) Director of Public Health and Strategic Partnerships (from 18/1/21)			3/4			
Philip Robson	Special Adviser to the Board			3/4			

Name	Position	Audit	Quality and Patient Safety	Planning and Strategic Change	Remuneration and Terms of Service	Mental Health Act Monitoring	Charitable Funds
Emrys Elias	Vice Chair of the Board	7/8	5/5	3/4	2/2	1/1	
Nicola Prygodzicz	Director of Planning, Digital and IT			4/4			
Katija Dew	Independent Member (Third/Voluntary Sector)			3/4		1/1	2/2
Louise Wright	Independent Member (Trade Union)		5/5	4/4	2/2		2/2
Shelley Bosson	Independent Member (Community)	8/8		3/4	2/2		
Pippa Britton	Independent Member (Community)		5/5	3/4			
Cllr Richard Clark	Independent Member (Local Authority)	4/8		0/4		1/1	
David Jones (Until 6th November 2020)	Independent Member (ICT)	6/6		2/2			
Dave Street	Independent Member (Directors of Social Services)			0/4			
Keith Sutcliffe	Associate Independent Member (Chair of Stakeholder Group)			2/4			1/2
Richard Bevan (until 30th November 2020)	Board Secretary			3/3			

Name	Position	Audit	Quality and Patient Safety	Planning and Strategic Change	Remuneration and Terms of Service	Mental Health Act Monitoring	Charitable Funds
Richard Howells (from 1st November 2020)	Interim Board Secretary			1/1			
Claire Birchall	Director of Operations			1/4			
Peter Carr	Director of Therapies and Health Sciences			4/4			
Chris Koehli	Special Advisor - Finance	8/8		4/4			
Louise Taylor	Associate Independent Member (Chair of Health Professionals Forum)			0/4			
Paul Deneen	Independent Member (community)			4/4			
Proff. Helen Sweetland (from 1st January 2021)	Independent Member (University)			1/1			

Attachment Three: Welsh Health Circulars

Ministerial Direction/ Date of Compliance	Date/Year of Adoption	Action to demonstrate implementation/response
Ministerial direction regarding the NHS Pension Tax Proposal 2019 to 2020	December 2019	At the date of approval of the accounts for 2020/21, there was no evidence of take-up of the scheme by our clinical staff and no information was available to enable a reasonable assessment of future take up to be made. As no reliable estimate can therefore be made to support the creation of a provision at 31 March 2021, the existence of an unquantified contingent liability is instead disclosed in the accounts of the Health Board.
WHC/2020/006 Continuation of Immunisation Programmes during the COVID-19 Pandemic	3rd April 2020	Implemented. Immunisation Programmes have continued during the pandemic
WHC/2020/008 Re-use of end of life medicines in hospices and care homes during COVID-19	30th April 2020	Guidance to support the implementation of this WHC was developed by the Chief Pharmacists Group supported by the National Clinical Lead, Palliative & End of Life Care, Wales. This was issued to all care homes and GP practices and utilised as part of the pandemic response.
WHC/2020/009 The National Influenza Programme 2020-21	21st May 2020	Information issued to GP practices and manged via Flu Group
WHC/2020/011 Temporary Amendments to Model Standing Orders, Reservation and Delegation of Powers	9th July 2020	Standing Orders and Scheme of Delegation amended and approved by the Board
WHC/2020/012 Clinical Assessment of COVID-19 in the Community	4th August 2020	Assessment of COVID-19 impact undertaken September/October 2020. Specific impact within care home setting undertaken and action plan developed to address outstanding areas.

Ministerial Direction/ Date of Compliance	Date/Year of Adoption	Action to demonstrate implementation/response
WHC/2020/13 The National Influenza Immunisation Programme 2020-21	14th August 2020	Information issued to GP practices and manged via Flu Group
WHC/2020/14 Ear Wax Management Primary and Community Care Pathway	29th September 2020	Meeting arranged 30th April 2021
WHC/2020/15 Policy on Single Use laryngoscopes	22nd September 2020	Actioned, however requires ongoing monitoring. Single use laryngoscopes handles and blades are in use. Re: the use of video laryngoscopes, the blades are single use as the design of the blades does not allow for appropriate decontamination. Sheaths are used over the video screen.
WHC/2020/016 Procedure for the Performance Management, Removal or Suspension of NHS Non-Officer Board Members	10th December 2020	Arrangements are in place for review of Non-Officer performance
WHC/2020/018 Support for GP Premises Liabilities	1st October 2020	Health Board understands the requirements of WHC and will consider such applications in accordance with the guidance. LPS review undertaken in 2019 and is being refreshed. No sustainability applications received.
WHC/2020/019 Health and Wellbeing Support for NHS Health Boards and Trusts Workforce	30th October 2020	Health and Wellbeing support has been improved across the Health Board.
WHC/2020/022 NHS Wales Annual Planning Framework	14th December 2020	Annual Plan prepared, approved by the Board and submitted to Welsh Government
WHC/2020/023 EU Exit: Continuity of Medicine Supply	22nd December 2020	Actions are mainly at UK level rather than devolved responsibilities. The key action for Health Boards was to reiterate to

Ministerial Direction/ Date of Compliance	Date/Year of Adoption	Action to demonstrate implementation/response
at the end of the Transition Period		prescribers and patients of the importance of not to stockpile medication together with maintaining prescription durations. This advice was reiterated in order to manage repeat prescription. Work has continued to monitor prescription shortages through the work of the national shortages group and providing local advice where appropriate.
WHC/2020/024 Clinical Assessment of COVID-19 in the Community	22nd December 2020	Assessment undertaken and taken through Senior Leadership Meeting for endorsement March 2021.
WHC/2020/025 Health Board Allocations 2021 to 2022	5th January 2021	Actioned.
WHC/2021/001 Suspected Cancer Pathway (SCP) Guidelines	14th January 2021	The Health Board has fully implemented the new SCP guidelines. Operational processes are continuing to be refined to effectively manage patients in line with the new guidelines and reporting processes have been completely revised to ensure accuracy of reporting.
WHC/2021/002 Health Board and Trust Champions: Assessment of Roles	19th January 2021	Health Board Champions identified.
WHC/2021/003 Senedd Elections 2021:Letter to NHS Health Boards and Trusts	11th March 2021	Information issued
WHC/2021/004 The National Influenza Immunisation Programme 2020-21	19th February 2021	Information issued to GP practices and manged via Flu Group
WHC/2021/006 Elections to Senedd Cymru May 2021: Guidance for NHS Wales	10th March 2021	Information issued
WHC/2021/007 The Healthy Child Wales Programme: 6	11th March 2021	GPs have been reminded of the importance of timely surveillance examination in infants in accordance with the national programme. The Primary Care Division has

Ministerial Direction/ Date of Compliance	**Date/Year of Adoption**	**Action to demonstrate implementation/response**
week post-natal GP physical examination of babies		initiated a process with GPs and the Child Health team to ensure reconciliation of completed examinations with the numbers expected to be completed.
WHC/2021/09 School Entry Hearing Screening Pathway	25th March 2021	The organisation is in a strong position to implement as the new National Pathway is based on the ABUHB current pathway.

ANEURIN BEVAN UNIVERSITY LOCAL HEALTH BOARD

FOREWORD

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

Statutory background

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

The Health Board covers the areas of Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen with a population of approximately 600,000 people. The Health Board has an annual budget from the Welsh Government of just over £1.3 billion per year from which we plan and deliver services for the population of the Health Board area. The Health Board, as well as providing services locally, works in partnership to seek to improve health and well-being in the area, particularly through our partnership arrangements to respond to the Social Services and Well-Being Act and the Well Being of Future Generations Act.

Performance Management and Financial Results

Welsh Health Circular WHC/2016/054 replaces WHC/2015/014 ‘Statutory and Administrative Financial Duties of NHS Trusts and Local Health Boards’ and further clarifies the statutory financial duties of NHS Wales bodies and is effective for 2020-21. 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 2021

	Note	**2020-21 £'000**	2019-20 £'000
Expenditure on Primary Healthcare Services	3.1	**287,056**	276,914
Expenditure on healthcare from other providers	3.2	**417,804**	379,749
Expenditure on Hospital and Community Health Services	3.3	**951,356**	766,378
		1,656,216	1,423,041
Less: Miscellaneous Income	4	**(105,020)**	(103,895)
LHB net operating costs before interest and other gains and losses		**1,551,196**	1,319,146
Investment Revenue	5	**(17)**	(18)
Other (Gains) / Losses	6	**(43)**	(78)
Finance costs	7	**683**	753
Net operating costs for the financial year		**1,551,819**	**1,319,803**

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

The notes on pages 8 to 74 form part of these accounts.

Other Comprehensive Net Expenditure

	2020-21	2019-20
	£'000	£'000
Net (gain) / loss on revaluation of property, plant and equipment	**(6,695)**	(1,737)
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	**(6,695)**	(1,737)
Total comprehensive net expenditure for the year	**1,545,124**	1,318,066

The notes on pages 8 to 74 form part of these accounts.

Statement of Financial Position as at 31 March 2021

	Notes	**31 March 2021 £'000**	31 March 2020 £'000
Non-current assets			
Property, plant and equipment	11	**779,935**	760,424
Intangible assets	12	**6,595**	4,563
Trade and other receivables	15	**118,391**	148,912
Other financial assets	16	**554**	586
Total non-current assets		**905,475**	914,485
Current assets			
Inventories	14	**9,857**	9,486
Trade and other receivables	15	**95,887**	58,561
Other financial assets	16	**32**	31
Cash and cash equivalents	17	**1,821**	1,301
		107,597	69,379
Non-current assets classified as "Held for Sale"	11	**1,205**	1,131
Total current assets		**108,802**	70,510
Total assets		**1,014,277**	984,995
Current liabilities			
Trade and other payables	18	**(202,444)**	(144,924)
Other financial liabilities	19	**0**	0
Provisions	20	**(45,999)**	(18,372)
Total current liabilities		**(248,443)**	(163,296)
Net current assets/ (liabilities)		**(139,641)**	(92,786)
Non-current liabilities			
Trade and other payables	18	**(4,315)**	(5,226)
Other financial liabilities	19	**0**	0
Provisions	20	**(124,942)**	(155,459)
Total non-current liabilities		**(129,257)**	(160,685)
Total assets employed		**636,577**	661,014
Financed by :			
Taxpayers' equity			
General Fund		**512,572**	543,040
Revaluation reserve		**124,005**	117,974
Total taxpayers' equity		**636,577**	661,014

The financial statements on pages 2 to 7 were approved by the Board on 9th June 2021 and signed on its behalf by:

Chief Executive and Accountable Officer Judith Paget Date: 9th June 2021

The notes on pages 8 to 74 form part of these accounts.

Statement of Changes in Taxpayers' Equity
For the year ended 31 March 2021

	General Fund £000s	Revaluation Reserve £000s	Total Reserves £000s
Changes in taxpayers' equity for 2020-21			
Balance at 1 April 2020	543,040	117,974	**661,014**
Net operating cost for the year	(1,551,819)		**(1,551,819)**
Net gain/(loss) on revaluation of property, plant and equipment	0	6,695	**6,695**
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	664	(664)	**0**
Release of reserves to SoCNE	0	0	**0**
Transfers to/from LHBs	0	0	**0**
Total recognised income and expense for 2020-21	(1,551,155)	6,031	**(1,545,124)**
Net Welsh Government funding	1,495,498		**1,495,498**
Notional Welsh Government Funding	25,189		**25,189**
Balance at 31 March 2021	512,572	124,005	**636,577**
Included in Net Welsh Government Funding:			
Welsh Government Covid 19 Capital Funding	18,261		**18,261**
Welsh Government Covid 19 Revenue Funding	142,557		**142,557**

The notes on pages 8 to 74 form part of these accounts.

Statement of Changes in Taxpayers' Equity
For the year ended 31 March 2020

	General Fund £000s	Revaluation Reserve £000s	Total Reserves £000s
Changes in taxpayers' equity for 2019-20			
Balance at 1 April 2019	430,993	117,518	**548,511**
Net operating cost for the year	(1,319,803)		**(1,319,803)**
Net gain/(loss) on revaluation of property, plant and equipment	0	1,737	**1,737**
Net gain/(loss) on revaluation of intangible assets	0	0	**0**
Net gain/(loss) on revaluation of financial assets	0	0	**0**
Net gain/(loss) on revaluation of assets held for sale	0	0	**0**
Impairments and reversals	0	0	**0**
Other reserve movement	0	0	**0**
Transfers between reserves	1,281	(1,281)	**0**
Release of reserves to SoCNE	0	0	**0**
Transfers to/from LHBs	0	0	**0**
Total recognised income and expense for 2019-20	(1,318,522)	456	**(1,318,066)**
Net Welsh Government funding	1,407,584		**1,407,584**
Notional Welsh Government Funding	22,985		**22,985**
Balance at 31 March 2020	543,040	117,974	**661,014**

The notes on pages 8 to 74 form part of these accounts.

