

Velindre University NHS Trust

Annual Report 2020-21

Executive Summary



GIG
CYMRU
NHS
WALES

Ymddiriedolaeth GIG
Prifysgol Felindre
Velindre University
NHS Trust



Canolfan Ganser Felindre
Velindre Cancer Centre



Gwasanaeth Gwaed Cymru
Welsh Blood Service

A MESSAGE FROM THE CHAIR AND CHIEF EXECUTIVE

Welcome to Velindre University NHS Trust

Annual Report for 2020-2021



Professor Donna Mead
OBE, CStJ. Chair



Mr. Steve Ham
Chief Executive

The spectre of COVID-19 loomed large as we approached January 2020, but we could not have imagined the immense challenges, uncertainty and scale of change that it would present. The COVID-19 pandemic has pervaded every aspect of our lives ever since.

As efforts mobilised at pace to mitigate its impact across the world, the response of the whole team at Velindre University NHS Trust over these past twelve months has been nothing short of truly inspirational. The dedication, spirit, passion and commitment of our staff, even in the most difficult of circumstances, has ensured that our patients and donors continue to remain at the heart of everything we do.

There are not enough words to express how proud we are of the way our staff have responded during the COVID-19 pandemic. This report is another opportunity for us to express our sincere thanks to everyone for the amazing work undertaken during these most challenging of times. It allows us to put on the public record not only some of the challenges our staff faced but also champion some of the many successful ways in which they responded to the pandemic.

Against this backdrop, the Trust has continued on an ambitious journey of transformational change to develop blood and cancer services for the benefit of donors and patients across the communities we serve. March 2021, marked a pivotal point on our journey, when the Welsh Government approved the outline business case for the new Velindre Cancer Centre for south east Wales. We recognise that not everyone supports the plans, however we remain more committed than ever to open and transparent engagement and conversation with all our partners.

Our goal is to deliver a world-class facility that will deliver unrivalled care for cancer patients across south east Wales, be an inspiring workplace for our dedicated staff to thrive, be a focal point for international research, and a place that benefits the local community.

We want the new Velindre Cancer Centre to be one we can all be proud of for generations to come.


Our response to the COVID-19 pandemic has enabled ways of working we had either already begun to explore or forced brand new ventures that are focused on improving the services we provide. They provide firm foundations as we embark on the next chapter in the development of our services. The learning, developments in technology, innovation and research we have applied will be utilised to drive further transformation and build new models of delivery with enhanced ways of working.

While we have a statutory duty to produce an Annual Report and to review our operational and financial performance for 2020-2021, we are also grateful for the opportunity it provides us to pause and reflect, consider some of our achievements, and tell you more about our organisation and the services we provide. This year more than ever, we believe we have an important story to tell that demonstrates how healthcare in Wales is moving and improving at pace. As we look back at 2020-2021, we are delighted that this suite of Annual Report documents provides us with the opportunity to celebrate some exceptional achievements and successes across the Trust. It undoubtedly showcases how at times of crisis, our staff have risen to the challenge and that our ambition and commitment to excellence is unwavering. This report includes stories of innovation, improvement and staff recognition showcasing their dedication in keeping our patients and donors at the heart of everything we do. The sheer amount of team and individual awards presented to our staff this year means that we cannot include them all in this Executive Summary, but we are immensely proud of the work and people they honour.

Finally, we are, as ever, grateful for the continued support we receive from the communities we serve and from our partner organisations. We have challenged, supported and valued each other unlike ever before. Our relationships are healthier and stronger for it which can only benefit the outcomes of our patients and donors. Whilst we may not know what the future holds and with the virus posing a continued threat, what we do know is that never has there been such an open and collaborative platform upon which to build and design our services. Velindre University NHS Trust's commitment to quality, care and excellence together with our talented, loyal and dedicated staff and volunteers, means we can face the future with confidence and realise our ambitions. If you want to hear more about how we are doing you can join us at any of our regular public Board Meetings via live stream, or you can contact us by telephone, in writing, or via social media. In the meantime, we hope you enjoy reading this Annual Report for the year 2020-2021.

Professor Donna Mead, OBE, CStJ

Mr. Steve Ham



Velindre University NHS Trust Annual Report is part of a suite of documents about our organisation. It tells the story of the services and care we provide. What we do to plan, deliver and improve healthcare for you, and how we are setting out to meet changing demands and future challenges.

It provides information about how we have performed during 2020-21, what we have achieved and our aims for improving further next year. It explains how we are working with our patients and donors in developing our services for the future, and how we recognise the value of listening to you and your needs in planning our services going forward.

Efforts to achieve the Trust's vision and strategic objectives is driven by our Integrated Medium Term Plan (IMTP). However, this year, in line with the revised NHS Wales Annual Planning Framework, our plans were driven through the production of an Annual Plan for 2020/2021 rather than the normal three year Integrated Medium Term Plan, due to the impact of the COVID-19 pandemic.

Our Annual Report for 2020-2021 includes:

- Our **Performance Report**, detailing how we have performed against our plans and how we will seek to maintain or improve our performance further.
- Our **Accountability Report**, providing information about how we manage and control our resources and risks, and comply with our own Governance arrangements.
- Our **Financial Statements**, detailing how we have spent the Trust's funding allocation in meeting our obligations.

If you would like copies of any of these publications in print form and/ or alternative formats or languages, please contact us using the details below:

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ABOUT VELINDRE UNIVERSITY NHS TRUST THE SERVICES WE PROVIDE



Velindre University NHS Trust provides specialist services to the people of Wales. The operational delivery of services is managed through Velindre Cancer Service and the Welsh Blood Service.

Velindre University NHS Trust delivers specialist cancer services for South East Wales using a hub and spoke model. The hub of our specialist cancer services is Velindre Cancer Service. This is a specialist treatment, teaching, research and development service for non-surgical oncology. We treat patients with chemotherapy, Systemic Anti-Cancer Treatments (SACTs), radiotherapy and related treatments, together with caring for patients with specialist palliative care needs.

The Welsh Blood Service plays a fundamental role in the delivery of healthcare in Wales. It works to ensure that the donor's gift of blood is transformed into safe and effective blood components, which allow NHS Wales to improve quality of life and save the lives of many thousands of people in Wales every year. The Welsh Blood Service, also houses the Welsh Bone Marrow Donor Registry which supports the local and international transplant programmes through the Welsh Transplantation and Immunogenetics Laboratory.

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

During the reporting period, 2020-2021, the Trust also hosted three organisations (which are explained in more detail below). Hosting status is defined by the fact that the organisations have their own “Board” where the more detailed discussions, review and approval of strategy and performance takes place. By having such arrangements they are outside of the usual management arrangements, for example ‘managed’ Divisions whose Directors are directly accountable for strategy and operational management to the Chief Executive and are represented on the Trust Board and members of the Executive Board. Directors of the Hosted Organisations are bound by an Annual Governance Compliance Statement (or their own Annual Governance Statement in the case of NHS Wales Shared Services Partnership) with the Velindre University NHS Trust Chief Executive and in accordance with the individual hosting agreements with Velindre University NHS Trust.

THE SERVICES WE HOST



The National Health Service Trust Wales Shared Services Partnership (NWSSP) is a dedicated organisation that supports the statutory bodies of NHS Wales through the

provision of a comprehensive range of high quality, customer focused support functions and services.

NHS WALES INFORMATICS SERVICES (NWIS)

NWIS was responsible for both the strategic development of Information Communications Technology (ICT) and the delivery of operational ICT services and information management across NHS Wales.



NWIS had a national remit to support NHS Wales, make better use of scarce skills and resources, and facilitate a consistent approach to health informatics and the implementation of common national systems.

On 30 September 2019, the Minister for Health & Social Services announced that NWIS would transition from part of Velindre University NHS Trust to a new Special Health Authority (SHA) reflecting the importance of digital and data in modern health and care. The new organisation is a Special Health Authority, like the recently established Health Education and Improvement Wales. It will have an independent Chair and Board appointed by Welsh Ministers. The Trust worked closely with colleagues in Welsh Government and NWIS to prepare for the transition, ensuring that

the appropriate legal, governance, workforce and financial processes were in place, providing a smooth transition on 1 April 2021.