Statement of Cash Flows for year ended 31 March 2021

	Notes	2020-21 £'000	2019-20 £'000
Cash Flows from operating activities			
Net operating cost for the financial year		(1,551,819)	(1,319,803)
Movements in Working Capital	27	52,668	(40,771)
Other cash flow adjustments	28	123,531	97,738
Provisions utilised	20	(12,352)	(11,006)
Net cash outflow from operating activities		(1,387,972)	(1,273,842)
Cash Flows from investing activities			
Purchase of property, plant and equipment		(104,378)	(130,693)
Proceeds from disposal of property, plant and equipment		927	633
Purchase of intangible assets		(2,723)	(2,833)
Proceeds from disposal of intangible assets		0	0
Payment for other financial assets		0	0
Proceeds from disposal of other financial assets		0	0
Payment for other assets		0	0
Proceeds from disposal of other assets		0	0
Net cash inflow/(outflow) from investing activities		(106,174)	(132,893)
Net cash inflow/(outflow) before financing		(1,494,146)	(1,406,735)
Cash Flows from financing activities			
Welsh Government funding (including capital)		1,495,498	1,407,584
Capital receipts surrendered		0	0
Capital grants received		0	93
Capital element of payments in respect of finance leases and on-SoFP PFI Schemes		(832)	(625)
Cash transferred (to)/ from other NHS bodies		0	0
Net financing		1,494,666	1,407,052
Net increase/(decrease) in cash and cash equivalents		520	317
Cash and cash equivalents (and bank overdrafts) at 1 April 2020		1,301	984
Cash and cash equivalents (and bank overdrafts) at 31 March 2021		1,821	1,301

The notes on pages 8 to 74 form part of these accounts.

Notes to the Accounts

1. Accounting policies

The Minister for Health and Social Services has directed that the financial statements of Local Health Boards (LHB) in Wales shall meet the accounting requirements of the NHS Wales Manual for Accounts. Consequently, the following financial statements have been prepared in accordance with the 2020-21 Manual for Accounts. The accounting policies contained in that manual follow the 2020-21 Financial Reporting Manual (FReM) in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, except for IFRS 16 Leases, which is deferred until 1 April 2022; to the extent that they are meaningful and appropriate to the NHS in Wales.

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

1.1. Accounting convention

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

1.2. Acquisitions and discontinued operations

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

1.3. Income and funding

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

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

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

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

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

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

Only non-NHS income may be deferred.

1.4. Employee benefits

1.4.1. Short-term employee benefits

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

1.4.2. Retirement benefit costs

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

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

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

However, NHS Wales' organisations are required to account for **their staff** employer contributions of 20.68% in full and on a gross basis, in their annual accounts. Payments made on their behalf by Welsh Government are accounted for on a notional basis. For detailed information see Note 34 within these accounts.

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

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

1.4.3. NEST Pension Scheme

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

1.5. Other expenses

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

1.6. Property, plant and equipment

1.6.1. Recognition

Property, plant and equipment is capitalised if:

● it is held for use in delivering services or for administrative purposes;

● it is probable that future economic benefits will flow to, or service potential will be supplied to, the NHS Wales organisation;

● it is expected to be used for more than one financial year;

● the cost of the item can be measured reliably; and

● the item has cost of at least £5,000; or

● Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or

● Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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

1.6.2. Valuation

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

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

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

● Specialised buildings – depreciated replacement cost

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

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

In 2017-18 a formal revaluation exercise was applied to land and properties. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

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

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

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

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

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

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

1.6.3. Subsequent expenditure

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

1.7. Intangible assets

1.7.1. Recognition

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

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

● the technical feasibility of completing the intangible asset so that it will be available for use.

● the intention to complete the intangible asset and use it.

● the ability to use the intangible asset.

● how the intangible asset will generate probable future economic benefits.

● the availability of adequate technical, financial and other resources to complete the intangible asset and use it.

● the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Measurement

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

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

1.8. Depreciation, amortisation and impairments

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

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

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

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

1.9. Research and Development

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

1.10 Non-current assets held for sale

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

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

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

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

1.11. Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

1.11.1. The LHB as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the SoCNE.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term. Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated and individually assessed as to whether they are operating or finance leases.

1.11.2. The LHB as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the NHS Wales organisation net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the NHS Wales organisation's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line 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 on a straight-line basis over the lease term.

1.12. Inventories

Whilst it is accounting convention for inventories to be valued at the lower of cost and net realisable value using the weighted average or "first-in first-out" cost formula, it should be recognised that the NHS is a special case in that inventories are not generally held for the intention of resale and indeed there is no market readily available where such items could be sold. Inventories are valued at cost and this is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

Work-in-progress comprises goods in intermediate stages of production. Partially completed contracts for patient services are not accounted for as work-in-progress.

1.13. Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Statement of Cash flows (SoCF), cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the cash management.

1.14. Provisions

Provisions are recognised when the LHB has a present legal or constructive obligation as a result of a past event, it is probable that the LHB will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using the discount rate supplied by HM Treasury.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the LHB has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the LHB has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

1.14.1. Clinical negligence and personal injury costs

The Welsh Risk Pool Services (WRPS) operates a risk pooling scheme which is co-funded by the Welsh Government with the option to access a risk sharing agreement funded by the participative NHS Wales bodies. The risk sharing option was implemented in both 2020-21 and 2019-20. The WRP is hosted by Velindre NHS Trust.

1.14.2. Future Liability Scheme (FLS) - General Medical Practice Indemnity (GMPI)

The FLS is a state backed scheme to provide clinical negligence General Medical Practice Indemnity (GMPI) for providers of GMP services in Wales.

In March 2019, the Minister issued a Direction to Velindre NHS Trust to enable Legal and Risk Services to operate the Scheme. The GMPI is underpinned by new secondary legislation, The NHS (Clinical Negligence Scheme) (Wales) Regulations 2019 which came into force on 1 April 2019.

GMP Service Providers are not direct members of the GMPI FLS, their qualifying liabilities are the subject of an arrangement between them and their relevant LHB, which is a member of the scheme. The qualifying reimbursements to the LHB are not subject to the £25,000 excess.

1.15. Financial Instruments

From 2018-19 IFRS 9 Financial Instruments has applied, as interpreted and adapted for the public sector, in the FReM. The principal impact of IFRS 9 adoption by NHS Wales' organisations, was to change the calculation basis for bad debt provisions, changing from an incurred loss basis to a lifetime expected credit loss (ECL) basis.

All entities applying the FReM recognised the difference between previous carrying amount and the carrying amount at the beginning of the annual reporting period that included the date of initial application in the opening general fund within Taxpayer's equity.

1.16. Financial assets

Financial assets are recognised on the SoFP when the NHS Wales organisation becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

The accounting policy choice allowed under IFRS 9 for long term trade receivables, contract assets which do contain a significant financing component (in accordance with IFRS 15), and lease receivables within the scope of IAS 17 has been withdrawn and entities should always recognise a loss allowance at an amount equal to lifetime Expected Credit Losses. All entities applying the FReM should utilise IFRS 9's simplified approach to impairment for relevant assets.

IFRS 9 requirements required a revised approach for the calculation of the bad debt provision, applying the principles of expected credit loss, using the practical expedients within IFRS 9 to construct a provision matrix.

1.16.1. Financial assets are initially recognised at fair value

Financial assets are classified into the following categories: financial assets 'at fair value through SoCNE'; 'held to maturity investments'; 'available for sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

1.16.2. Financial assets at fair value through SoCNE

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through SoCNE. They are held at fair value, with any resultant gain or loss recognised in the SoCNE. The net gain or loss incorporates any interest earned on the financial asset.

1.16.3 Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

1.16.4. Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to the SoCNE on de-recognition.

1.16.5. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the net carrying amount of the financial asset.

At the SOFP date, the LHB assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the SoCNE and the carrying amount of the asset is reduced directly, or through a provision of impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the SoCNE to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.17. Financial liabilities

Financial liabilities are recognised on the SOFP when the LHB becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

1.17.1. Financial liabilities are initially recognised at fair value

Financial liabilities are classified as either financial liabilities at fair value through the SoCNE or other financial liabilities.

1.17.2. Financial liabilities at fair value through the SoCNE

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the SoCNE. The net gain or loss incorporates any interest earned on the financial asset.

1.17.3. Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.18. Value Added Tax (VAT)

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

1.19. Foreign currencies

Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the SoCNE. At the SoFP date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date.

1.20. Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Wales organisation has no beneficial interest in them. Details of third party assets are given in Note 31 to the accounts.

1.21. Losses and Special Payments

Losses and special payments are items that the Welsh Government would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way each individual case is handled.

Losses and special payments are charged to the relevant functional headings in the SoCNE on an accruals basis, including losses which would have been made good through insurance cover had the NHS Wales organisation not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses register which is prepared on a cash basis.

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

The LHB accrues or provides for the best estimate of future pay-outs for certain liabilities and discloses all other potential payments as contingent liabilities, unless the probability of the liabilities becoming payable is remote.

All claims for losses and special payments are provided for, where the probability of settlement of an individual claim is over 50%. Where reliable estimates can be made, incidents of clinical negligence against which a claim has not, as yet, been received are provided in the same way. Expected reimbursements from the WRP are included in debtors. For those claims where the probability of settlement is between 5- 50%, the liability is disclosed as a contingent liability.

1.22. Pooled budget

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

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

Monmouthshire County Council - Monnow Vale Health and Social Care Unit
Funds are pooled for the provision of health and social care inpatient, outpatient, clinic and day care facilities to individuals who have medical, social, community or rehabilitation needs. The pool is hosted by Aneurin Bevan University Local Health Board. The financial operation of the pool is governed by a pooled budget agreement between the Local Health Board and Monmouthshire County Council. The income from Monmouthshire County Council is recorded as Local Authority Income in these accounts.

Expenditure for services provided under the arrangement is recorded under the appropriate expense headings in these accounts.

The property in which the unit is housed has been provided by a Private Finance Partner; the contract with the PFI partner is for 30 years and is categorised as an on balance sheet PFI scheme with the HB recognising **72%** of the property - see Note 32 of these accounts for further details.

The five Local Authorities in Gwent - Gwent Wide Integrated Community Equipment Service
Funds are pooled for the provision of an efficient and effective GWICES (Gwent Wide Integrated Community Equipment Service) to service users who are resident in the partner localities. The pool is hosted by Torfaen County Borough Council. The Health Board makes a financial contribution to the scheme but does not account for the schemes expenditure or assets/liabilities generated by this expenditure.

The financial operation of the pool is governed by a pooled budget agreement between the bodies listed above and the Health Board. Payments for services provided by the host body, Torfaen County Borough Council, are accounted for as expenditure within these accounts.

Monmouthshire County Council - Mardy Park Rehabilitation Centre
Funds are pooled for the provision of care to individuals who have rehabilitation needs. The LHB has entered into a pooled budget with Monmouthshire County Council. The pool is hosted by Monmouthshire County Council.

The five Local Authorities in Gwent - Gwent Frailty Programme
Funds are pooled for the purpose of establishing a consistent service across Gwent. The pool is hosted by Caerphilly County Borough Council , as lead commissioner. The financial operation of the pool is governed by a pooled budget agreement between the bodies listed above and the Health Board. Payments for services provided by the host body, Caerphilly County Borough Council, are accounted for as expenditure within these accounts. Additional information is provided in Note 32.

The five Local Authorities in Gwent and ABUHB – A pooled Fund for Care Home Accommodation functions for Older People
Statutory Directions issued under section 169 of the Social Services and Wellbeing (Wales) Act 2014 required Partnership Bodies to enter into partnership arrangements and for the establishment and maintenance of pooled funds from April 2018, for the exercise of their Care Home Accommodation Functions.

The overarching strategic aim of this Agreement is: -
• To ensure coordinated arrangements for ensuring an integrated approach across the Partnership to the commissioning and arranging for Care Home Accommodation for Older People.
• To ensure provision of high quality, cost effective Care Home Accommodation which meets local health and social care needs, through the establishment of a pooled fund
• To develop a managed market approach to the supply of quality provision to meets the needs of Older People Care Home Accommodation.

Funds are pooled for the provision and commissioning of specified services for older people (>65 years of age) in a care home setting in Gwent. The pool has been hosted by Torfaen County Borough Council since August 2018.

The Health Board makes a financial contribution to the scheme equivalent to actual expenditure incurred in commissioning related placements in homes during the year, but in addition does incur minimal costs associated with a share of the services provided by the host organisation and these are accounted for as expenditure within these accounts.

1.23. Critical Accounting Judgements and key sources of estimation uncertainty

In the application of the accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

1.24. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the SoFP date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Significant estimations are made in relation to on-going clinical negligence and personal injury claims. Assumptions as to the likely outcome, the potential liabilities and the timings of these litigation claims are provided by independent legal advisors. Any material changes in liabilities associated with these claims would be recoverable from 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.

In line with International Accounting Standard (IAS)19, the Health Board has included in its accounts an accrual for untaken annual leave as at 31st March 2021. The impact of COVID-19 has had a significant impact on the ability of staff to take annual leave during 2020-21. The accrual is reflected in notes 3.1, 3.3 and 9.1 to the accounts.

1.24.1. Provisions

The LHB provides for legal or constructive obligations for clinical negligence, personal injury and defence costs that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

Claims are funded via the Welsh Risk Pool Services (WRPS) which receives an annual allocation from Welsh Government to cover the cost of reimbursement requests submitted to the bi-monthly WRPS Committee. Following settlement to individual claimants by the NHS Wales organisation, the full cost is recognised in year and matched to income (less a £25K excess) via a WRPS debtor, until reimbursement has been received from the WRPS Committee.

1.24.2. Probable & Certain Cases – Accounting Treatment

A provision for these cases is calculated in accordance with IAS 37. Cases are assessed and divided into four categories according to their probability of settlement;

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

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

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

The solicitor will estimate the case value including defence fees, using professional judgement and from obtaining counsel advice. Valuations are then discounted for the future loss elements using individual life expectancies and the Government Actuary's Department actuarial tables (Ogden tables) and Personal Injury Discount Rate of minus 0.25%.

Future liabilities for certain & probable cases with a probability of 95%-100% and 50%- 94% respectively are held as a provision on the balance sheet. Cases typically take a number of years to settle, particularly for high value cases where a period of development is necessary to establish the full extent of the injury caused.

The Health Board has provided for some £163m (£168m 2019/20) within note 20 in respect of potential clinical negligence and personal injury claims and associated defence fees. These provisions have been arrived at on the advice of NHS Wales Shared Services Partnership - Legal & Risk Services. Given the nature of such claims this figure could be subject to significant change in future periods. However, the potential financial effect of such uncertainty is mitigated by the fact that the LHB's ultimate liability in respect of individual cases is capped at £0.025m, with amounts above this excess level being reimbursed by the Welsh Risk Pool.

The Health Board has estimated a liability of £0.458m (£0.289m 2019/20) in respect of retrospective claims for Continuing Health Care funding. The estimated provision is based upon an assessment of the likelihood of claims meeting criteria for continuing health care and the actual costs incurred by individuals in care homes. The provision is based on information made available to the Health Board at the time of these accounts and could be subject to significant change as outcomes are determined. Aneurin Bevan University Local Health Board has reviewed its portfolio of outstanding claims for continuing healthcare and made an assessment of likely financial liability based on an estimated success factor, eligibility factor and expected weekly average costs of claims. The assumptions have been derived by reviewing a sample of claims.

Primary care expenditure includes estimates for areas which are paid in arrears and not finalised at the time of producing the accounts. These estimates relate to GMS Quality Assurance and Improvement Framework, GMS Enhanced Services, and pharmacy estimates, which are based on an assessment of likely final performance.

1.25 Private Finance Initiative (PFI) transactions

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

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

a) Payment for the fair value of services received;

b) Payment for the PFI asset, including finance costs; and

c) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

1.25.1. Services received

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

1.25.2. PFI asset

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the NHS Wales organisation's approach for each relevant class of asset in accordance with the principles of IAS 16.

1.25.2. PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the SoCNE.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the SoCNE.

1.25.3. Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the NHS Wales organisation's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

1.25.4. Assets contributed by the LHB to the operator for use in the scheme

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

1.25.5. Other assets contributed by the LHB to the operator

Assets contributed (e.g. cash payments, surplus property) by the LHB to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the LHB, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured at the present value of the minimum lease payments, discounted using the implicit interest rate. It is subsequently measured as a finance lease liability in accordance with IAS 17.

On initial recognition of the asset, the difference between the fair value of the asset and the initial liability is recognised as deferred income, representing the future service potential to be received by the LHB through the asset being made available to third party users.

Other PFI arrangements off Statement of Financial Position

Where the LHB has no control or residual interest in the assets and the balance of risks and rewards lie with the operator, the arrangement is treated as an operating lease and the costs are included in the SoCNE as incurred. The LHB has two such arrangements relating to the maintenance of the energy systems in the Royal Gwent and Nevill Hall Hospitals.

Joint PFI contract

The LHB has entered into an agreement to share a facility, provided by a Private Finance Partner, with Monmouthshire County Council to match the agreement with the Private Finance Partner. The arrangement is treated as a PFI arrangement and the total obligation is included as a liability of the LHB. The contribution towards the unitary charge committed by Monmouthshire County Council is treated as a financial asset. The future contribution was measured initially at the same amount as the fair value of the share of the PFI asset and is subsequently measured as a finance lease.

1.26. Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the LHB , or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the LHB. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

Remote contingent liabilities are those that are disclosed under Parliamentary reporting requirements and not under IAS 37 and, where practical, an estimate of their financial effect is required.

1.27. Absorption accounting

Transfers of function are accounted for as either by merger or by absorption accounting dependent upon the treatment prescribed in the FReM. Absorption accounting requires that entities account for their transactions in the period in which they took place with no restatement of performance required.

Where transfer of function is between LHBs the gain or loss resulting from the assets and liabilities transferring is recognised in the SoCNE and is disclosed separately from the operating costs.

1.28. Accounting standards that have been issued but not yet been adopted

The following accounting standards have been issued and or amended by the IASB and IFRIC but have not been adopted because they are not yet required to be adopted by the FReM

IFRS14 Regulatory Deferral Accounts
Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable.

IFRS 16 Leases is to be effective from 1st April 2022.

IFRS 17 Insurance Contracts, Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

1.29. Accounting standards issued that have been adopted early

During 2020-21 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

1.30. Charities

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 Aneurin Bevan University LHB NHS Charitable Fund, it is considered for accounting standards compliance to have control of the Aneurin Bevan University LHB NHS Charitable Fund as a subsidiary and therefore is required to consolidate the results of the Aneurin Bevan University LHB NHS Charitable Fund within the statutory accounts of the LHB.

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

However, the LHB has with the agreement of the Welsh Government adopted the IAS 27 (10) exemption to consolidate. Welsh Government as the ultimate parent of the Local Health Boards will disclose the Charitable Accounts of Local Health Boards in the Welsh Government Consolidated Accounts. Details of the transactions with the charity are included in the related parties' notes.

2. Financial Duties Performance

The National Health Service Finance (Wales) Act 2014 came into effect from 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 reponsible, 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			
	2018-19	2019-20	2020-21	**Total**
	£'000	£'000	£'000	**£'000**
Net operating costs for the year	1,226,261	1,319,803	1,551,819	**4,097,883**
Less general ophthalmic services expenditure and other non-cash limited expenditure	(2,149)	(161)	(1,423)	**(3,733)**
Less revenue consequences of bringing PFI schemes onto SoFP	0	0	0	**0**
Total operating expenses	1,224,112	1,319,642	1,550,396	**4,094,150**
Revenue Resource Allocation	1,224,347	1,319,674	1,550,641	**4,094,662**
Under /(over) spend against Allocation	235	32	245	**512**

Aneurin Bevan University LHB **has** met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2018-19 to 2020-21.

The health board received £0 strategic cash only support in 2020-21.
This cash only support is provided to assist the health board with payments to staff and suppliers, there is no requirement to repay this strategic cash assistance.

2.2 Capital Resource Performance

	2018-19	2019-20	2020-21	**Total**
	£'000	£'000	£'000	**£'000**
Gross capital expenditure	141,139	133,286	112,376	**386,801**
Add: Losses on disposal of donated assets	0	7	0	**7**
Less NBV of property, plant and equipment and intangible assets disposed	(81)	(555)	(884)	**(1,520)**
Less capital grants received	(45)	(93)	(333)	**(471)**
Less donations received	(121)	(300)	(201)	**(622)**
Charge against Capital Resource Allocation	140,892	132,345	110,958	**384,195**
Capital Resource Allocation	140,933	132,373	110,971	**384,277**
(Over) / Underspend against Capital Resource Allocation	41	28	13	**82**

Aneurin Bevan University LHB **has** met its financial duty to break-even against its Capital Resource Limit over the 3 years 2018-19 to 2020-21.

2.3 Duty to prepare a 3 year integrated plan

Due to the pandemic, the process for the 2020-23 integrated plan was paused in spring 2020 and a temporary quarterly planning arrangement put in place for 2020-21.

As a result the extant planning duty for 2020-21 remains the requirement to submit and have approved a 2019-22 integrated plan, as set out in the NHS Wales Planning Framework 2019-22.

The Aneurin Bevan University Health Board submitted a 2019-22 integrated plan in accordance with the planning framework.

The Minister for Health and Social Services extant approval

Status	**Approved**
Date	27/03/2019

The LHB **has** therefore met its statutory duty to have an approved financial plan.

2.4 Creditor payment

The LHB is required to pay 95% of the number of non-NHS bills within 30 days of receipt of goods or a valid invoice (whichever is the later). The LHB has achieved the following results:

	2020-21	2019-20
Total number of non-NHS bills paid	**245,667**	281,043
Total number of non-NHS bills paid within target	**236,594**	273,053
Percentage of non-NHS bills paid within target	96.3%	97.2%

The LHB has met the target.

3. Analysis of gross operating costs

3.1 Expenditure on Primary Healthcare Services

	Cash limited	Non-cash limited	2020-21 Total	2019-20
	£'000	£'000	£'000	£'000
General Medical Services	108,993		108,993	103,343
Pharmaceutical Services	32,317	(5,208)	27,109	22,900
General Dental Services	33,079		33,079	36,608
General Ophthalmic Services	2,103	6,631	8,734	8,911
Other Primary Health Care expenditure	2,289		2,289	2,872
Prescribed drugs and appliances	106,852		106,852	102,280
Total	**285,633**	**1,423**	**287,056**	276,914

Note 3.1 - Expenditure on Primary Healthcare Services
The General Medical Services expenditure includes £13,743k (2019/20 £12,427k) in relation to staff salaries, the General Dental Services expenditure includes £1,719k (2019/20 £2,283k) in relation to staff salaries, and the Prescribed Drugs & Appliance expenditure includes £313k (2019/20 £337k) in relation to staff salaries.

3.2 Expenditure on healthcare from other providers

	2020-21	2019-20
	£'000	£'000
Goods and services from other NHS Wales Health Boards	58,322	59,424
Goods and services from other NHS Wales Trusts	36,487	34,079
Goods and services from Health Education and Improvement Wales (HEIW)	0	0
Goods and services from other non Welsh NHS bodies	8,469	9,676
Goods and services from WHSSC / EASC	161,384	144,458
Local Authorities	43,934	39,205
Voluntary organisations	14,833	12,953
NHS Funded Nursing Care	8,660	7,671
Continuing Care	81,347	71,005
Private providers	4,228	1,287
Specific projects funded by the Welsh Government	0	0
Other	140	(9)
Total	**417,804**	379,749

Local Authorities expenditure relates to the following bodies:	£'000	£'000
Blaenau Gwenty County Borough Council	4,442	3,361
Caerphilly County Borough Council	17,785	15,545
Monmouthshire County Council	4,932	4,485
Newport City Council	8,039	8,210
Torfaen County Borough Council	8,626	7,520
Gloucestershire County Council	87	84
Cardiff City Council	21	0
Pembrokeshire County Council	2	0
	43,934	39,205

3.3 Expenditure on Hospital and Community Health Services

	2020-21	2019-20
	£'000	£'000
		Reclassified
Directors' costs	2,346	2,448
Operational Staff costs	664,559	577,312
Single lead employer Staff Trainee Cost	5,067	0
Collaborative Bank Staff Cost	0	0
Supplies and services - clinical	100,158	97,510
Supplies and services - general	23,734	14,125
Consultancy Services	168	848
Establishment	8,670	8,090
Transport	2,429	1,974
Premises	36,870	29,348
External Contractors	0	0
Depreciation	32,654	25,403
Amortisation	1,574	948
Fixed asset impairments and reversals (Property, plant & equipment)	62,133	(3,154)
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	209	0
Audit fees	373	382
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	1,886	3,154
Research and Development	0	0
Other operating expenses	8,526	7,990
Total	951,356	766,378

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

	2020-21	2019-20
Increase/(decrease) in provision for future payments:	£'000	£'000
Clinical negligence;		
Secondary care	10,844	51,032
Primary care	0	0
Redress Secondary Care	5	498
Redress Primary Care	0	0
Personal injury	86	751
All other losses and special payments	30	198
Defence legal fees and other administrative costs	1,731	1,614
Gross increase/(decrease) in provision for future payments	12,696	54,093
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	(95)	475
Less: income received/due from Welsh Risk Pool	(10,715)	(51,414)
Total	1,886	3,154

	2020-21	2019-20
	£	£
Permanent injury included within personal injury £:	34,156	374,241

The Health Board spent £2.2m (£2.2m 2019/20) on Research and Development. The majority of this spend relates to staff £1.9m (£1.8m 2019/20) which along with the non-staff spend is reflected under the various headings within note 3.3.

Note 3.4 includes £548,056 (£959,157 2019/20) relating to Redress cases which represents 75 (96 2019/20) cases where payments were made in year totalling £236,694 (£412,812 2019/20) including defence fees. An additional provision has been created for a further 36 (50 2019/20) cases where an offer has been made or causation and breach have been proven with estimated costs of £311,362 (£546,345 2019/20).