HEALTH TECHNOLOGY WALES (HTW)



HTW is funded by Welsh Government under the Efficiency through Technology Programme. HTW was established to facilitate the timely adoption of clinically and cost effective health technologies in Wales, working with, but independently of, NHS Wales. Its remit covers all health technologies that are not medicines. This could be medical devices, surgical procedures, tele-monitoring, psychological therapies, rehabilitation or any health intervention that is not a medicine. HTW independently critically assesses the best available international evidence about the clinical and cost effectiveness of a health technology. This evidence is reviewed by experts and the HTW Appraisal Panel to put the evidence into the Welsh context. HTW also coordinates a Front Door process to support health technology developers to navigate NHS Wales. As well as its Front Door and appraisal functions, HTW also has roles in horizon scanning, evaluating uptake and disinvestment of technologies and providing advice to health technology developers. It does this in partnership with other organisations in NHS Wales to ensure there is no duplication of work and sharing of limited skilled assessment resources. The Director signs an Annual Governance Compliance Statement to support the Trust Chief Executive in signing the Velindre University NHS Trust Annual Governance Statement.

THE PARTNERS WE WORK WITH

The Trust works with a wide range of partners in a range of capacities including health, local authorities, and the voluntary/charity sector.

KEY ACTIVITY, DEVELOPMENT & ACHIEVEMENTS DURING 2020-2021

KEY ACTIVITY - Our response to COVID -19

Trust Wide Vaccination Programme



Velindre University NHS Trust quickly mobilised a successful COVID-19 vaccination programme to vaccinate our frontline staff – 100% of eligible staff were offered the first dose of the vaccine before the end of January 2021. The Trust was the first NHS organisation in Wales to achieve this.

The Trust also supported the wider national COVID-19 vaccination programme, in particular delivering the vaccination to front line Welsh Ambulance Service NHS Trust staff, other health staff and cancer patients This was commended by Welsh Government and the team received a thank you telephone call from HRH Prince William.

Staff Networks



Since the outset of the pandemic our existing staff networks have provided a valuable support system to our staff. These include the Black Asian Minority Ethnic (BAME) network, the Disability Network and the LGBT+ Network. An additional network to support our shielding staff has also been established to ensure there is an opportunity to gather feedback, provide a supportive community and answer any questions raised about returning to the workplace. The networks have been well attended and feedback from the individuals attending has helped influence and shape the Trust and NHS Wales responses to the pandemic, including COVID Risk Assessments and frequently asked questions.

Work in Confidence Platform



A Work in Confidence Platform has been established to ensure staff can raise and resolve issues in confidence supporting an open and transparent culture. To date a number of concerns and queries have been raised and the team have sought to resolve these in an anonymous, 2-way discussion with the individual. Topics raised have included queries on remote working, provision of rest spaces for staff, social distancing and recruitment practices.

Finding Out About Staff Experiences Through the Pandemic



Over these challenging times, it has been important for the Trust to provide opportunities for staff to let us know how they are feeling, and what they need in terms of support. Over six months we held a number of surveys focusing on communication, behaviours and health and wellbeing, to help senior teams understand what was working well and what was working less well. The feedback obtained from over 800 staff highlighted the tremendous effort that people have made, and continue to make and reinforced the impact of the pandemic on ways of working, relationships at work, and health and wellbeing. This feedback is shaping our future programmes of work and ongoing commitment to the health and wellbeing of our people.

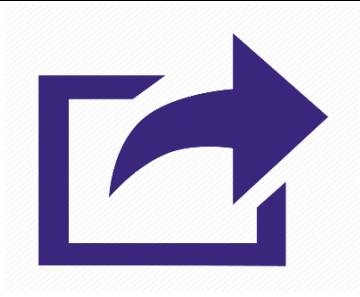
Velindre Cancer Service: COVID-19

Rapid Response



The Velindre Cancer Service ability to respond at pace to the COVID-19 pandemic enabled vital services to continue. Our teams reviewed how we worked and operated, adopted technological solutions to enable virtual consultations, rolled out staff and patient testing, applied enhanced cleaning regimes and introduced social distancing measures to name just a few.

Relocation of Outreach Service Provision



The proactive relocation of our outpatient services for phlebotomy and chemotherapy provided from various sites across south east Wales, to the Velindre Cancer Service site, enabled Health Boards to maximise their response to the pandemic and ability to provide critical care.

Digital Technology - Video Messaging Software



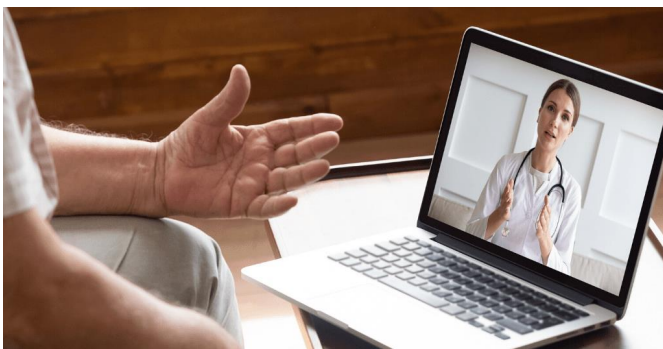
We quickly learned the lessons from Italy, where the European part of the pandemic had hit very hard in advance of the UK becoming affected, about the high number of patients who were dying alone in hospitals and bought iPads ready for patients to use.

Dr. Mark Taubert, Palliative Care Consultant at Velindre Cancer Service said:

“Colleagues from Italy warned us to have video messaging software and computers ready, so that families and friends could at the very least be ‘with someone’ remotely.

We did this and were ready, and many patients took heart from the fact that they could see their loved ones from a hospital bed”.

Digital Technology - Video Consultations



At the outset of the pandemic, the Velindre Cancer Service adopted rapid implementation of **‘Attend Anywhere’**, the national video consulting service to allow video appointments to take place between patients and clinicians.

Resource Development



The Velindre Cancer Service clinical teams developed a variety of educational, e-learning and video resources, to provide vital support to clinicians, on how to communicate effectively when delivering essential care to patients remotely, during the pandemic.

Additional Capacity



The Velindre Cancer Service undertook a successful recruitment drive to support radiology extended hours for computerised tomography (CT) and magnetic resonance (MR) to deliver additional capacity in response to the expected surge demand as a consequence of the Pandemic.

The radiology department has also taken forward the development of a Society Pediatric Radiology post and a 1-year clinical fellow position to underpin radiology capacity, support the South Wales radiology training network, and improve future recruitment potential. In addition, the provision of a second ultrasound machine has been secured to maintain acute demand alongside scheduled services with future consideration for expanded U/S ECHO delivery.

Welsh Blood Service: COVID-19

Convalescent Plasma



In June 2020 the Welsh Blood Service issued Wales' first COVID-19 convalescent plasma donations to support a UK- wide clinical trial to identify a potential treatment option for COVID-19. The Welsh Blood Service worked in partnership with Public Health Wales and the department of the Chief Medical Officer to facilitate the trial. The trial came to an end in March 2021 and Wales recruited more than 500 patients to the trial.

New Blood Collection Model Launched



The Welsh Blood Service successfully changed its blood collection model in order to introduce additional safety measures in response to the COVID-19 pandemic. It was a step into new territory, but staff from across the organisation pulled together to make it happen and ensure it was a success. Our communities also rallied to our call and have been incredibly supportive since its launch in April 2020. This support is not easily summarised as it is so extensive from national media to local rugby clubs. We have compiled a short video with some of the highlights which you can view [here](#).

During lockdown we also welcomed First Minister, Mark Drakeford, to our donation clinic in City Hall Cardiff, to help us spread our vital message that travel to our clinics is classified as 'essential travel'. You can watch his video message by clicking [here](#). The story was also carried by the [BBC](#) and local media outlets as well as those of [Welsh Government](#) and the [First Minister](#) himself.

Welsh Blood Service Supporting COVID-19 Surveillance



15,000+ samples

More than 15,000 samples have been shared with Public Health Wales for surveillance of COVID 19 within the country. The aim of this project is to assess the population's changing exposure to COVID-19, as well as to provide information to the Welsh Government about any outbreaks across the country and the demographic impact of the illness. This investigative work is directly aiding the Welsh Government response to the pandemic, with the aim of ensuring the safety of the people of Wales. This is an excellent example of the way in which Research Development and Innovation facilitation in the Welsh Blood Service has reinvented itself, evolved to meet the challenge of the new directions we face.

New Pinprick Blood Test for COVID-19



A convenient and low-cost COVID-19 antibody blood spot test was developed by scientists in Wales that included scientists from the Welsh Blood Service during the first wave of the pandemic.