4. Miscellaneous Income

	2020-21	2019-20
	£'000	£'000
Local Health Boards	21,348	21,221
Welsh Health Specialised Services Committee (WHSSC)/Emergency Ambulance Services Committee (EASC)	8,905	8,881
NHS Wales trusts	10,172	8,429
Health Education and Improvement Wales (HEIW)	10,130	9,623
Foundation Trusts	4	37
Other NHS England bodies	1,211	2,431
Other NHS Bodies	16	62
Local authorities	18,260	17,553
Welsh Government	7,252	7,146
Welsh Government Hosted bodies	0	0
Non NHS:		
Prescription charge income	0	0
Dental fee income	1,865	6,997
Private patient income	16	312
Overseas patients (non-reciprocal)	63	246
Injury Costs Recovery (ICR) Scheme	886	1,777
Other income from activities	972	930
Patient transport services	0	0
Education, training and research	3,689	3,558
Charitable and other contributions to expenditure	1,243	1,091
Receipt of NWSSP Covid centrally purchased assets	7,057	0
Receipt of Covid centrally purchased assets from other organisations	0	0
Receipt of donated assets	201	300
Receipt of Government granted assets	389	93
Non-patient care income generation schemes	69	125
NHS Wales Shared Services Partnership (NWSSP)	0	(2)
Deferred income released to revenue	0	0
Contingent rental income from finance leases	0	0
Rental income from operating leases	0	0
Other income:		
Provision of laundry, pathology, payroll services	72	73
Accommodation and catering charges	1,736	3,292
Mortuary fees	331	259
Staff payments for use of cars	758	791
Business Unit	1,887	1,800
Other	6,488	6,870
Total	**105,020**	103,895

Other income Includes;		
Salary Sacrifice Schemes & Fleet Vehicles	2,129	2,165
VAT recoveries re Business Activities and accrued income	1,060	1,062
Other	3,299	3,643
	0	0
	0	0
	0	0
Total	**6,488**	6,870

Welsh Government Covid 19 income included in total above;.	20	0

Injury Cost Recovery (ICR) Scheme income

	2020-21	2019-20
	%	%
To reflect expected rates of collection ICR income is subject to a provision for impairment of:	22.43	21.79

Welsh Government provided a Cyber Security Grant totalling £20K in relation to IT infrastructure as part Health Board's response Covid-19.

Included in note 3.3 is £7.057m of Personal Protective Equipment (PPE) items received from NWSSP which have been offset by the income identified in note 4 above. There is no overall financial impact on the Health Board in relation to these PPE items.

5. Investment Revenue

	2020-21	2019-20
	£000	£000
Rental revenue :		
PFI Finance lease income		
planned	**0**	0
contingent	**0**	0
Other finance lease revenue	**0**	0
Interest revenue :		
Bank accounts	**0**	0
Other loans and receivables	**0**	0
Impaired financial assets	**0**	0
Other financial assets	**17**	18
Total	**17**	18

6. Other gains and losses

	2020-21	2019-20
	£000	£000
Gain/(loss) on disposal of property, plant and equipment	**43**	80
Gain/(loss) on disposal of intangible assets	**0**	0
Gain/(loss) on disposal of assets held for sale	**0**	(2)
Gain/(loss) on disposal of financial assets	**0**	0
Change on foreign exchange	**0**	0
Change in fair value of financial assets at fair value through SoCNE	**0**	0
Change in fair value of financial liabilities at fair value through SoCNE	**0**	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	**0**	0
Total	**43**	78

7. Finance costs

	2020-21	2019-20
	£000	£000
Interest on loans and overdrafts	**0**	0
Interest on obligations under finance leases	**0**	0
Interest on obligations under PFI contracts		
main finance cost	**381**	439
contingent finance cost	**375**	353
Interest on late payment of commercial debt	**0**	0
Other interest expense	**0**	0
Total interest expense	**756**	792
Provisions unwinding of discount	**(73)**	(39)
Other finance costs	**0**	0
Total	**683**	753

8. Operating leases

LHB as lessee

As at 31st March 2021 the LHB had 35 operating leases agreements in place for the leases of premises, 697 arrangements in respect of equipment and 395 in respect of vehicles, with 6 premises, 5 equipment and 190 vehicle leases having expired in year.

Payments recognised as an expense	**2020-21**	2019-20
	£000	£000
Minimum lease payments	**6,070**	6,120
Contingent rents	**0**	0
Sub-lease payments	**0**	0
Total	**6,070**	6,120

Total future minimum lease payments		
Payable	**£000**	£000
Not later than one year	**4,725**	4,188
Between one and five years	**9,110**	6,628
After 5 years	**9,355**	10,432
Total	**23,190**	21,248

LHB as lessor

Rental revenue	**£000**	£000
Rent	**190**	190
Contingent rents	**0**	0
Total revenue rental	**190**	190

Total future minimum lease payments		
Receivable	**£000**	£000
Not later than one year	**176**	176
Between one and five years	**704**	704
After 5 years	**1,085**	1,181
Total	**1,965**	2,061

LHB as Lessee
The LHB has the following leases, none of which is subject to any contingency:
- Leases on properties which are at fixed rentals subject to periodic review. The significant Leases expire at dates between August 2021 and November 2043 except for one lease which does not expire until March 2064
- Leases of medical and other equipment, IT equipment and photocopiers, at fixed rentals, generally for between three and seven years and
- Vehicle leases at fixed rentals generally for a period of three to five years

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	2019-20
	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	510,752	2,731	38,406	4,083	0	2,211	**558,183**	476,844
Social security costs	47,931	0	0	462	0	0	**48,393**	44,178
Employer contributions to NHS Pension Scheme	82,247	0	0	522	0	0	**82,769**	75,449
Other pension costs	332	0	0	0	0	0	**332**	349
Other employment benefits	0	0	0	0	0	0	**0**	0
Termination benefits	0	0	0	0	0	0	**0**	0
Total	641,262	2,731	38,406	5,067	0	2,211	**689,677**	596,820

Charged to capital	**1,930**	2,013
Charged to revenue	**687,747**	594,807
	689,677	596,820
Net movement in accrued employee benefits (untaken staff leave accrual included above)	245	94
Covid 19 Net movement in accrued employee benefits (untaken staff leave accrual included in above)	17,129	0

The staff under the 'Other' heading relate to Agency Medical Staff who are paid via a direct engagement scheme which commenced in January 2020.

9.2 Average number of employees

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2019-20
	Number	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	2,352	22	16	0	0	0	**2,390**	2,270
Medical and dental	1,010	8	60	89	0	12	**1,179**	1,111
Nursing, midwifery registered	3,601	1	223	0	0	0	**3,825**	3,616
Professional, Scientific, and technical staff	451	1	4	0	0	0	**456**	427
Additional Clinical Services	2,566	0	16	0	0	0	**2,582**	2,322
Allied Health Professions	764	0	10	0	0	0	**774**	756
Healthcare Scientists	226	5	6	0	0	0	**237**	234
Estates and Ancilliary	1,001	0	216	0	0	0	**1,217**	1,092
Students	1	0	0	0	0	0	**1**	3
Total	**11,972**	**37**	**551**	**89**	**0**	**12**	**12,661**	11,831

9.3. Retirements due to ill-health

	2020-21	2019-20
Number	12	7
Estimated additional pension costs £	473,647	541,118

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, please give details.

9.5 Reporting of other compensation schemes - exit packages

Exit packages cost band (including any special payment element)	2020-21 Number of compulsory redundancies	2020-21 Number of other departures	2020-21 Total number of exit packages	2020-21 Number of departures where special payments have been made	2019-20 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	0	0	0	0
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	0

Exit packages cost band (including any special payment element)	2020-21 Cost of compulsory redundancies	2020-21 Cost of other departures	2020-21 Total cost of exit packages	2020-21 Cost of special element included in exit packages	2019-20 Total cost of exit packages
	£'s	£'s	£'s	£'s	£'s
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	0	0	0	0
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	0

Exit costs paid in year of departure	Total paid in year 2020-21	Total paid in year 2019-20
	£'s	£'s
Exit costs paid in year	0	0
Total	**0**	0

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS). Where the LHB has agreed early retirements, the additional costs are met by the LHB and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

The Health Board has not approved any VERS in 2020/21.

Additional requirement as per FReM
£0 exit costs were paid in 2020-21, the year of departure (£0 - 2019-20).

9.6 Remuneration Relationship

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in the LHB for the financial year 2020-21 was £205k - £210k (2019-20, £200k - £205k). This was 6.8 times (2019-20, 6.7 times) the median remuneration of the workforce, which was £30,615 (2019-20, £30,038).

In 2020-21, 3 (2019-20, 14) employees received remuneration in excess of the highest-paid director. Remuneration for all staff ranged from £18k to £228k (2019-20, £18k to £301k).

There was a 1.9% increase in the median remuneration of the workforce due to the pay awards, incremental pay progressions and workforce composition fluctuations.

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 or beneifuts-in-kind which due to their value are not material.

9.7 Pension costs

PENSION COSTS

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. 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 2021, is based on valuation data as 31 March 2020, updated to 31 March 2021 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation.

In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

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 £50,000 for the 2020-2021 tax year (2019-2020 £6,136 and £50,000).

Restrictions on the annual contribution limits were removed on 1st April 2017.

10. Public Sector Payment Policy - Measure of Compliance

10.1 Prompt payment code - measure of compliance

The Welsh Government requires that Health Boards pay all their trade creditors in accordance with the CBI prompt payment code and Government Accounting rules. The Welsh Government has set as part of the Health Board financial targets a requirement to pay 95% of the number of non-NHS creditors within 30 days of delivery.

	2020-21	**2020-21**	2019-20	2019-20
NHS	**Number**	**£000**	Number	£000
Total bills paid	**5,719**	**302,038**	6,234	273,895
Total bills paid within target	**4,858**	**295,559**	5,544	265,363
Percentage of bills paid within target	**84.9%**	**97.9%**	88.9%	96.9%
Non-NHS				
Total bills paid	**245,667**	**596,364**	281,043	589,202
Total bills paid within target	**236,594**	**569,515**	273,053	571,483
Percentage of bills paid within target	**96.3%**	**95.5%**	97.2%	97.0%
Total				
Total bills paid	**251,386**	**898,402**	287,277	863,097
Total bills paid within target	**241,452**	**865,074**	278,597	836,846
Percentage of bills paid within target	**96.0%**	**96.3%**	97.0%	97.0%

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

	2020-21	2019-20
	£	£
Amounts included within finance costs (note 7) from claims made under this legislation	**0**	0
Compensation paid to cover debt recovery costs under this legislation	**1,466**	1,048
Total	**1466**	1048

11.1 Property, plant and equipment

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 April 2020	78,457	378,550	2,687	296,279	88,798	548	27,676	3,269	876,264
Indexation	(1,489)	5,349	40	0	0	0	0	0	3,900
Additions									
- purchased	0	7,715	18	47,429	40,469	0	10,587	2,019	108,237
- donated	0	8	0	0	193	0	0	0	201
- government granted	0	0	0	0	333	0	0	0	333
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	319,613	0	(319,613)	0	0	0	0	0
Revaluations	0	(2,819)	0	0	0	0	0	0	(2,819)
Reversal of impairments	0	5,677	38	0	0	0	0	0	5,715
Impairments	(65)	(70,503)	0	0	(374)	0	0	0	(70,942)
Reclassified as held for sale	0	0	0	0	(493)	0	0	0	(493)
Disposals	0	0	0	(835)	(4,482)	0	(2,151)	(421)	(7,889)
At 31 March 2021	76,903	643,590	2,783	23,260	124,444	548	36,112	4,867	912,507
Depreciation at 1 April 2020	0	40,327	227	1,792	58,071	407	13,157	1,859	115,840
Indexation	0	760	4	0	0	0	0	0	764
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	1,792	0	(1,792)	0	0	0	0	0
Revaluations	0	(6,378)	0	0	0	0	0	0	(6,378)
Reversal of impairments	0	414	3	0	0	0	0	0	417
Impairments	0	(3,325)	0	0	(186)	0	0	0	(3,511)
Reclassified as held for sale	0	0	0	0	(210)	0	0	0	(210)
Disposals	0	1	0	0	(4,452)	0	(2,132)	(421)	(7,004)
Provided during the year	0	17,972	80	0	9,190	32	5,036	344	32,654
At 31 March 2021	0	51,563	314	0	62,413	439	16,061	1,782	132,572
Net book value at 1 April 2020	78,457	338,223	2,460	294,487	30,727	141	14,519	1,410	760,424
Net book value at 31 March 2021	76,903	592,027	2,469	23,260	62,031	109	20,051	3,085	779,935
Net book value at 31 March 2021 comprises :									
Purchased	73,857	590,186	2,469	23,260	61,020	109	20,030	3,057	773,988
Donated	3,046	1,709	0	0	685	0	21	28	5,489
Government Granted	0	132	0	0	326	0	0	0	458
At 31 March 2021	76,903	592,027	2,469	23,260	62,031	109	20,051	3,085	779,935
Asset financing :									
Owned	76,903	584,103	2,469	23,260	61,492	109	20,051	3,085	771,472
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts	0	7,924	0	0	539	0	0	0	8,463
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2021	76,903	592,027	2,469	23,260	62,031	109	20,051	3,085	779,935

The net book value of land, buildings and dwellings at 31 March 2021 comprises :

	£000
Freehold	663,123
Long Leasehold	8,276
Short Leasehold	0
	671,399

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 2017. The valuation h as been prepared in accordance with the terms of the Royal Institute of Chartered Surveyors Valuation Standards, 6th Edition . LHB s are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

11.1 Property, plant and equipment

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 April 2019	79,574	367,313	2,611	186,786	88,831	676	22,929	2,663	**751,383**
Indexation	(748)	2,740	27	0	0	0	0	0	**2,019**
Additions									
- purchased	0	4,204	24	111,767	6,675	0	6,838	552	**130,060**
- donated	0	13	0	0	239	0	28	20	**300**
- government granted	0	93	0	0	0	0	0	0	**93**
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	**0**
Reclassifications	0	2,076	0	(2,244)	0	0	0	168	**0**
Revaluations	0	0	0	0	0	0	0	0	**0**
Reversal of impairments	0	4,533	25	0	0	0	0	0	**4,558**
Impairments	(32)	(1,574)	0	(30)	0	0	0	0	**(1,636)**
Reclassified as held for sale	(337)	(848)	0	0	0	0	0	0	**(1,185)**
Disposals	0	0	0	0	(6,947)	(128)	(2,119)	(134)	**(9,328)**
At 31 March 2020	78,457	378,550	2,687	296,279	88,798	548	27,676	3,269	**876,264**
Depreciation at 1 April 2019	0	26,202	147	1,792	57,306	503	11,963	1,721	**99,634**
Indexation	0	280	2	0	0	0	0	0	**282**
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	239	1	0	0	0	0	0	**240**
Impairments	0	(472)	0	0	0	0	0	0	**(472)**
Reclassified as held for sale	0	(54)	0	0	0	0	0	0	**(54)**
Disposals	0	0	0	0	(6,835)	(128)	(2,096)	(134)	**(9,193)**
Provided during the year	0	14,132	77	0	7,600	32	3,290	272	**25,403**
At 31 March 2020	0	40,327	227	1,792	58,071	407	13,157	1,859	**115,840**
Net book value at 1 April 2019	79,574	341,111	2,464	184,994	31,525	173	10,966	942	**651,749**
Net book value at 31 March 2020	78,457	338,223	2,460	294,487	30,727	141	14,519	1,410	**760,424**
Net book value at 31 March 2020 comprises :									
Purchased	75,350	336,313	2,460	294,487	30,005	141	14,491	1,374	**754,621**
Donated	3,107	1,777	0	0	694	0	28	36	**5,642**
Government Granted	0	133	0	0	28	0	0	0	**161**
At 31 March 2020	78,457	338,223	2,460	294,487	30,727	141	14,519	1,410	**760,424**
Asset financing :									
Owned	78,457	329,052	2,460	294,487	30,010	141	14,519	1,410	**750,536**
Held on finance lease	0	0	0	0	0	0	0	0	**0**
On-SoFP PFI contracts	0	9,171	0	0	717	0	0	0	**9,888**
PFI residual interests	0	0	0	0	0	0	0	0	**0**
At 31 March 2020	78,457	338,223	2,460	294,487	30,727	141	14,519	1,410	**760,424**

The net book value of land, buildings and dwellings at 31 March 2020 comprises :

	£000
Freehold	**409,655**
Long Leasehold	**9,485**
Short Leasehold	**0**
	419,140

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 2017. The valuation has been prepared in accordance with the terms of the Royal Institute of Chartered Surveyors Valuation Standards, 6th Edition . LHB s are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

11. Property, plant and equipment (continued)

Disclosures:

i) Donated Assets
Assets totalling £201k during the year were purchased via Charitable Funds donations, and Government Granted equipment assets totalling £333k were received from the Department of Health in relation to the Covid-19 response.

ii) Valuations
The LHBs land and Buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation has been prepared in accordance with the terms of the Royal Institute of Chartered Surveyors' Valuation Standards, 6th edition.

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

In 2020-21 indexation has been applied to land and buildings based on indices received from the Valuation Office Agency. In 2020-21, no indexation has been applied to equipment.

In addition, in 2020-21 there have been separate revaluations for three assets under construction coming into use. The most significant of these is the opening of the Grange University Hospital, with the others relating to the Lift Replacement Programme in Royal Gwent and Nevill Hall Hospitals and the Theatres Laminar Flow installation at RGH. Updated valuations have also been undertaken for two Assets Held for Sale and reflected in Note 13.

iii) Asset Lives
Depreciated as follows:
- Land is not depreciated.
- Buildings as determined by the Valuation Office Agency.
- Equipment 5-15 years.

iv) Compensation
There has been no compensation received from third parties for assets impaired, lost or given up, that is included in the income statement.

v) Write Downs
The Health Board is required to assess whether it owns any surplus assets which have no sale restrictions and plans for future use to comply with IFRS 13. One equipment asset (RGH Cardiac Catheter Lab 1 imaging system) has been identified as such in 2020/21 following the service relocation to the Grange University Hospital. The asset has been written down to fair value in the accounts and included as an impairment in Note 13.

vi) The LHB does not hold any property where the value is materially different from its open market value.

vii) Assets Held for Sale or sold in the period.
There were no disposals of Assets Held for Sale in 2020/21. The two properties classified as Assets Held for Sale during 2019/20 have been revalued during the year and are now planned to be sold in quarter one of 2021/22. One equipment asset (RGH Cardiac Catheter Lab 2 imaging system) has been reclassified to Assets Held for Sale in the period following the service relocation to the Grange University Hospital.

11. Property, plant and equipment

11.2 Non-current assets held for sale

	Land	Buildings, including dwelling	Other property, plant and equipment	Intangible assets	Other assets	Total
	£000	£000	£000	£000	£000	£000
Balance brought forward 1 April 2020	337	794	0	0	0	**1,131**
Plus assets classified as held for sale in the year	0	0	283	0	0	**283**
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	(12)	(197)	0	0	**(209)**
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	**0**
Balance carried forward 31 March 2021	337	782	86	0	0	**1,205**
Balance brought forward 1 April 2019	127	293	0	0	0	**420**
Plus assets classified as held for sale in the year	337	794	0	0	0	**1,131**
Revaluation	0	0	0	0	0	**0**
Less assets sold in the year	(127)	(293)	0	0	0	**(420)**
Add reversal of impairment of assets held for sale	0	0	0	0	0	**0**
Less impairment of assets held for sale	0	0	0	0	0	**0**
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	**0**
Balance carried forward 31 March 2020	337	794	0	0	0	**1,131**

12. Intangible non-current assets

2020-21

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Carbon Reduction Commitments	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2020	1,514	0	6,001	0	0	0	7,515
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	1,146	0	2,459	0	0	0	3,605
Additions- internally generated	0	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	(217)	0	(1,299)	0	0	0	(1,516)
Gross cost at 31 March 2021	2,443	0	7,161	0	0	0	9,604
Amortisation at 1 April 2020	943	0	2,009	0	0	0	2,952
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	245	0	1,329	0	0	0	1,574
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	(218)	0	(1,299)	0	0	0	(1,517)
Amortisation at 31 March 2021	970	0	2,039	0	0	0	3,009
Net book value at 1 April 2020	571	0	3,992	0	0	0	4,563
Net book value at 31 March 2021	1,473	0	5,122	0	0	0	6,595
At 31 March 2021							
Purchased	1,468	0	5,122	0	0	0	6,590
Donated	5	0	0	0	0	0	5
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0	0
Total at 31 March 2021	1,473	0	5,122	0	0	0	6,595

12. Intangible non-current assets
2019-20

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Carbon Reduction Commitments	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2019	1,479	0	3,203	0	0	0	**4,682**
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	35	0	2,798	0	0	0	**2,833**
Additions- internally generated	0	0	0	0	0	0	**0**
Additions- donated	0	0	0	0	0	0	**0**
Additions- government granted	0	0	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	0	**0**
Transfers	0	0	0	0	0	0	**0**
Disposals	0	0	0	0	0	0	**0**
Gross cost at 31 March 2020	**1,514**	**0**	**6,001**	**0**	**0**	**0**	**7,515**
Amortisation at 1 April 2019	673	0	1,331	0	0	0	**2,004**
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	270	0	678	0	0	0	**948**
Reclassified as held for sale	0	0	0	0	0	0	**0**
Transfers	0	0	0	0	0	0	**0**
Disposals	0	0	0	0	0	0	**0**
Amortisation at 31 March 2020	**943**	**0**	**2,009**	**0**	**0**	**0**	**2,952**
Net book value at 1 April 2019	**806**	**0**	**1,872**	**0**	**0**	**0**	**2,678**
Net book value at 31 March 2020	**571**	**0**	**3,992**	**0**	**0**	**0**	**4,563**
At 31 March 2020							
Purchased	561	0	3,992	0	0	0	**4,553**
Donated	10	0	0	0	0	0	**10**
Government Granted	0	0	0	0	0	0	**0**
Internally generated	0	0	0	0	0	0	**0**
Total at 31 March 2020	**571**	**0**	**3,992**	**0**	**0**	**0**	**4,563**

Additional Disclosures re Intangible Assets

i) On initial recognition Intangible non-current assets are measured at cost. 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 asset basis), indexed for relevant price increases, as a proxy for fair value.

ii) The useful economic life of Intangible non-current assets are assigned on an individual asset basis using either a standard life of 5 years or the period covered by a licence.

iii) All fully depreciated assets still in use are being carried at nil net book value. Fully depreciated assets with a GBV of £1,573k were disposed of during the year.

iv) These assets have not been subject to indexation or revaluation during the year.

Additions during the year comprised:
1. Dr Doctor Software Licence £873k with a 2 year life
2. Lightfoot SFN Licence £1,456k with a 3 year life
3. Citrix Licences £450k with a 4 year life
4. ArcServe Anti-Ransomware System £350k with a 5 year life
5. G2 Digital Dictation Licences £168k with a 5 year life
6. Pharmacy Stock Control System £97k with a 5 year life
7. ICT Flow Centre System Licences £57k with a 5 year life
8. Various ICT Software & Licenses £156k with a 5 year life

13 . Impairments

	2020-21 Property, plant & equipment £000	2020-21 Intangible assets £000	2019-20 Property, plant & equipment £000	2019-20 Intangible assets £000
Impairments arising from :				
Loss or damage from normal operations	0	0	0	0
Abandonment in the course of construction	0	0	0	0
Over specification of assets (Gold Plating)	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0
Unforeseen obsolescence	0	0	0	0
Changes in market price	0	0	0	0
Others (specify)	69,129	0	1,912	0
Reversal of Impairments	(5,298)	0	(4,318)	0
Total of all impairments	63,831	0	(2,406)	0

Analysis of impairments charged to reserves in year :

	2020-21 Property, plant & equipment £000	2020-21 Intangible assets £000	2019-20 Property, plant & equipment £000	2019-20 Intangible assets £000
Charged to the Statement of Comprehensive Net Expenditure	62,342	0	(3,154)	0
Charged to Revaluation Reserve	1,489	0	748	0
	63,831	0	(2,406)	0

2020-21	Impairment amount £000	Reason for impairment £000	Nature of Asset £000	Valuation basis £000	Charge to SoCNE £000	Charge to reserve £000
Grange University Hospital	66,585	Assets Valued on Coming Into Use	Operational	Existing Use	66,585	0
Laminar Flow RGH	593	Assets Valued on Coming Into Use	Operational	Existing Use	593	0
Cath Lab 2 RGH	197	Asset valued on moving to AHFS	Held for Sale	Fair Value	197	0
Cath Lab 1 RGH	188	Revalued on Surplus Asset basis	Surplus Plant	Fair Value	188	0
Indexation - Land	1,554	Indexation Loss	Operational	Fair Value	65	1,489
Homelands	12	Updated Market Valuation	Held for Sale	Fair Value	12	0
Total Impairment	69,129				67,640	1,489
Reversal of Impairments						
Ysbyty Aneurin Bevan	(950)	Indexation - reversal of impairment in previous years	Operational Assets	Indexation	(950)	0
Ysbyty Ystrad Fawr	(3,558)				(3,558)	0
Serennu Childrens Centre	(217)				(217)	0
Royal Gwent	(360)				(360)	0
St Cadocs	(135)				(135)	0
Llanfrechfa Grange	(37)				(37)	0
Neville Hall	(26)				(26)	0
Various Community Sites	(15)				(15)	0
Total Reversal of Impairments	(5,298)				(5,298)	0
Net credit to SoCNE	63,831				62,342	1,489

14.1 Inventories

	31 March 2021 £000	31 March 2020 £000
Drugs	3,117	3,428
Consumables	6,563	5,841
Energy	177	217
Work in progress	0	0
Other	0	0
Total	**9,857**	9,486
Of which held at realisable value	0	0

14.2 Inventories recognised in expenses

	31 March 2021 £000	31 March 2020 £000
Inventories recognised as an expense in the period	0	0
Write-down of inventories (including losses)	0	0
Reversal of write-downs that reduced the expense	0	0
Total	**0**	**0**