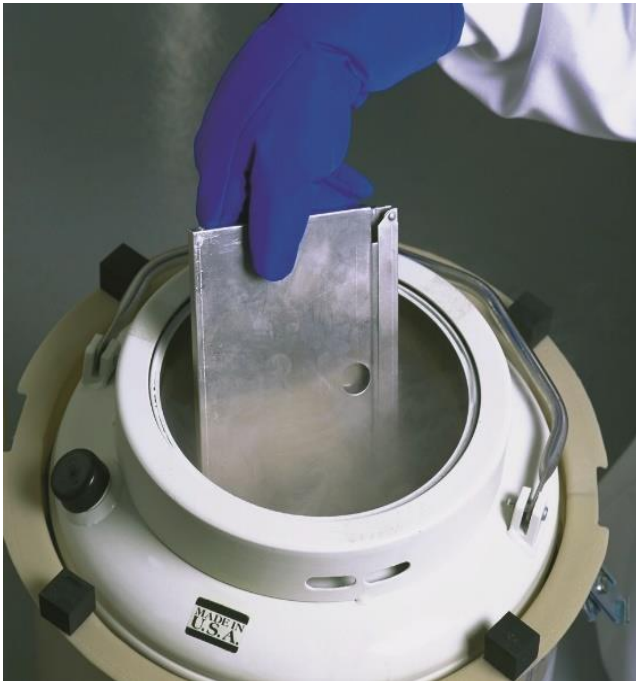
Welsh Blood Service Appointments System



Ymchwil Iechyd
a Gofal Cymru
Health and Care
Research Wales

In what must be one of the quickest system deployments on record, the Business Systems team at the Welsh Blood Service made a significant contribution to the national COVID-19 response, by providing a version of the Welsh Blood Service' appointments system for use by Health and Care Research Wales (HCRW), who have gone on to use the system to manage the booking of participants into a range of Welsh COVID-19 vaccine trials.

Stem Cells Provision



To face the challenges posed by the pandemic the Welsh Bone Marrow Donor Registry adapted quickly and pro-actively, collaborating with international partners, ensuring timely delivery of Stem Cells could continue during the pandemic.

The sheer size and logistical challenge of exporting and importing cryopreserved products was immense, but due to the unwavering determination and skill of our teams, this has allowed us to overcome so many challenges and maintain service provision for the benefits of patients in Wales, the UK and beyond.

KEY DEVELOPMENTS

Outline Business Case (OBC) approved for new Velindre Cancer Centre



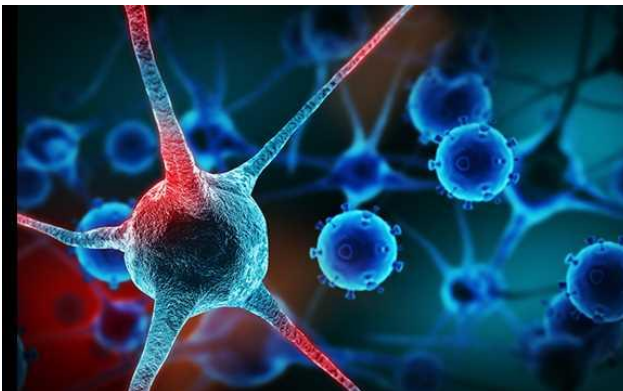
In March 2021, Welsh Government approved the Outline Business Case (OBC) to build a new cancer centre. We are committed to working with everyone to deliver a building that benefits the needs of our patient population, the local community and future generations. The new build will be one of a number of projects that Velindre will deliver in partnership with regional University Health Boards to improve outcomes for cancer patients across south east Wales. You can read the Welsh Government's full press statement [here](#).

Partnership Working: Public Health Wales



During November and December 2020, a new collaboration between the Welsh Blood Service and Public Health Wales saw one of our mobile blood collections units being used as an Abdominal Aneurysm screening venue in Abergavenny town centre for the first time.

Partnership Working: South East Wales Acute Oncology Service



Velindre has continued to work in partnership with Aneurin Bevan, Cardiff & Vale and Cwm Taf Morgannwg University Health Boards, to develop an Acute Oncology Service Business Case.

Investment when approved will improve the outcomes and experience of Acute Oncology patients that attend the 3 South East Wales Health Boards through enhancement of dedicated Acute Oncology Service staff & specialist cancer support.

Partnership Working: Football Association Wales



On the 28th November 2020 the Welsh Blood Service was announced as the first Community Partner of the Football Association Wales' JD Cymru Leagues and Orchard Welsh Premier Women's League to encourage football fans to donate blood. Through our 'Blood, Sweat and Cheers' campaign, clubs are being encouraged to engage with their supporters and local communities to promote the importance of giving blood and signing up football fans to save thousands of lives.

Steering partnership and collaboration with Academic Partners



The Trust has successfully established an Academic Partnership Board with five higher education institutions to support enhanced academic and educational opportunities. Our first meeting took place in July 2020, with representation from Cardiff Metropolitan University, Swansea University, University of South Wales, University of Wales Trinity St David and Welsh Government.



As a direct result of this, during the past 12 months the digital team have developed an extensive partnerships with various academic institutions across south Wales. The Trust have been a senior partner in the development of a Digital Intensive Learning Academy business plan alongside the University of south Wales, successfully recruited a PhD Student for the next three years with the Computational Foundry in Swansea University to support Patient Reported Outcomes and developed a research post with the University of Wales, Trinity St David to support the Trust's work in Digital Inclusion.



In addition to this, the Trust has supported two Network 75 students and now have two members of staff who are undertaking a Digital Degree Apprenticeship.

In March 2021, the Trust gained professional corporate membership with the British Computer Society, making a commitment to the professional development of all of the digital team within the Trust.

Partnership Working: Cardiff University



This past year has seen the commencement of a joint Cardiff University & Velindre University NHS Trust role, by Jane Hopkinson, Professor in Nursing & Interdisciplinary Cancer Care, to help our nurses, therapists and clinical scientists to undertake clinical research.

A Clinical Research Fellow has also recently been appointed to support this exciting programme of work.

Partnership Working: For the Assessment of Individualised Risk



The Welsh Blood Service collaborated with the UK Blood Services Forum and University of Nottingham FAIR study, to develop the Evidence Base for the use of more individualised donor risk assessment based on sexual behaviour for those who wish to donate blood.

Recommendations were approved by the Advisory Committee on the Safety of Blood, Tissues and Organs (SaBTO) on the 6th October 2020, and subsequently approved by the four Nations Government, resulting in landmark change in donor selection criteria.

The changes will come into effect in the summer 2021. The story was covered widely in the media including the BBC which can be viewed [here](#).

Partnership Working: NHS Wales Informatics Service Transfer



Our finance, governance and workforce teams worked closely with colleagues to ensure the successful and smooth transition of NHS Wales Informatics Service from Velindre University NHS Trust to Digital Health and Care Wales on 1st April 2021.

Partnership Working: Radiotherapy Satellite Centre



An Outline Business Case for a new Radiotherapy Satellite Centre at Nevill Hall has been developed jointly with Aneurin Bevan Health Board and approved by Welsh Government – this will provide significantly increased radiotherapy capacity once developed and more local care for the south east Wales' population.

Partnership Working: Facebook



Facebook has announced a partnership with the Welsh Blood Service, NHS Blood and Transplant service and the Northern Ireland Blood Transfusion Service to help top up the blood donation pipeline with much-needed 'new blood'. Facebook's new blood donation feature, which has already helped to recruit more than 70 million blood donors globally, will allow those aged between 18 and 65 to sign up to receive updates on Facebook about giving blood, get notified about opportunities to donate at local blood donation centres and invite friends to donate.

Partnership Working: Maggie's



The Velindre Cancer Service worked in partnership with Maggie's to provide space and psychology support for staff during the first wave of the pandemic.

Alignment with NHS Wales: Staff Uniforms



Same great staff, all new uniforms. During this year the Welsh Blood Service teams changed their uniforms to be the same as uniforms across the NHS in Wales. This will make it easier to identify who is who when you come to donate.

Clinic Collection Assistants will now wear red.

Clinic Nurses will wear light blue (qualified nurses).

Senior qualified nursing staff will wear a variation of navy uniforms.

KEY ACHIEVEMENTS

Flu Vaccination Programme



Velindre University NHS Trust has delivered a successful Flu vaccination programme with 79.6% of all frontline staff having been vaccinated. This was a significant achievement against the 60% Welsh Government target.

First Floor Ward Inspection



The First Floor Ward at Velindre Cancer received a Quality Check inspection by Health Inspectorate Wales during March 2021. The inspection identified no areas for improvement.

Integrated Radiotherapy Solution



The Trust has initiated the procurement of a new Integrated Radiotherapy Solution for the Velindre Cancer Service. This is a major programme of work that will be completed in the Summer of 2021. The new Integrated Radiotherapy Solution will provide a range of benefits to clinical care, patient outcomes & experience and wider social & economic benefits.