15. Trade and other Receivables

Current	31 March 2021 £000	31 March 2020 £000
Welsh Government	7,017	6,826
WHSSC / EASC	441	998
Welsh Health Boards	1,672	3,447
Welsh NHS Trusts	3,500	3,328
Health Education and Improvement Wales (HEIW)	111	217
Non - Welsh Trusts	208	455
Other NHS	0	0
2019-20 Scheme Pays - Welsh Government Reimbursement	0	0
Welsh Risk Pool Claim reimbursement		
NHS Wales Secondary Health Sector	63,083	24,895
NHS Wales Primary Sector FLS Reimbursement	0	0
NHS Wales Redress	488	752
Other	0	0
Local Authorities	4,273	3,823
Capital debtors - Tangible	0	53
Capital debtors - Intangible	0	0
Other debtors	11,399	11,268
Provision for irrecoverable debts	(1,951)	(2,070)
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	5,646	4,569
Other accrued income	0	0
Sub total	95,887	58,561
Non-current		
Welsh Government	0	0
WHSSC / EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Health Education and Improvement Wales (HEIW)	0	0
Non - Welsh Trusts	0	0
Other NHS	0	0
2019-20 Scheme Pays - Welsh Government Reimbursement	0	0
Welsh Risk Pool Claim reimbursement;		
NHS Wales Secondary Health Sector	117,181	146,889
NHS Wales Primary Sector FLS Reimbursement	0	0
NHS Wales Redress	0	0
Other	0	0
Local Authorities	0	0
Capital debtors - Tangible	0	0
Capital debtors - Intangible	0	0
Other debtors	1,210	2,023
Provision for irrecoverable debts	0	0
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	0	0
Other accrued income	0	0
Sub total	118,391	148,912
Total	214,278	207,473

15. Trade and other Receivables (continued)

Receivables past their due date but not impaired

	31 March 2021 £000	31 March 2020 £000
By up to three months	**1,264**	1,891
By three to six months	**194**	180
By more than six months	**1,257**	844
	2,715	2,915

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

	31 March 2021 £000	31 March 2020 £000
Balance at 1 April 2020	**(2,070)**	(1,663)
Transfer to other NHS Wales body	**0**	0
Amount written off during the year	**24**	69
Amount recovered during the year	**0**	0
(Increase) / decrease in receivables impaired	**89**	(497)
Bad debts recovered during year	**6**	21
Balance at 31 March 2021	**(1,951)**	(2,070)

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

	31 March 2021 £000	31 March 2020 £000
Trade receivables	**2,625**	2,205
Other	**458**	220
Total	**3,083**	2,425

16. Other Financial Assets

	Current		Non-current	
	31 March 2021 £000	31 March 2020 £000	**31 March 2021 £000**	31 March 2020 £000
Financial assets				
Shares and equity type investments				
Held to maturity investments at amortised costs	**0**	0	**0**	0
At fair value through SOCNE	**0**	0	**0**	0
Available for sale at FV	**0**	0	**0**	0
Deposits	**0**	0	**0**	0
Loans	**32**	31	**554**	586
Derivatives	**0**	0	**0**	0
Other (Specify)				
Held to maturity investments at amortised costs	**0**	0	**0**	0
At fair value through SOCNE	**0**	0	**0**	0
Available for sale at FV	**0**	0	**0**	0
Total	**32**	**31**	**554**	**586**

17. Cash and cash equivalents

	2020-21 £000	2019-20 £000
Balance at 1 April 2020	**1,301**	984
Net change in cash and cash equivalent balances	**520**	317
Balance at 31 March 2021	**1,821**	1,301
Made up of:		
Cash held at GBS	**1,797**	1,278
Commercial banks	**0**	0
Cash in hand	**24**	23
Cash and cash equivalents as in Statement of Financial Position	**1,821**	1,301
Bank overdraft - GBS	**0**	0
Bank overdraft - Commercial banks	**0**	0
Cash and cash equivalents as in Statement of Cash Flows	**1,821**	1,301

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

Lease Liabilities £0k
PFI liabilities £832k

The movement relates to cash, no comparative information is required by IAS 7 in 2020-21.

18. Trade and other payables

Current	31 March 2021 £000	31 March 2020 £000
Welsh Government	66	66
WHSSC / EASC	2,370	164
Welsh Health Boards	2,569	1,557
Welsh NHS Trusts	3,935	3,626
Health Education and Improvement Wales (HEIW)	0	4
Other NHS	4,335	6,113
Taxation and social security payable / refunds	5,170	3,932
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	0	0
NI contributions payable to HMRC	0	0
Non-NHS payables - Revenue	59,115	46,154
Local Authorities	16,562	18,501
Capital payables- Tangible	11,886	8,080
Capital payables- Intangible	882	0
Overdraft	0	0
Rentals due under operating leases	0	0
Obligations under finance leases, HP contracts	0	0
Imputed finance lease element of on SoFP PFI contracts	911	832
Pensions: staff	9,001	8,328
Non NHS Accruals	97,401	56,576
Deferred Income:		
Deferred Income brought forward	0	70
Deferred Income Additions	0	(70)
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	0	0
Other creditors	0	0
PFI assets –deferred credits	0	0
Payments on account	(11,759)	(9,009)
Sub Total	**202,444**	144,924
Non-current		
Welsh Government	0	0
WHSSC / EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Health Education and Improvement Wales (HEIW)	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
Obligations under finance leases, HP contracts	0	0
Imputed finance lease element of on SoFP PFI contracts	4,315	5,226
Pensions: staff	0	0
Non NHS Accruals	0	0
Deferred Income :		
Deferred Income brought forward	0	0
Deferred Income Additions	0	0
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	0	0
Other creditors	0	0
PFI assets –deferred credits	0	0
Payments on account	0	0
Sub Total	**4,315**	5,226
Total	**206,759**	150,150

It is intended to pay all invoices within the 30 day period directed by the Welsh Government.

The Capital Payables - Tangible figure includes balances that have been agreed with other NHS Wales bodies, as part of the Agreement of Balances process. A balance of £526K was agreed with Cardiff & Vale UHB and £71K was agreed with Velindre University NHS Trust as part of this process.

18. Trade and other payables (continued).

Amounts falling due more than one year are expected to be settled as follows:	**31 March 2021 £000**	31 March 2020 £000
Between one and two years	**997**	911
Between two and five years	**1,854**	2,725
In five years or more	**1,464**	1,590
Sub-total	**4,315**	5,226

19. Other financial liabilities

	Current		**Non-current**	
Financial liabilities	**31 March 2021 £000**	31 March 2020 £000	**31 March 2021 £000**	31 March 2020 £000
Financial Guarantees:				
At amortised cost	**0**	0	**0**	0
At fair value through SoCNE	**0**	0	**0**	0
Derivatives at fair value through SoCNE	**0**	0	**0**	0
Other:				
At amortised cost	**0**	0	**0**	0
At fair value through SoCNE	**0**	0	**0**	0
Total	**0**	0	**0**	0

20. Provisions

	At 1 April 2020	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 2021
Current	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Clinical negligence:-									
Secondary care	14,314	0	(1,178)	35,737	7,723	(8,735)	(7,468)	0	40,393
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	524	0	0	0	237	(218)	(231)	0	312
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	497	0	0	(169)	165	(263)	(113)	0	117
All other losses and special payments	0	0	0	0	30	(30)	0	0	0
Defence legal fees and other administration	1,155	0	0	660	1,653	(1,032)	(579)		1,857
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	440			90	438	(410)	(107)	(39)	412
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	1,442		0	0	1,719	(52)	(201)		2,908
Total	18,372	0	(1,178)	36,318	11,965	(10,740)	(8,699)	(39)	45,999
Non Current									
Clinical negligence:-									
Secondary care	146,409	0	(4,118)	(35,737)	11,811	(1,074)	(1,223)	0	116,068
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	3,443	0	0	169	223	(259)	(189)	(34)	3,353
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	1,686	0	0	(660)	681	(158)	(24)		1,525
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	3,718			(90)	0	0	0	0	3,628
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	203		0	0	327	(121)	(41)		368
Total	155,459	0	(4,118)	(36,318)	13,042	(1,612)	(1,477)	(34)	124,942
TOTAL									
Clinical negligence:-									
Secondary care	160,723	0	(5,296)	0	19,534	(9,809)	(8,691)	0	156,461
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	524	0	0	0	237	(218)	(231)	0	312
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	3,940	0	0	0	388	(522)	(302)	(34)	3,470
All other losses and special payments	0	0	0	0	30	(30)	0	0	0
Defence legal fees and other administration	2,841	0	0	0	2,334	(1,190)	(603)		3,382
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	4,158			0	438	(410)	(107)	(39)	4,040
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	1,645		0	0	2,046	(173)	(242)		3,276
Total	173,831	0	(5,296)	0	25,007	(12,352)	(10,176)	(73)	170,941

Expected timing of cash flows:

	In year to 31 March 2022	Between 1 April 2022 31 March 2026	Thereafter	Total
				£000
Clinical negligence:-				
Secondary care	40,393	116,068	0	156,461
Primary care	0	0	0	0
Redress Secondary care	312	0	0	312
Redress Primary care	0	0	0	0
Personal injury	117	1,277	2,076	3,470
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	1,857	1,525	0	3,382
Pensions relating to former directors	0	0	0	0
Pensions relating to other staff	412	3,628	0	4,040
2019-20 Scheme Pays - Reimbursement	0	0	0	0
Restructuring	0	0	0	0
Other	2,908	368	0	3,276
Total	45,999	122,866	2,076	170,941

The expected timing of cash flows are based on best available information; but they could change on the basis of individual case changes. The claims outstanding with the Welsh Risk Pool are based on best estimates of settlement of claims provided by the Health Board's legal advisors. The Health Board estimates that in 2021/22 it will receive £40,616,280 and in 2022/23 and beyond £117,181,426 from the Welsh Risk Pool in respect of clinical negligence and personal injury payments.

Other provisions include: Continuing Healthcare Independent Review Panel (IRP) & Ombudsman claims £458,086. The estimation method used to calculate the provision for 2020/21 is consistent with the methodology used in 2019/20. In the continuing absence of detailed assessment information the Health Board has used a mixture of actual assessments and the application of an expected success factor and average weekly costs to determine whether an individual claimant provision would be established.

Other provisions include an amount for Ancillary Staff Banked Annual Leave Payments, potential VAT payment to HMRC and a provision for potential pension costs know as 'final pay control'.

The total Health Board provision also includes an amount of £311,362 which relates to 36 Redress cases where offers have been made to the families but not yet accepted or breach and causation have been proven.

20. Provisions (continued)

	At 1 April 2019	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 2020
Current	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Clinical negligence:-									
Secondary care	30,372	(305)	(1,723)	5,179	7,741	(5,936)	(21,014)	0	**14,314**
Primary care	0	0	0	0	0	0	0	0	**0**
Redress Secondary care	439	0	0	0	533	(413)	(35)	0	**524**
Redress Primary care	0	0	0	0	0	0	0	0	**0**
Personal injury	388	0	0	(96)	682	(441)	(18)	(18)	**497**
All other losses and special payments	0	0	0	0	198	(198)	0	0	**0**
Defence legal fees and other administration	1,098	0	0	134	1,060	(746)	(391)		**1,155**
Pensions relating to former directors	0			0	0	0	0	0	**0**
Pensions relating to other staff	423			113	510	(424)	(161)	(21)	**440**
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	**0**
Restructuring	0			0	0	0	0	0	**0**
Other	2,559		0	0	562	(229)	(1,450)		**1,442**
Total	**35,279**	**(305)**	**(1,723)**	**5,330**	**11,286**	**(8,387)**	**(23,069)**	**(39)**	**18,372**
Non Current									
Clinical negligence:-									
Secondary care	88,484	0	0	(5,179)	65,661	(1,506)	(1,051)	0	**146,409**
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	3,260	0	0	96	87	0	0	0	**3,443**
All other losses and special payments	0	0	0	0	0	0	0	0	**0**
Defence legal fees and other administration	1,037	0	0	(134)	1,078	(162)	(133)		**1,686**
Pensions relating to former directors	0			0	0	0	0	0	**0**
Pensions relating to other staff	3,831			(113)	0	0	0	0	**3,718**
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	**0**
Restructuring	0			0	0	0	0	0	**0**
Other	919		0	0	988	(951)	(753)		**203**
Total	**97,531**	**0**	**0**	**(5,330)**	**67,814**	**(2,619)**	**(1,937)**	**0**	**155,459**
TOTAL									
Clinical negligence:-									
Secondary care	118,856	(305)	(1,723)	0	73,402	(7,442)	(22,065)	0	**160,723**
Primary care	0	0	0	0	0	0	0	0	**0**
Redress Secondary care	439	0	0	0	533	(413)	(35)	0	**524**
Redress Primary care	0	0	0	0	0	0	0	0	**0**
Personal injury	3,648	0	0	0	769	(441)	(18)	(18)	**3,940**
All other losses and special payments	0	0	0	0	198	(198)	0	0	**0**
Defence legal fees and other administration	2,135	0	0	0	2,138	(908)	(524)		**2,841**
Pensions relating to former directors	0			0	0	0	0	0	**0**
Pensions relating to other staff	4,254			0	510	(424)	(161)	(21)	**4,158**
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	**0**
Restructuring	0			0	0	0	0	0	**0**
Other	3,478		0	0	1,550	(1,180)	(2,203)		**1,645**
Total	**132,810**	**(305)**	**(1,723)**	**0**	**79,100**	**(11,006)**	**(25,006)**	**(39)**	**173,831**

21. Contingencies

21.1 Contingent liabilities

	2020-21	2019-20
Provisions have not been made in these accounts for the following amounts :	**£'000**	£'000
Legal claims for alleged medical or employer negligence:-		
Secondary care	**420,315**	339,883
Primary care	**45**	45
Redress Secondary care	**146**	0
Redress Primary care	**0**	0
Doubtful debts	**0**	0
Equal Pay costs	**0**	0
Defence costs	**5,719**	4,675
Continuing Health Care costs	**1,364**	2,022
Other	**0**	0
Total value of disputed claims	**427,589**	346,625
Amounts (recovered) in the event of claims being successful	**(422,167)**	(340,543)
Net contingent liability	**5,422**	6,082

ABUHB – Contingent Liability Note

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 legal claims have increased by £81m from 2019/20 with the number of claims increasing from 146 in 2019/20 to 273 in 2020/21.

Liability for Permanent Injury Benefit under the NHS Injury Benefit Scheme lies with the employer. Individual claims to the NHS Pensions Agency could arise due to known incidents.

Continuing Healthcare Cost uncertainties

The Health Board has made progress in completing the review of the outstanding claims for reimbursement of retrospective care payments (IRPs) during 2020/21. As a consequence there has been a movement in the level of provision and uncertainty including in these Accounts.

Note 20 sets out the £0.458m provision made for probable continuing care costs relating to 57 outstanding claims received by 31st March 2021. This compares with the 2019/20 provision of £0.288m and 82 outstanding phase 1 to 7 claims.

Note 21.1 also sets out the £1.364m contingent liability for possible additional continuing care costs relating to those claims if they are all settled and in full, comparing favourably with the £2.022m reported for 2019/20.

During 2016/17 ABUHB took the decision to close 116 claims that had become dormant i.e. no progress made in establishing eligibility, between December 2007 and November 2014. A further 4 claims were added in 2018/19. The contingent liability for these claims reported for 2019/20 was £3.187m. There has been no change to the volume of dormant claims during 20/21 and given their age, the claims have now been closed.

In addition the LHB has a further 7 new (Phase 7) claims, which have been received in the latter part of the financial year for which the assessment process remains incomplete. The assessment process is highly complex, involves multi-disciplinary teams and for those reasons can take many months. At this stage, the LHB does not have the information to make a judgement on the likely success or otherwise of these claims, however, they may result in additional costs to the LHB, which cannot be quantified at this time.

ABUHB – Contingent Liability Note continued

Pensions tax annual allowance – Scheme Pays arrangements 2019/20

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

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

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

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

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

At the date of approval of these accounts, there was insufficient data of take-up of the scheme by the Welsh clinical staff to enable a reasonable assessment of future take up to be made. As no reliable estimate can therefore be made to support the creation of a provision at 31 March 2021, the existence of an unquantified contingent liability is instead disclosed.

21.2 Remote Contingent liabilities

	2020-21	2019-20
	£'000	£'000
Please disclose the values of the following categories of remote contingent liabilities :		
Guarantees	0	0
Indemnities	14,159	9,800
Letters of Comfort	0	0
Total	**14,159**	**9,800**

21.3 Contingent assets

	2020-21	2019-20
	£'000	£'000
Please give detail	0	0
	0	0
	0	0
Total	**0**	0

22. Capital commitments

Contracted capital commitments at 31 March	2020-21	2019-20
	£'000	£'000
Property, plant and equipment	10,090	46,614
Intangible assets	0	0
Total	**10,090**	46,614

23. Losses and special payments

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

Gross loss to the Exchequer

Number of cases and associated amounts paid out or written-off during the financial year:

	Amounts paid out during period to 31 March 2021	
	Number	**£**
Clinical negligence	120	10,027,088
Personal injury	47	522,123
All other losses and special payments	149	53,843
Total	316	10,603,054

Analysis of cases which exceed £300,000 and all other cases:

Cases where cumulative amount exceeds £300,000	**Number**	**Case type**	**Amounts paid out in year** £	**Cumulative amount** £
04RVFPI0038	04RVFPI0038	PI	27,201	438,390
09RVFMN0033	09RVFMN0033	MN	1,728,000	1,918,000
10RVFMN0058	10RVFMN0058	MN	34,900	459,900
14RVFMN0015	14RVFMN0015	MN	0	1,875,324
14RVFMN0061	14RVFMN0061	MN	201,500	1,871,500
14RVFMN0114	14RVFMN0114	MN	74,000	1,308,993
14RVFMN0118	14RVFMN0118	MN	79,967	2,152,500
15RVFMN0185	15RVFMN0185	MN	900,000	1,050,000
16RVFMN0131	16RVFMN0131	MN	93,932	300,781
16RVFMN0139	16RVFMN0139	MN	652,500	745,000
16RVFMN0187	16RVFMN0187	MN	31,000	416,000
16RVFMN0202	16RVFMN0202	MN	433,500	433,500
16RVFMN0206	16RVFMN0206	MN	300,000	495,000
16RVFMN0216	16RVFMN0216	MN	300,000	995,000
16RVFMN0242	16RVFMN0242	MN	0	632,000
17RVFMN0034	17RVFMN0034	MN	1,100,000	1,100,000
17RVFMN0070	17RVFMN0070	MN	136,000	311,000
18RVFMN0110	18RVFMN0110	MN	40,000	340,000
18RVFPI0022	18RVFPI0022	PI	61,873	309,887
20RVFMN0129	20RVFMN0129	MN	350,000	350,000
			0	0
			0	0
Sub-total	**20**		**6,544,373**	**17,502,775**
All other cases	296		4,058,681	10,132,703
Total cases	**316**		**10,603,054**	**27,635,478**

24. Finance leases

24.1 Finance leases obligations (as lessee)

The Local Health Board has no finance leases receivable as a lessee.

Amounts payable under finance leases:

Land	**31 March 2021 £000**	31 March 2020 £000
Minimum lease payments		
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	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0
Present value of minimum lease payments		
Within one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Present value of minimum lease payments	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0

24.1 Finance leases obligations (as lessee) continued

Amounts payable under finance leases:

Buildings	**31 March 2021**	31 March 2020
Minimum lease payments	**£000**	£000
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	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0
Present value of minimum lease payments		
Within one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Present value of minimum lease payments	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0

Other	**31 March 2021**	31 March 2020
Minimum lease payments	**£000**	£000
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	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0
Present value of minimum lease payments		
Within one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Present value of minimum lease payments	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0

24.2 Finance leases obligations (as lessor) continued

The Local Health Board has no finance leases receivable as a lessor.

Amounts receivable under finance leases:

	31 March 2021	31 March 2020
Gross Investment in leases	**£000**	£000
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	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0
Present value of minimum lease payments		
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	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0

25. Private Finance Initiative contracts

25.1 PFI schemes off-Statement of Financial Position

The LHB has two PFI operational schemes deemed to be off-statement of Financial Position

	Newport Hospitals Energy Scheme	Nevill Hall Hospitals Energy Scheme	Total
	£000	£000	£000
Estimated capital value of the PFI scheme	1182	3300	4482

Both schemes relate to the provision of replacement heating and lighting systems within the respective hospitals. Neither has resulted in guarantees, commitments or other rights and obligations upon the LHB. The Newport hospitals scheme commenced in 2015 for a period of 5 years ending in September 2020. The Nevill Hall scheme commenced in 2000 for a period of 25 years. The payments are made quarterly in advance with prepayments at year end for the period beyond 31 March 2021 included in debtors.

Commitments under off-SoFP PFI contracts	**Off-SoFP PFI contracts**	Off-SoFP PFI contracts
	31 March 2021	31 March 2020
	£000	£000
Total payments due within one year	**861**	1,103
Total payments due between 1 and 5 years	**3,200**	3,359
Total payments due thereafter	**0**	603
Total future payments in relation to PFI contracts	**4,061**	5,065
Total estimated capital value of off-SoFP PFI contracts	**3,300**	4,482

25.2 PFI schemes on-Statement of Financial Position

Capital value of scheme included in Fixed Assets Note 11	**£000**	**£000**	**£000**
	4,244	**3,118**	**1,100**
	Chepstow Community Hospital	Monnow Vale Health and Social Care Facility	Nevill Hall Hospital Day Surgery
Contract start date:	Feb-00	Mar-04	Sep-99
Contract end date:	Feb-25	Mar-36	Sep-24

Chepstow Community Hospital - a new community hospital including the provision of ancillary support services. This scheme commenced in 1998 with unitary charge payments being made for a period of 25 years from February 2000. The obligation for the scheme is £2,027k.

Monnow Vale Health and Social Care Facility - a new health and social care facility. This scheme commenced in 2006 with unitary charge payments being made for a period of 30 years from 2006. The obligation for the scheme is £2,058k.

Nevill Hall Hospital Day Surgery - a purpose built day unit including the provision of medical equipment for the unit. The PFI partner has responsibility for maintaining the building and replacing the equipment used with the unit. The scheme commenced in 1998 with unitary charge payments being made for a period of 25 years from 1999. The obligation for the scheme is £1,141k.

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

	On SoFP PFI Capital element 31 March 2021	**On SoFP PFI Imputed interest 31 March 2021**	**On SoFP PFI Service charges 31 March 2021**
	£000	**£000**	**£000**
Total payments due within one year	**911**	**318**	**2,400**
Total payments due between 1 and 5 years	**2,850**	**550**	**8,557**
Total payments due thereafter	**1,465**	**234**	**6,421**
Total future payments in relation to PFI contracts	**5,226**	**1,102**	**17,378**

	On SoFP PFI Capital element 31 March 2020	On SoFP PFI Imputed interest 31 March 2020	On SoFP PFI Service charges 31 March 2020
	£000	£000	£000
Total payments due within one year	832	381	2,502
Total payments due between 1 and 5 years	3,636	823	10,485
Total payments due thereafter	1,590	280	6,922
Total future payments in relation to PFI contracts	6,058	1,484	19,909

	31 March 2021
	£000
Total present value of obligations for on-SoFP PFI contracts	**23,706**

25.3 Charges to expenditure

	2020-21	2019-20
	£000	£000
Service charges for On Statement of Financial Position PFI contracts (excl interest costs)	1,987	2,081
Total expense for Off Statement of Financial Position PFI contracts	1,109	1,313
The total charged in the year to expenditure in respect of PFI contracts	3,096	3,394

The LHB is committed to the following annual charges

	31 March 2021	31 March 2020
PFI scheme expiry date:	£000	£000
Not later than one year	0	264
Later than one year, not later than five years	2,321	1,584
Later than five years	553	1,383
Total	2,874	3,231

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.

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. One of the Off SoFP PFI contracts ceased during 2020/21 and as such the number entered reflects the number of contracts in existence at the end of March 2021.

25.4 Number of PFI contracts

	Number of on SoFP PFI contracts	Number of off SoFP PFI contracts
Number of PFI contracts	3	1
Number of PFI contracts which individually have a total commitment > £500m	0	0

	On / Off-statement of financial position
PFI Contract	
Number of PFI contracts which individually have a total commitment > £500m	0

PFI Contract

25.5 The LHB has no Public Private Partnerships

26. Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. The LHB is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which these standards mainly apply. The LHB has limited powers to invest and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the LHB in undertaking its activities.

Currency risk
The LHB is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The LHB has no overseas operations. The LHB therefore has low exposure to currency rate fluctuations.

Interest rate risk
LHBs are not permitted to borrow. The LHB therefore has low exposure to interest rate fluctuations.

Credit risk
Because the majority of the LHB's funding derives from funds voted by the Welsh Government the LHB has low exposure to credit risk.

Liquidity risk
The LHB is required to operate within cash limits set by the Welsh Government for the financial year and draws down funds from the Welsh Government as the requirement arises. The LHB is not, therefore, exposed to significant liquidity risks.

27. Movements in working capital

	2020-21	2019-20
	£000	£000
(Increase)/decrease in inventories	(371)	(1,913)
(Increase)/decrease in trade and other receivables - non-current	30,553	(57,837)
(Increase)/decrease in trade and other receivables - current	(37,327)	11,518
Increase/(decrease) in trade and other payables - non-current	(911)	(166)
Increase/(decrease) in trade and other payables - current	57,520	6,462
Total	49,464	(41,936)
Adjustment for accrual movements in fixed assets - creditors	(4,688)	487
Adjustment for accrual movements in fixed assets - debtors	(53)	53
Other adjustments	7,945	625
	52,668	(40,771)

28. Other cash flow adjustments

	2020-21	2019-20
	£000	£000
Depreciation	32,654	25,403
Amortisation	1,574	948
(Gains)/Loss on Disposal	(43)	(78)
Impairments and reversals	62,342	(3,154)
Release of PFI deferred credits	0	0
NWSSP Covid assets issued debited to expenditure but non-cash	(7,057)	0
Covid assets received credited to revenue but non-cash	0	0
Donated assets received credited to revenue but non-cash	(201)	(300)
Government Grant assets received credited to revenue but non-cash	(389)	(93)
Non-cash movements in provisions	9,462	52,027
Other movements	25,189	22,985
Total	123,531	97,738

29. Events after the Reporting Period

The need to plan and respond to the Covid-19 pandemic has impacted significantly on the Health Board, wider NHS and society in the past year. This has required a dynamic response which has presented a number of opportunities in addition to risks. The need to respond and recover from the pandemic will be with the Health Board and wider society throughout 2021-22 and beyond and the Health Board's Governance Framework will need to consider and respond to this on an on-going basis.