Inspire Programme



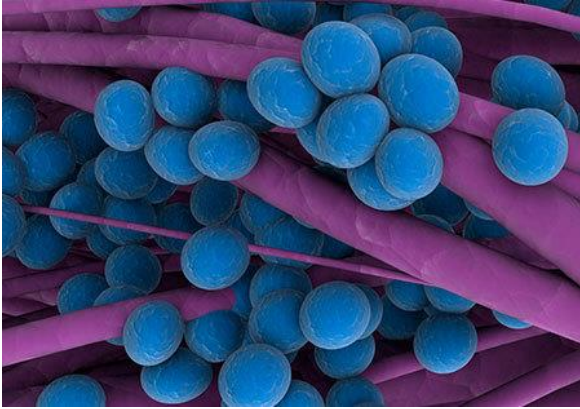
The Trust launched its Inspire Programme for Managers and leaders. The programme, flexed to support virtual leading during COVID, provides offering to support First Steps of management development and has also launched its Leadership Hub. Working in collaboration with HEIW the Trust has launched the hub providing leadership opportunities and a community of practice for Trust Leaders and aspiring leaders.

Pressure Ulcer Scrutiny Panel



Velindre Cancer Service has made a number of improvements to prevent harm being caused to our patients through the development of pressure ulcers. This has included setting up a monthly pressure ulcer Scrutiny Panel.

Reduction in Hospital Acquired Infections



The Trust has seen a continued and sustained reduction in hospital acquired infections including: over 7 years since a patient had a hospital acquired MRSA bacteraemia, 33% reduction in Ecoli bacteraemia (blood borne) infections compared with 2019 – 2020, 100% reduction in Pseudomonas aeruginosa bacteraemia infections since 2019 / 2020, 33% reduction in Klebsiella species bacteraemia infections since 2019 / 2020.

Virtually Assessed Patient Pathway (VAPP)



The VAPP Clinic (Virtually Assessed Patient Pathway) is a pre chemo/ systemic anti-cancer therapy (SACT) clinic for patients on certain systemic anti-cancer treatments in Velindre Hospital.

Before the clinic was introduced in September 2020, patients would have to travel to Velindre two days before each treatment cycle, have bloods and wait in clinic to be seen by someone from their oncology team. Now patients can have their bloods taken local to them in their GP surgery or local hospital and have a pre-arranged phone call from one of the VAPP team assessors who are experienced SACT Nurses and pharmacy technicians. This avoids the need to travel and reduces the risk of exposure to COVID-19.

To date, there have been over 1300 patient assessments by the VAPP team and patient feedback is extremely positive.

Genomics and DPD Testing



DPD stands for dihydropyrimidine dehydrogenase. It is an enzyme made by the liver that helps our body break down thymine and uracil.

DPD testing is an example of precision medicine where genetic information is used to tailor treatment. It sees a shift from 'a one size fits all' approach to more personalised care for each individual patient and is an exciting development in oncology.

During the last 12 months Velindre Cancer Service has worked closely with the All Wales Medical Genomics Service to successfully introduce DPD testing. Changes in a person's genetic makeup can increase the risk of potentially life-threatening side effects from certain chemotherapy drugs, as the body is unable to remove the drugs in the normal way. A simple blood test (DPD test) is now available prior to starting treatment to check for any changes in the DPD gene. The genetic test result can then be used to decide if it is safe to give these drugs or if alternative treatment is needed.

In May 2020, Wales became the first UK nation to offer routine DPD testing to all suitable patients following the successful pilot project in Velindre Cancer Service.

To date, over 1000 patients having treatment at Velindre Cancer Service have been tested; of these, nearly 70 people have been found to have a change in the DPD gene and their treatment has been modified to reduce the risk of side-effects.

STAFF ACHIEVEMENTS

Worldwide Palliative Care Nursing Pioneer



Congratulations to Helen Way, Advanced Nurse Practitioner / Lead Nurse Palliative Care at Velindre Cancer Service, who has been recognised / awarded as a worldwide palliative care nursing pioneer and nurse leader by the St Christopher's Hospice/ Cicely Saunders organisation as part of their celebration of the international year of the nurse and Florence Nightingale and Cicely Saunders anniversaries.

Advancing Healthcare Awards: Maria Burton



Maria Burton was announced as a winner of the 2020 Advancing Healthcare Awards, in the 'rising star' category. Maria was nominated for her determination and commitment to continuous development and learning.

Advancing Healthcare Awards: Neuro Oncology Team



We are delighted to announce that the wonderful Neuro Oncology Team have been awarded joint winners of the Advancing Healthcare Award in innovation in neuro-rehabilitation for their development of the Neuro-Oncology AHP Clinic. This was launched in Autumn last year to improve the provision of supportive care within the neuro-oncology service to ensure patients with brain tumours and their families could access holistic care quickly and at different stages of their illness. The clinic consists of a Neuro Oncology Clinical Nurse Specialist, Speech and

Language Therapist, Dietitian, Physiotherapist and Occupational Therapist. Clinical Oncologist, Dr. James Powell said 'We know from patients how beneficial they find this service and we are delighted that the hard work of the neuro-oncology team, and this integrated provision of clinical care, has been recognised and endorsed with this national Advancing Healthcare Award. It has been great to have also presented our work at national meetings and to share our experiences with other neuro-oncology teams in the UK who hope to adopt our clinical model for their centre.'

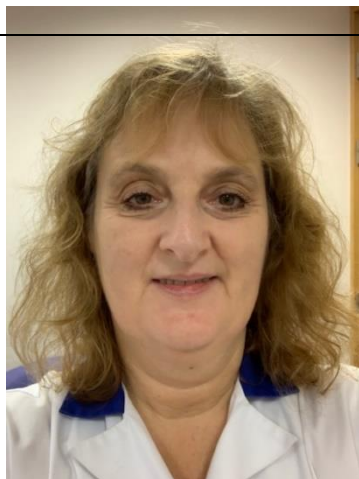
International Day of Women and Girls in Science



Thursday 11 February 2021 marked a celebration of the inspirational women who work in science and this year's theme was Women Scientists at the forefront of the fight against COVID-19.

Head of Blood Component Development and the Lead Scientist for Transfusion Medicine, Chloe George was interviewed by Health Education and Improvement Wales (HEIW) as part of the day and can be viewed [here](#).

Exam Success



Congratulations to Dr. Jane Mathlin, who is the only consultant therapeutic radiographer in Wales, to be awarded her Professional Doctorate.

Exam Success



Congratulations to Sandra Lloyd, Kim McShane and Amy De'Ath who passed their Royal College of Pathologist exams. Sandra (pictured far back) passed her FRCPATH Part 2 and Kim (centre) and Amy (front) both passed Part 1.

The Welsh Blood Service has also been commended for its commitment to the Higher Specialist Scientist Training (HSST) Programme. The National School of Healthcare Science has recently recognised the efforts of WBS in a recent review of trainee progression in which four of our HSST trainees, Felicity May, Chloe George, Emma Burrows and Deborah Pritchard and our training department were highly commended for their efforts in actively engaging in the programme.

Velindre Cancer Centre wins the Annual Cardiff & Vale Business and Partner Award 2020



This award was presented by Cardiff and Vale College in recognition of the contribution and partnership of Velindre University NHS Trust with other institutions to raise health awareness in Black Asian Minority Ethnic (BAME) communities by incorporating Health Awareness Tools in ESOL (English for Speakers of Other Languages) classes conducted via Cardiff & Vale College.

The project started in 2014 and has successfully been delivering year after year working with a variety of organisations such as Public Health Wales Screening Division, Marie Curie Hospice, Welsh Blood Services, and Public Health Wales & Velindre Cancer Centre Infection Control COVID 19 Pandemic. The award was presented by BBC TV presenter Jason Mohammed to Dr. Seema Arif on behalf of Velindre University NHS Trust.

Surgam Awards Cardiff University



The Medical Education team at Velindre Cancer Centre received a Centre for Medical Education nomination for outstanding medical student teaching support and provision of excellent quality learning materials.

12 month pilot of Extreme HypoFractionated Radiotherapy for Prostate Cancer

HypoFractionation is a radiation treatment in which small doses of radiation are delivered during multiple treatment sessions that extend over several days. HypoFractionated radiation therapy is delivered over a shorter period of time than standard radiation therapy.

During 2020, funding was approved for a pilot of Extreme HypoFractionated radiotherapy treatment for prostate cancer. To date, 20 patients have been successfully treated using this technique, saving 75 appointment slots on the treatment units due to the shorter treatment schedules possible because of reduced side-effects from modern radiotherapy.

Informal patient feedback has been extremely positive with patients impressed with the Service, we will survey those participating in the pilot at their 6 month follow up of appointment to gain more formal feedback.

CHARITY ACTIVITY



The level of support the Charity receives continues to exceed expectations and for this we are extremely grateful and fortunate. It is with great pleasure to report that we have now surpassed £34 million raised for Velindre Cancer Centre. The Chair would like to reiterate the message shared by the team in saying a very special thank you to everyone who has donated, volunteered and supported the Trust Charity. The Chair and Chief Executive would like to reiterate the message shared by the Fundraising team in saying a very special thank you to everyone who has donated, volunteered and supported the Trust Charity.