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on 15th June 2021 the date they 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

	2020-21		As at 31st March 2021	
	Expenditure to related party	**Income from related party**	**Amounts owed to related party**	**Amounts due from related party**
	£000	£000	£000	£000
Welsh Government	217	11,327	66	7,017
Betsi Cadwaladr University Health Board	566	81	462	17
Cardiff & Vale University Health Board	34,283	3,441	1,586	746
Cwm Taf University Health Board	22,629	1,936	358	75
Hywel Dda University Health Board	748	714	228	5
Powys Teaching Health Board	247	16,152	40	711
Swansea Bay University Health Board	3,207	1,197	421	118
Velindre NHS Trust	52,477	8,211	3,082	2,900
Welsh Ambulance Services NHS Trust	10,721	1,144	477	82
Public Health Wales NHS Trust	1,778	4,254	392	517
Welsh Health Specialised Services Committee	161,384	8,905	2,370	441
Health Education and Improvement Wales (HEIW)	0	10,222	0	111

In addition the LHB has had significant number of material transactions with other Government Departments and other central and local Government bodies. The most significant of these transactions are with the following:-

	2020-21		As at 31st March 2021	
Government Body	**Expenditure to related party**	**Income from related party**	**Amounts owed to related party**	**Amounts due from related party**
	£000	£000	£000	£000
Blaenau Gwent County Borough Council	5,849	1,435	2,123	304
Caerphilly County Borough Council	19,314	11,635	4,513	2,696
Monmouthshire County Council	6,923	1,593	1,882	543
Newport City Council	10,334	1,939	2,908	444
Torfaen County Borough Council	11,640	1,918	5,049	281

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

Aneurin Bevan Local Health Board Charitable Fund	17	1,170	32	25

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

			2020-21		As at 31st March 2021	
Member	**Related Organisation**	**Relationship with Related Party**	**Expenditure to related party**	**Income from related party**	**Amounts owed to related party**	**Amounts due from related party**
			£000	£000	£000	£000
Glyn Jones	Citizens Advice Bureau (Caerphilly & Blaenau Gwent)	Voluntary Treasurer and Board Trustee	190	0	0	0
	Royal Brompton & Harefield NHS Foundation Trust	Son is on Student/Clinical Placement	42	1	46	0
	NHS Wales Informatics Service (Hosted by Velindre NHS Trust)	Sister is Project Manager	52,477	8,211	3,082	2,900
	Swansea Bay University Health Board	Niece is on the NHS Wales Graduate Finance Training Scheme	3,207	1,197	421	118
Dr James Calvert	Royal College of Physicians	Clinical Lead of National Asthma Audit	14	0	2	0
Mererid Bowley	Mitie Engineering	Husband employed by	399	0	162	0
Dr Paul Buss	HFMA	Council Member of Institue Costing for Value	3	0	3	0
Richard Bevan	Carers Trust South East Wales	Voluntary Director and Chair of the People and Well Being Committee	223	0	126	0
Philip Robson	Hospice of Valleys	Trustee	408	0	6	0
Chris Koehli	Pobl Group Limited	Non Executive Director	2,067	0	110	0
	Carers Trust Wales	Chair	223	0	126	0
Emrys Elias	Mind UK	Vice Chair and Director Trustee	30	0	0	0
	Mind Cymru	Chair of Governance Board				
	Welsh Health Specialised Services Committee	Vice Chair	161,384	8,905	2,370	441
Katija Dew	Newport Live	Trustee	74	0	6	0
Richard Clark	Torfaen County Borough Council	County Borough Councillor, Deputy Leader and Elected Member	11,640	1,918	5,049	281
David Jones	Ofcom	Non Executive Director for Wales	2	0	0	0
David Street	Caerphilly County Borough Council	Corporate Director, Social Services and Housing	19,314	11,635	4,513	2,696

31. Third Party assets

The LHB held £31,205.63 cash at bank and in hand at 31 March 2021 (31st March 2020, £19,758.14) which relates to monies held by the LHB on behalf of patients. Cash held in patient Investment Accounts amounted to £0 at 31st March 2021 (31st March 2020, £0). This has been excluded from the Cash and Cash equivalents figure reported in the accounts.

In addition the LHB had located on its premises £2.0m of consignment stock. This stock remains the property of the supplier until it is used.

32. Pooled budgets

The Health Board has five pooled budgets. The specific accounting treatment of each pooled budget is covered within Accounting Policies note 1.22.

Monnow Vale Health and Social Care Unit
The Health Board has entered into a pooled budget with Monmouthshire County Council. Under the arrangement funds are pooled under section 33 of the NHS (Wales) Act 2006 to provide health and social care inpatient, outpatient, clinic and day care facilities to individuals who have medical, social, community or rehabilitation needs and a memorandum note to the accounts provides details of the joint income and expenditure. The asset value of property, plant & equipment is £4,437K which is split 72% Aneurin Bevan Health Board and 28% Monmouthshire County Council. The costs incurred under the pooled budget is declared in the memorandum trading account.

Gwent Wide Integrated Community Equipment Service
The Health Board has entered into a pooled budget with the 5 Local Authorities in the Gwent area, namely Blaenau Gwent, Caerphilly, Monmouth, Newport and Torfaen County Borough Councils, for the provision of an effective integrated GWICES (Gwent Wide Integrated Community Equipment Service) to service users who are resident in the partners' localities. Under the arrangement funds are pooled under section 33 of the NHS (Wales) Act 2006 for the joint equipment store in the Gwent area. The Health Board accounts for its share of the assets, liabilities, income and expenditure arising from the activities of the pooled budget, identified in accordance with the pooled budget agreement. The LHB's contribution is £903K for 2020/21 (£918K in 2019/20).

Mardy Park Rehabilitation Centre
The Health Board has entered into a pooled budget arrangement with Monmouthshire County Council. Under the arrangement funds are pooled under Section 33 of the NHS (Wales) Act 2006 to provide care to individuals who have rehabilitation needs. The pool is hosted by Monmouthshire County Council and the LHBs contribution is £207K for 2020/21 (£203K in 2019/20).

Gwent Frailty Programme
The Health Board has entered into a pooled budget with 5 Local Authorities in the Gwent area, namely Blaenau Gwent , Caerphilly, Monmouthshire, Newport and Torfaen County councils, for the provision of a Gwent wide integrated health and social care Frailty service, for service users who are resident in the partners' localities. Under the arrangement funds are pooled under section 33 of the NHS (Wales) Act 2006 for the purpose of establishing a consistent service for the Gwent area. The Health Board accounts for its share of the assets, liabilities, income and expenditure arising from the activities of the pooled budget, identified in accordance with the pooled budget agreement. The LHB's contribution is £9,730K for 2020/21 (£9,714K in 2019/20).

Continuing Healthcare - Older People in Care Homes
The Health Board has entered into a pooled budget with the 5 Local Authorities in the Gwent area, namely Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen County Councils, for the provision and commissioning of certain specialised services for older people (>65 years of age) in a care home setting in Gwent. Statutory Directions issued under section 169 of the Social Services and Wellbeing (Wales) Act 2014 required Partnership Bodies to enter into partnership arrangements and for the establishment and maintenance of pooled funds from April 2018, for the exercise of their Care Home Accommodation Functions.
The pool was established in August 2018 and is hosted by Torfaen County Borough Council. Under the arrangement, the Health Board makes a financial contribution equivalent to related expenditure in commissioning related placements in homes during the year. The LHB's contribution is £31,117K for 2020/21 (£37,641K in 2019/20).

Pooled Budget memorandum account for the period 1st April 2020 - 31st March 2021

Monnow Vale

	Cash	Own Contribution	Grants	Total
	£	£	£	£
Funding				
Aneurin Bevan Health Board	0	2,481,819	0	2,481,819
Monmouthshire County Council	361,508	768,436	0	1,129,944
Total Funding	**361,508**	**3,250,255**	**0**	**3,611,763**
Expenditure				
Aneurin Bevan Health Board	0	2,596,627	0	2,596,627
Monmouthshire County Council	405,864	765,470	0	1,171,334
Total Expenditure	**405,864**	**3,362,097**	**0**	**3,767,961**
Net (under)/over spend	**44,356**	**111,842**	**0**	**156,198**

33. Operating segments

IFRS 8 requires bodies to report information about each of its operating segments.

Whilst the organisation is structured into divisions, the performance management and the allocation of resourcews flow from the Board of Aneurin Bevan University Health Board.

There are no hosted services within the health board. Divisions do not manage capital programmes, have any autonomy in relation to balance sheets or produce discrete accounts.

For the purposes of IFRS 8 it is therefore deemed that there is no requirement to report any operating segments.

34. Other Information

34.1. 6.3% Staff Employer Pension Contributions - Notional Element

The value of notional transactions is based on estimated costs for the twelve month period 1 April 2020 to 31 March 2021. This has been calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions between April 2020 and February 2021 alongside Health Board/Trust/SHA data for March 2021.

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:

	2020-21	2019-20
Statement of Comprehensive Net Expenditure for the year ended 31 March 2021	£000	£000
Expenditure on Primary Healthcare Services	512	441
Expenditure on Hospital and Community Health Services	24,677	22,544
Statement of Changes in Taxpayers' Equity For the year ended 31 March 2021		
Net operating cost for the year	25,189	22,985
Notional Welsh Government Funding	25,189	22,985
Statement of Cash Flows for year ended 31 March 2021		
Net operating cost for the financial year	25,189	22,985
Other cash flow adjustments	25,189	22,985
2.1 Revenue Resource Performance		
Revenue Resource Allocation	25,189	22,985
3. Analysis of gross operating costs		
3.1 Expenditure on Primary Healthcare Services		
General Medical, Dental & Prescribing Services	512	441
3.3 Expenditure on Hospital and Community Health Services		
Directors' costs	68	89
Staff costs	24,609	22,455
9.1 Employee costs		
Permanent Staff		
Employer contributions to NHS Pension Scheme	25,189	22,985
Charged to capital	0	0
Charged to revenue	25,189	22,985
18. Trade and other payables		
Current		
Pensions: staff	0	0
28. Other cash flow adjustments		
Other movements	25,189	22,985

34. Other Information

34.2. Other (continued)

Welsh Government Covid 19 Funding

	2020-21
	£000
Capital	
Capital Funding Field Hospitals	9,300
Capital Funding Equipment & Works	8,961
Capital Funding other (Specify)	-
Welsh Government Covid 19 Capital Funding	**18,261**
Revenue	
Sustainability Funding	56,400
C-19 Pay Costs Q1 (Future Quarters covered by SF)	8,527
Field Hospital (Set Up Costs, Decommissioning & Consequential losses)	-
PPE (including All Wales Equipment via NWSSP)	8,950
TTP- Testing & Sampling - Pay & Non Pay	-
TTP - NHS & LA Tracing - Pay & Non Pay	7,487
Vaccination - Extended Flu Programme	894
Vaccination - COVID-19	4,911
Bonus Payment	14,663
Annual Leave Accrual - Increase due to Covid	20,295
Urgent & Emergency Care	4,441
Support for Adult Social Care Providers	6,205
Hospices	-
Independent Health Sector	2,127
Mental Health	1,079
Other Primary Care	2,083
Other	4,495
Welsh Government Covid 19 Revenue Funding	**142,557**

34.3 NHS and Social care staff bonus payment

The Minister for Health and Social Services announced on 17th March 2021 that all directly employed NHS staff with at least one month’s continuous services in the NHS in Wales between 17th March 2020 and 28th February 2021 would receive a one off non-consolidated non-pensionable payment of £500.

Included within staff costs in Note 3.3 and 9.1 of the accounts are the estimated costs of £14.7m in respect of these bonus payments, this equating to £735 per employee excluding employer on costs.
The estimated cost of the bounus payment has been directly funded by Welsh Government through a revenue allocation to the health board as detailed in Note 34.2 to the accounts.

34. Other Information

34.4 Implemention of IFRS 16

HM Treasury agreed with the Financial Reporting Advisory Board (FRAB), to defer the implementation of IFRS 16 Leases until 1 April 2022, because of the circumstances caused by Covid-19.

To ease the pressure on NHS Wales Finance Departments the IFRS 16 detailed impact statement has been removed by the Welsh Government Health and Social Services Group,Finance Department.

We expect the introduction of IFRS16 will have a significant impact and this will be worked through for disclosure in our 2022-23 financial statements.

THE NATIONAL HEALTH SERVICE IN WALES ACCOUNTS DIRECTION GIVEN BY WELSH MINISTERS IN ACCORDANCE WITH SCHEDULE 9 SECTION 178 PARA 3(1) OF THE NATIONAL HEALTH SERVICE (WALES) ACT 2006 (C.42) AND WITH THE APPROVAL OF TREASURY

LOCAL HEALTH BOARDS

1. Welsh Ministers direct that an account shall be prepared for the financial year ended 31 March 2011 and subsequent financial years in respect of the Local Health Boards (LHB)1, in the form specified in paragraphs [2] to [7] below.

BASIS OF PREPARATION

2. The account of the LHB shall comply with:

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

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

FORM AND CONTENT

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

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

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

MISCELLANEOUS

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

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

Signed by the authority of Welsh Ministers

Signed : Chris Hurst Dated :

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