The Velindre University NHS Trust Charitable Funds Annual Report is available via our website [here](#), these reports demonstrate how the money raised through Charitable Funds allows us to make a difference and enhance the services we provide. For example, the monies raised over this past year has continued to fund specialist nurses at Velindre who provide physical, psychological and emotional support to patients and their families. Monies raised has also funded the appointment of the first Consultant Radiographer in Wales leading the way in prudent healthcare focusing on providing enhanced patient care and experience and specialist support to Head and Neck cancer patients undergoing radiotherapy.

Suite of Documents

As indicated on page 4, Velindre University NHS Trust Annual Report is made up of a suite of documents that describe our work between April 2020 and March 2021.

- 1 Performance Report
- 2 Accountability Report
- 3 Financial Report

We invite you now to read the further sections of the Velindre University NHS Trust Annual Report.

Velindre University NHS Trust

Performance Report

2020-2021



GIG
CYMRU
NHS
WALES

Ymddiriedolaeth GIG
Prifysgol Felindre
Velindre University
NHS Trust



Canolfan Ganser Felindre
Velindre Cancer Centre



Gwasanaeth Gwaed Cymru
Welsh Blood Service

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1. CHIEF EXECUTIVE STATEMENT



Mr. Steve Ham
Chief Executive

This Annual Performance Report, describes how we delivered services from 1st April 2020 to 31st March 2021 in the context of the ongoing COVID-19 pandemic. It also outlines how we ensured patient, donor and staff safety and demonstrates our total commitment to Quality, Care and Excellence. During 2020/21 I am proud that our patients, donors and families have continued to benefit from the highest standards of care, innovation and professionalism across the range of services we deliver.

The pandemic has had the potential to inflict ‘four harms’: direct harm from COVID; harm from overwhelmed NHS and social care; harm from reduced non-COVID care; and harm from wider socio-economic impacts. I am proud to say Velindre University NHS Trust played its part not only in responding effectively to the direct impact of the pandemic on our services but also by delivering over 11,000 vaccinations at our Trust vaccination centre as part of the National programme.

During 2020/21 we successfully maintained the supplies of blood and blood products to the whole of NHS Wales, transplant services both solid organ and stem cells, and delivered essential tertiary cancer services to South East Wales, through the first wave of the pandemic, the resurgence in COVID-19 infection rates in the late autumn and winter of 2020, and the re-introduction of local lockdowns. We believe the strong foundations and clinical operating models established during 2020/21 for the delivery of our services, will stand us in good stead, as we enter the service recovery period in 2021/22.

The NHS Wales Annual Planning Framework Guidance for 2021/22 required the production of an Annual Plan for 2021/22 rather than the normal three year Integrated Medium Term Plan (IMTP), recognising the unprecedented challenges caused by the pandemic. Accordingly, the Velindre University NHS Trust Board approved a **Draft Annual Plan covering the financial year 2021/22**. In line with all NHS bodies in Wales, Annual Plans were submitted in draft to the Welsh Government, as activity forecasts and post-COVID-19 service recovery plans are refined. Final Annual Plans for 2021/22 will be completed in June 2021.

During 2020/21, the NHS faced, and continues to face, its greatest challenge in responding to the COVID-19 pandemic. Our population has had to deal with the restrictions of lockdown, social distancing, school and business closures, missing close friends and family, and tragically for too many, the sadness of bereavement. My heartfelt thanks go out to all our staff who responded fantastically during 2020/21 to these challenges, demonstrating huge commitment and professionalism, to ensure that our essential blood and cancer services remained in place for our patients during the health emergency. We now all look forward to a return to more normal times.

2. AREAS OF RESPONSIBILITY

We are an ambitious organisation striving to provide services which are recognised as outstanding by the people who use them, the people who work in them and by our peer organisations. Our Vision and Mission is:

Mission: 'Partnering people to live well'

Vision: 'Healthy people, excellent care, inspirational learning'

Our Priorities for 2020/21 have been:

- **Delivering safe and compassionate clinical services** to the population we service which supports the efforts of the NHS and public service partners across Wales
- **Stabilising operational services** leading to early post COVID-19 recovery actions
- **Supporting the All Wales Vaccination programme** to help protect everyone from COVID-19 infection
- **Providing the equipment, staff and Personal Protective Equipment** required to deliver services safely
- **Providing testing for staff** to support them in safely managing their health and their ability to attend work
- **Supporting staff with their health and well-being** during work and their personal lives
- **Explaining what we are doing and the reason for doing it** to our patients, donors and partners and staff

Overview of Velindre University NHS Trust:

The Trust was established in 1994 and is operationally responsible for the management of both the Velindre Cancer Service and the Welsh Blood Service

Velindre Cancer Service:



We provide a specialist treatment, teaching, research and development service for non-surgical tertiary oncology services for patients primarily across south-east Wales.

Specialist teams provide care using a well-established network multi-disciplinary team (MDT) model of service for oncology and palliative care. We work closely with local partners in ensuring services are offered at appropriate locations, in line with best practice standards of care. A full range of services are provided at Velindre

Cancer Service with an increasing number of services delivered on an outreach basis within local health board locations around south-east Wales and within patient homes.

The Welsh Blood Service:



The Welsh Blood Service is immensely proud of the vital role it plays in modern, prudent healthcare, striving to save and transform lives through the generosity of donors.

We provide a range of essential multifaceted, highly specialised services for NHS Wales, ensuring that it has access to blood and blood components to treat patients and

support the local and international transplant programmes through the Welsh Transplantation and Immunogenetics Laboratory.

Our Hosted Services:



During the reporting period 2020-2021 the Trust was responsible for hosting the following organisations on behalf of the Welsh Government and NHS Wales:

- NHS Wales Shared Services Partnership (NWSSP)
- NHS Wales Informatics Service (Until 31 March 2021)
- Health Technology Wales (HTW).

Our Strategic Goals:

To further our Vision and Strategic Goals to 2030, we are consulting with our partners on how we can best add value to our patients and donors, across our geographical area of South East Wales for tertiary cancer services and nationally for Welsh Blood Services. We continually scan the environment at a population, national, regional and local level to develop our knowledge and intelligence on key issues that we need to take account of in the strategic planning and delivery of services. We use the Sustainable Development Principles as the basis for our horizon scanning.

We have a commitment to transform the Trust and to create a sustainable organisation, in line with our Transforming Cancer Services (TCS) April 2020 Strategy, together with those for specialist Cancer and Blood and Transplantation Services for 2020 - 2025. These will set out what good look like in five years' time and the actions we will take over the coming years to achieve our commitment to excellence. These strategies will be developed within the context of the Well-Being of Future Generations Act (*the Act*). The principles of the Act continue to be at the core of each and every action that our staff take on a daily basis. This will take time but we are committed to ensuring we translate the intentions and spirit of the Act into tangible and sustainable benefits for the people of our region.

3. IMPACT OF COVID ON DELIVERY OF SERVICES

Impact to Welsh Blood Services during COVID-19:

Throughout the pandemic in 2020/21, the majority of services have been retained in line with WHO guidance on high priority categories, and the Essential Services technical document developed by the Welsh Government.

Staff have created and embraced new ways of working to respond to the COVID-19 challenge, in particular to comply with social distancing and enhanced infection prevention and control measures. In addition, service models have adapted and developed in order to ensure that Welsh Blood Service, as a demand-led service, is able to continue to meet the needs of its customers. This has included:

- The planning and operational implementation of a new plasmapheresis service to collect convalescent plasma required for urgent trial assessment
- Changing the way we import and export haematopoietic stem cell products as a result of travel restrictions.
- The requirement to cryo-preserve products and amendments to existing licences in a very short time frame.
- The introduction of a fixed site collection model with 100% booked appointments.

In addition, as a result of the COVID-19 pandemic, a number of services were initially suspended and reintroduced later in the year. This included:

- Solid organ transplants, although laboratory testing was maintained to support pre and post-transplant recipient monitoring. The local and national deceased donor programme were initially suspended but were re-introduced in June 2020 and the live donor programme in July 2020.
- The NEQAS Programme: a national programme that provides external quality assessment of laboratories, who deliver histocompatibility and Immunogenetics services in support of solid organ and stem cell transplants, tissue typing as an aid to disease diagnoses and specialist blood products.

Impact on Velindre Cancer Service during COVID-19

Our cancer services have inevitably been disrupted as a result of COVID-19. From a range of causes, from changes in public access to general practice for diagnosis, changes in screening services and onward referrals through secondary care to the impact on our patient pathways. The impact of social distancing and other infection prevention control interventions, as well as the centralisation of services from LHBs to the VCC site have all impacted on the patient flow, site use and how we provide the services our patients need.

Throughout the pandemic in 2020/21, we have developed appropriate clinical guidelines to underpin the safety and quality of our service, using evidence based professional guidance i.e. Royal College. We have developed and adapted our 'Clinical Model' based on clinical principles and patient prioritisation. We will continue to utilise the virtual

consultation methods that we developed, recognising the need to support patients and our staff in new ways of working.

The centralisation of service delivery from health board sites to VCC was supported through the extension of SACT delivery with additional service through the mobile unit with Tenovus and the expansion of the SACT homecare service as well as increasing radiotherapy capacity through a partnership agreement with the independent sector.

We have accommodated an increase of 16,000 attendances undertaken by the Velindre team, with a corresponding decrease in outreach provision. During the latter half of 2020/21, we focused on the planning and development of service options to increase provision that maximises capacity into 2021/22 and beyond.

4. PLANNING AND DELIVERY OF SAFE, EFFECTIVE QUALITY SERVICES COVID CARE

Clinical safety for our Patients and Donors:

Velindre University NHS Trust is committed to ensuring the delivery of safe, high quality and effective care to our patients and donors. It is also committed to continuous quality improvement in order to achieve this.

During 2021-2022, the Trust aims to undertake further work to improve the safety and quality of care delivered, and to strengthen the quality assurance processes around this. We will do this by focusing on a number of key themes:

- Optimising all infection, prevention and control and Covid 19 risk reduction measures
- Strengthen Patient and Donor Experience and Engagement
- Implement digital initiatives to strengthen and optimise the Quality & Safety agenda
- Optimise the Trust's Quality & Safety Framework and Assurance processes.

Velindre Vaccination Centre 2020/21:

As well as responding to the challenge of maintaining service delivery in the pandemic, we have also played a key role in supporting the National Vaccination Programme by not only delivering vaccinations to our own staff and vulnerable patients but by also delivering vaccinations to the wider healthcare community in Cardiff and Vale UHB and to staff from the Wales Ambulance Service.

Description	Total
Ages 80+ and Health and Social Care Staff	7,177
Ages 65+ 70+ 75+	1452
High & Moderate Risk Adults under 65	2195
Remaining 50+ 55+ 60+ & other	251
Total Number of COVID-19 Vaccinations as at 31/03/21	11,057

5. PLANNING AND DELIVERY OF SAFE, EFFECTIVE AND QUALITY SERVICES FOR NON-COVID CARE

Welsh Blood Service:

The Welsh Blood Service was required to redesign its blood collection and processing service model and to adapt its transplant support services. This was vital in ensuring continuity of service during the pandemic as well as implementing a major service development in the establishment of the Convalescent Plasma programme. The cessation of the Convalescent Plasma programme and the ongoing adaptation of the core services the Welsh Blood Service provides to adapt to the phases of the pandemic and the ongoing need for infection prevention adaptations will set the context for 2021/22.

The pattern of change in demand for our services is clearly aligned to that of the Local Health Board services and we are working closely with colleagues through the National Oversight Group for Blood Health and blood bank managers to respond as required.

In addition, as we move through the year, we will be continuing to work through several other major initiatives such as our Blood Supply Chain and Digital programmes as well as commence work to scope the further use of Plasma for patients in Wales.

Our Priorities Delivered in 2020/21:

Priority 1: Excellence in Service Delivery – we have provided services that are safe, modern, sustainable and responsive to technological advances, improving service user experience and patient outcomes, delivered by a skilled, competent and sustainable workforce.

Priority 2: Delivering state-of-the-art supply chain – in partnership with donors, citizens and organisations, we have ensured effective provision and processes for blood donation and production.

Priority 3: Provision of progressive Histocompatibility & Immunogenetics – during 2020/21 we have continued to develop and evolve transplant and advanced therapies services to meet the needs of the patients and donors in Wales and beyond.

Priority 4: Digitally enabled to deliver in the modern world – we continued to implement modern, innovative, resilient and secure digital infrastructure, which supports the Welsh Blood Service in delivering its services to Wales.

Priority 5: Research, Development & Innovation – we have sought partners from across the UK and internationally, with whom we will collaborate and work in partnership on key programmes of research, development and innovation.

Priority 6: Effective clinical systems to support improved outcomes – we have worked in partnership with NHS Wales Informatics System (NWIS) and other agencies to facilitate the delivery of secure and effective clinical systems.

Challenges faced during 2020/21:

Whilst we always will plan to collect enough blood to meet the forecast issuing needs of hospitals across NHS Wales, 2020/21 has given rise to a number of unique challenges as a result of the pandemic, as outlined below:

Collection of Blood and blood products, processing and distribution:

- Fewer fixed donation sites, new social distancing and infection prevention control measures
- Conversion from a split of appointment and walk-in capacity to a 100% appointment-based
- Information to support forward planning

Wholesale Distribution of Commercial Blood Products:

- Ongoing monitoring of availability of stock and contingency planning
- Pressure to increase and maintain critical stocks in response to UK leaving the EU

Blood and stem cell donor selection regulations:

- Continuing to meet stringent blood and stem cell donor selection guidelines and regulations
- Continuing to meet COVID-19 requirements for facilitation of export and import of stem cell products such as transport from restricted countries and COVID-19 testing of couriers.

Maintaining an engaged healthy donor panel:

- Ensure enough donors to meet demand
- Focus on 'targeting' to meet specific and fluctuating requirements for specific groups
- Strategy for bone marrow donor recruitment, where age group differs to whole blood donors

Changing science and technology:

- Automated testing
- Next Generation Sequencing (NGS) workflow efficiencies and outputs through automation and enabling improved matching of donor recipients

A healthy and sustainable workforce:

- Specialist staff shortages
- Recruitment and retention

Work is ongoing through the Blood Health Team and Collections Team to align the collection profile with demand for specific blood groups, but this remains difficult to determine. We are also challenged by lack of certainty from Health Boards regarding activity levels. Furthermore, there is a requirement to ensure the supply of blood by blood group meets the demand, which adds to the risk of supply and issuing alignment being achieved.

We continue to plan to use our donor recruitment plans to flex to meet demand and our donors are responsive. However, in the event of shortage, we will draw on our mutual aid agreement with the UK Blood Services or in extreme circumstances initiate the National Blood Shortage Plan to actively manage stocks with hospitals.

Velindre Cancer Service:

The sustained delivery of our services with sufficient capacity in the context of COVID-19 was our primary focus during 2020/21. Our overarching aim has been to maintain the delivery of non-surgical cancer services for the population of South East Wales, while ensuring that staff and patients are safe when attending our treatment locations and to minimise the risk of COVID-19 transmission.

In doing this we were required to transfer all outreach SACT and outpatient services from other hospitals to the VCC site and this remains the case other than a small service provision in Prince Charles Hospital in Merthyr.

We will continue to respond to any future phases of the pandemic and the ongoing requirement for social distancing and enhanced infection control and prevention measures.

The Transforming Cancer Services programme will continue to be a core area of work for us and the recommendations of the Nuffield Review, finalised in March 2021, where we will be working in partnership with South East Wales Local Health Boards and the Collaborative Cancer Leadership Group (CCLG). Existing regional projects such as the Acute Oncology Service Project also continue to be key strategic priorities for us and our LHB partners.

In taking account of the above determining factors, the Velindre Cancer Service pursued the following priorities during 2020/21.

Our Priorities in 2020/21:

Priority 1: Ensuring that Staff and Patients are Safe at our Treatment Locations – we minimised the Risk of COVID-19 transmission through enhanced infection control measures, vaccination and testing strategies during 2020/21.

Priority 2: Delivery of appropriate capacity to meet patient demand – despite the pressures caused by the pandemic we continued to operate, responding to further phases and government guidance including adaptation our clinical model.

Priority 3: Delivery of business critical initiatives – primarily through Velindre Futures and planning the new Velindre Cancer Centre.

Priority 4: Engagement with Health Boards and Regional Service Planning – including developing the regional approach in line with Nuffield recommendations

Priority 5: Patient Experience and Engagement – recognising and responding to the impact of COVID-19.

Challenges faced during 2020/21:

The year 2020/21 provided significant challenges for VCC in responding to the COVID-19 pandemic, and a number these will remain through 21/22 as we continue to provide an environment that is as COVID-19 safe as possible for our patients, their families and our staff.

We will be preparing to *'flex'* to the changing scenarios that the next phases of the pandemic will provide. Ensuring effective utilisation of the site to accommodate services within these constraints remains a challenge; particularly as we continue to deliver outreach provision at VCC and work with health boards on repatriation.

The wellbeing of our staff has been a key priority during 2020/21, and the professional and personal impact of the pandemic and the way in which we work will continue to be a key area of focus, particularly as we plan for increases in capacity to meet suppressed demand as referrals increase through the year. The recruitment of additional staff with specialist skills that we require and the most effective use of our staff skill sets and skill mix will be critical.

In addition, we will continue to operate against the background of the challenges for tertiary cancer services that exist out with those that result from the pandemic. These include increasing cancer rates and health inequalities, a growing gap in the forecast demand between supply and demand, increasingly complicated and personalised treatments and supporting people to live with and beyond cancer.

Velindre Futures:

The Velindre Futures programme will be the vehicle through which we will deliver the changes we need to meet the aspirations of the TCS programme, the further regional opportunities and the existing ambitious plans for service modernisation.

Established in summer 2020, Velindre Futures is the vehicle to bring work underway to deliver our current aspirations together with the work underway to develop our future services; ensuring our services are patient centred and fit for purpose now and in the future. It considers the Velindre System; a series of networked services for patients that ensures an integrated regional approach.

Through this initiative we will both shape and deliver these aspirations and inform strategic discussions internally and across the region through a clear, planned and managed programme of service change to take us to where we want to be. Clearly, this will build on the myriad of service changes introduced throughout 2020 in response to the

pandemic, retaining and further developing a range of developments whilst returning to some of the service changes that have been paused.

Through the autumn of 2020 phase 1 included the establishment of a number of Task and Finish Groups looking at Unscheduled Care, Research and Development, Education and Training and a Tertiary Oncology Peer Review Group which assessed Velindre Cancer Centre against a number of external reviews and reports on other cancer centres in the UK. The outputs of phase 1 are being assessed to identify the requirements to deliver the recommendations that have been developed and the appropriate delivery route, be that through partnership with LHBs, HEIs or internally.

Through 2021 and beyond, the Velindre Futures work programme will ensure the delivery of the recommendations identified alongside the existing service changes planned e.g. the replacement of the CANISC system through the delivery of the Digital Health and Care Record system, the delivery of the radiotherapy service change programme initiated in 2019 and the continued implementation of the outpatient modernisation programme.

Core to these ongoing service changes is ensuring that the voice of the patient, their carers, families and the public are involved in shaping what we do. To enable this, a new framework for engaging with patients and the public will be developed to draw on best practice and set our expectations and ideas.

New Velindre Cancer Centre:

The Welsh Government, in March 2021, approved our Outline Business Case for a new Velindre Cancer Centre to be built in Whitchurch, Cardiff. Our goal is to deliver a world-class facility that will deliver unrivalled care for cancer patients across south east Wales, be an inspiring workplace for our dedicated staff to thrive, be a focal point for international research, and a place that benefits the local community.

We want the new Velindre Cancer Centre to be one we can all be proud of for generations to come.

Digital Innovation and Virtual Clinics:

Velindre University NHS Trust has developed its Digital Vision during 2020/21 with the concept of “*connectivity*” at the heart of the way digital will enable our services. A Digital programme has been developed around an evidence based collaborative approach to delivering transformation for all stakeholders, patients, donors, clinicians, citizens and partners. The programme has started to introduce new digital capabilities that will enable transformative ways of delivering cancer and blood and transplant services to all stakeholders. It will integrate and complement existing and planned digital programmes across Wales.

In support of our digital aspirations we also became a member of the Digital Inclusion Alliance Wales in January 2021 and have signed up to the ‘Digital Charter Pledges’ to support patients’, donors’ and staff digital accessibility and acceptability and work towards addressing wider digital exclusion.

The outbreak of COVID-19 in 2020 and the unprecedented events that followed, have prompted the Trust to consider innovative digital solutions to ensure patients and donors continue to receive the best possible services and care. From remote working, staff relocations, estate reconfiguration and social distancing, to core application and system changes to support delivery of services (old and new) and now more recently the vaccination of staff and citizens, the digital services team has played a key role in enabling services to continue to deliver.

- Creating Capacity & Developing New Services
- Connecting & Remote Monitoring of Patients, Donors and our Workforce
- Strategic Projects

6. PUTTING THINGS RIGHT

We are committed to managing, and learning from, concerns in accordance with The National Health Service (Concerns, Complaints and Redress Arrangements) (Wales) Regulations 2011.

During 2020/2021, we received a total of 198 concerns. This was comparable with the volume of concerns raised during 2019 – 2020. Approximately 45% of the concerns were raised to the Trust verbally, and approximately 45% via email.

The Trust has continued to achieve above 75% compliance of providing a response to the complainant within 30 days of receipt of their concern. The compliance breakdown per quarter is listed below:

Q1 – 94% Q2 – 100%, Q3 – 78%, Q4 – 78%

Over 60% of the concerns raised were graded 1 and 2, and were successfully resolved via the ‘early resolution’ process. The Trust has continued to have a low number of re-opened complaints of less than 3% for the year (un-validated % as yet).

3 complaints have been referred to the Ombudsman during the year, with 2 cases ongoing, and 1 having been partially upheld.

During Q3, 40% of the concerns raised related to the Covid-19 pandemic, with particular concern raised regarding changes to cancer treatment and appointments during this time, and changes in venues for the blood donation clinics.

The main theme of the concerns raised throughout the year related to communication – communication regarding appointments, communication regarding treatment decisions, communication regarding the manner on which patients / donors had felt they had been spoken to / treated.

For the Cancer Centre, the main focus of the communication issues related to concerns around the lack of seamless / ‘joined up’ care between Health Boards. For the Welsh Blood Service, the communication concerns centred around the booking of appointments and regarding changes in clinic venues.

We remain committed to encouraging patient / carer feedback so that we can learn from this to improve our services. We are continuing to refine our complaints management processes so that we can resolve concerns fully and ensure that any actions required are

taken promptly and that learning from complaints is fully embedded. Our concerns policy is currently being revised and will be launched at the end of May 2021.

7. WORKFORCE MANAGEMENT AND WELLBEING

Our overall workforce aims for our people are:

- To develop a Skilled and Developed Workforce, given clear career pathways, provide them with leadership, skills and knowledge they need to deliver the care our patients and donors need now and in the future.
- To support a Healthy and Engaged Workforce where wellbeing is key, recognising and valuing their diversity in a bi-lingual culture.
- To have a Planned and Sustained Workforce having the right people with the right values, behaviors, knowledge, skills and confidence to deliver evidence based care and support patient and donor wellbeing.

2020/21 has been an unprecedented year and one where we have had to deal with the restrictions caused by the pandemic, missing close friends and family and for many, the sadness of bereavement. All of these factors have impacted heavily on our staff.

To meet the challenges of COVID the Trust has established a COVID Workforce Operating Framework to manage workforce issues. This framework has been adapted throughout the pandemic to ensure a flexible and agile approach to meet the service need.

A workforce hub to support additional recruitment, deployment of staff, manage the flow of workforce information and ensure the provision of an effective infrastructure for staff wellbeing has been established and is continuing to operate to support the COVID Vaccination Programme for Velindre and NHS Colleagues.

The workforce helpline is in daily operation to provide additional guidance, help and support to managers and staff. The Workforce team will continue to work closely with IPC and PHW to ensure up to date advice is given and service provision is maintained during dynamic times.

Throughout the COVID pandemic the Trust has worked, and will continue to work, closely with trade union colleagues. The Trust meets monthly with trade union representatives to monitor the workforce matters and review the workforce dashboard. This dashboard includes KPIs on PPE Training, risk assessment completion and sickness absence rates. In addition to Trade Union monitoring, the Trust reviews key COVID-19 measures relating to staff safety and wellbeing, with reports continuing being presented to the Executive Management Board monthly.

BAME and Shielding Networks have been established, to feedback and learn from concerns and issues. A 'Work in Confidence' Platform to raise and resolve issues, COVID or non-COVID related, has also be established. All communication mechanisms provide numerous routes for staff to communicate, gain information, advice, guidance and help.

8. DECISION MAKING AND GOVERNANCE

The role of the Board and Committees and review of effectiveness:



Board Chair & Independent Members

GIG CYMRU NHS WALES | Ymddiriedolaeth GIG Prifysgol Felindre Velindre University NHS Trust

Martin Veale
Independent Member

Donald Fraser
Independent Member

Stephen Harries
Vice Chair

Gareth Jones
Independent Member

Professor. Donna Mead OBE, CStJ
Chair

Hilary Jones
Independent Member

Jan Pickles
Independent Member



Board Chief Executive & Executive Board Members

GIG CYMRU NHS WALES | Ymddiriedolaeth GIG Prifysgol Felindre Velindre University NHS Trust

Mark Osland
Executive Director of Finance

Steve Ham
Chief Executive Officer

Dr. Jacinta Abraham
Medical Director

Sarah Morley
Executive Director of Workforce & OD

Nicola Williams
Executive Director of Nursing, AHPs & Health Science

The Trust Board's main role is to add value to the organisation through the exercise of strong leadership and control, including:

- Setting the organisation's strategic direction
- Establishing and upholding the organisation's governance and accountability framework, including its values and standards of behaviour
- Ensuring delivery of the organisation's aims and objectives through effective challenge and scrutiny of the Trust's performance across all areas of activity.
- Shape the culture of the organisation.

The Board determines how it best discharges this responsibility which it can either be done directly or with the support of Board Committees. The Trust undertook a root and branch review of its Board Committee arrangements during the reporting period, underpinned by a robust benchmarking exercise, together with careful consideration of the requirements of the Welsh Government's Good Practice Guide – Effective Board Committees.

In the autumn of 2020, the Trust introduced a new Board Committee model (Annex 1) that included the establishment of a Quality, Safety and Performance Committee and Strategic Development Committee. The Quality, Safety and Performance Committee brings together for the first time workforce, finance, digital and performance reporting through the quality and safety lens. This has seen a step change in the way the Board is able to receive triangulated assurance on the key themes and risks faced by the organisation. This aspect will be further developed over the course of 2021/22 building on some of the key learning that has already borne fruition. In parallel, the establishment of the Strategic Development Committee has served to enhance the time and space to discuss the strategic direction and development of the Trust. As its foundations mature over the coming year and beyond this will serve as an invaluable forum to harness the ambition and drive of the Trust.

Changes to governance arrangements to mitigate pandemic:

Since the onset of the pandemic, the Trust has continually adapted and made changes to its governance arrangements to meet the challenges faced by COVID 19. The required response has meant that the whole organisation has had to work very differently both internally and with our staff, partners and stakeholders and it has been necessary to revise the way the Board governance and operational framework is discharged.

Board and Committees:

In March 2020, the Board agreed revised temporary arrangements which included standing down all Board Committees other than Audit Committee, Quality & Safety Committee and Transforming Cancer Services (TCS) Scrutiny Committee until the autumn of 2020.

A recovery plan was developed in parallel with two principal aims, namely:

- i. To ensure we continue to manage and oversight those areas and actions that we needed to.
- ii. Structured way of cataloguing everything else that was placed in the "Recovery Log," so that this could all be tracked and then re-started in a planned and controlled way.

The recovery plan work was informed by a thorough analysis of:

- All Committee Action Logs, including those that were continuing to operate and those that were postponed for the period
- Committee Cycle of Business for the Committees which were stood down
- Latest Highlight Reports for the Committees stood down

- The Audit Tracker – of all External and Internal audit actions
- The Quality Governance Self-Assessment actions

Each of these items were considered through the lens of: whether they should continue to be managed and tracked; whether they should be closed; or whether they should be placed in the Recovery Log. For those items where it was concluded they should continue to be managed and tracked, these were mapped to one of the Committees still running. For those items where it was concluded they should be closed, this was subsequently managed via an out of Committee Chair action for that relevant Committee. For those items that were placed in the Recovery Log, these were continued to be tracked and reported at each of the monthly Boards, enabling Board members to pull an item out of the Recovery Log if it required more urgent management. In addition, a central log was collated of all external formal postponement of activities. In each Board meeting, any specific matters could be highlighted to the Board as required. These items also formed part of the Recovery Plan.

The frequency of Trust Board meetings increased from bi-monthly to monthly together with the establishment of fortnightly Board briefings on COVID-19. In addition, due to the critical role of the Quality & Safety Committee during the public health emergency, the challenging decisions needed to ensure actions are quality and risk assessed and the organisations acts in the best interest of the public and staff, the meeting frequency was increased from quarterly to monthly. Following careful consideration, it was determined that the frequency of the Audit Committee would remain unchanged.

As a result of the public health risk linked to the pandemic there have been limitations on public gatherings and has not therefore been possible to allow the public to attend meetings of our Board and Committees during the year. We did not receive any requests from the public to attend the Board and operating Committees but to ensure business was conducted in an open and transparent manner as possible during this time the following actions were taken:

- The Trust has invited all regular attendees to its Public Board and Committees via technological solutions. ‘Virtual’ meetings using Skype and latterly Microsoft Teams have developed, planned meetings have gone ahead and meeting etiquette has been established and issued to all participants.
- The meetings have been held in closed session i.e. public were not invited to join the meetings in person. This has allowed the Trust to act in accordance with social distancing guidelines. From July 2020, the Trust has held its virtual Trust Board meeting in public. The public are able to observe the meeting from the widely available video conferencing platform Zoom. A video recording of the meetings is also made available on the website.
- All Board and Committee papers are published in advance of the meeting and the minutes or a briefing shortly after the meeting has taken place.

Decision making - Clinical Governance Framework:

In March 2020, the Board approved a clinical governance framework for the planning and delivery of clinical services to support clinical teams and clinical leaders in making decisions in relation to patient care delivery, prioritisation and revising patient / clinical pathways.

Any proposed changes to clinical pathways/treatment required a fully documented impact assessment using an Impact Assessment tool, signed off by the relevant site specific team (SST) Clinical Lead, and Clinical Director, followed by 'Silver' or 'Gold' approval under the command and control structure established (see below).

In June 2020, the Board approved a revised framework for the 'Recovery Phase' where the same impact assessment process continued to apply.

In January 2021, the Board **approved an** updated 'Velindre Cancer Centre Clinical Framework for Defining the Clinical Model and Treatment Decision Making to respond to the second wave of the pandemic with the core principles remaining unchanged from the previous two iterations.

Decision Making - Scheme of Delegation:

The need to respond urgently to meet the unprecedented demand for Personal Protective Equipment (PPE) and other medical devices and consumables, required significant amendment to the existing Scheme of delegation that forms part of the Standing Orders for the Trust. It was agreed on the 18 March 2020 to increase the delegated authorisation limits for the Chief Executive for COVID 19 expenditure to £1m.

Decision Making - Civil Contingencies and Emergency Planning:

The Trust continues to make significant progress in its business continuity and emergency preparedness framework. A Trust wide business continuity steering group supports the framework and governance within the Trust. This is supported by a Trust wide policy, communications plan and command and control guidance.

The focus of the Trust for the past year has been on the planning and response to the Covid-19 global pandemic, and ensuring the Trust continues to deliver core service provision throughout this exceptional time. The response to Covid-19 has been unprecedented in UK history, in terms of the scale, duration and impact. This response required prolonged establishment of UK and Welsh structures, including Local Resilience Forum structures. Robust incident management structures were put in place across the Trust to manage the COVID19 response.

The Trust has actively engaged with UK activities, Welsh Government and Public Health Wales on the Coronavirus Planning & Response.

During quarter 1 of 2021 both the Welsh Blood Service and Velindre Cancer Centre (VCC) have focused on reviewing its business impact analyses and major incident plan to ensure the learning from Covid-19 was captured and mitigated.

The changing environment of risk results in the strategies and plans being reviewed regularly and in line with the National Risk Register. Emerging threats are considered in the development and enhancement of risk mitigation strategies and the organisations response mechanisms. These plans are commensurate with the level of risk the Trust anticipates exposure to.

Business Continuity Plans have been tested in the last 12 months, and include Major Incident Communications test, Clinical Emergency Communication tests, participation in Exercise Wales Connect, Welsh Government supported Cyber Incident exercise, Pandemic Flu workshops and Brexit/D20 related workshops. Engagement in multidisciplinary exercises has allowed the Trust to encompass lessons learned, align to wider health emergency planning and to further improve the current procedures.

The Welsh Blood Service has undertaken a site wide security assessment in partnership with the Counter Terrorism unit of South and North Wales Police.

The Trust has undertaken a significant amount of work with regard to Brexit and specifically undertaken detailed planning and preparation to mitigate against core service disruption encountered from EU Exit. The planning has been multi-faceted and based on risk, across a number of varying themes and integrated with NHS Wales, Local Authorities, the Welsh Government and the Local Resilience Forums (LRFs) it partners with and key stakeholders. There has been a specific focus on key risks which include supply chain continuity for medicines, medical devices and clinical consumables. In addition, the Welsh Blood Service has worked closely with UK blood services and enhanced the mutual aid arrangements between services to ensure the continuity and safety of the blood supply chain.

The Trust continues to engage with Welsh Government Emergency Planning Advisory Group and LRFs around key strategies for workload, training and exercises. The Trust has continued to explore training needs analysis for Strategic and Tactical officers for Emergency Management, and two members of the Board have completed Strategic LRF training in the past 12 months.

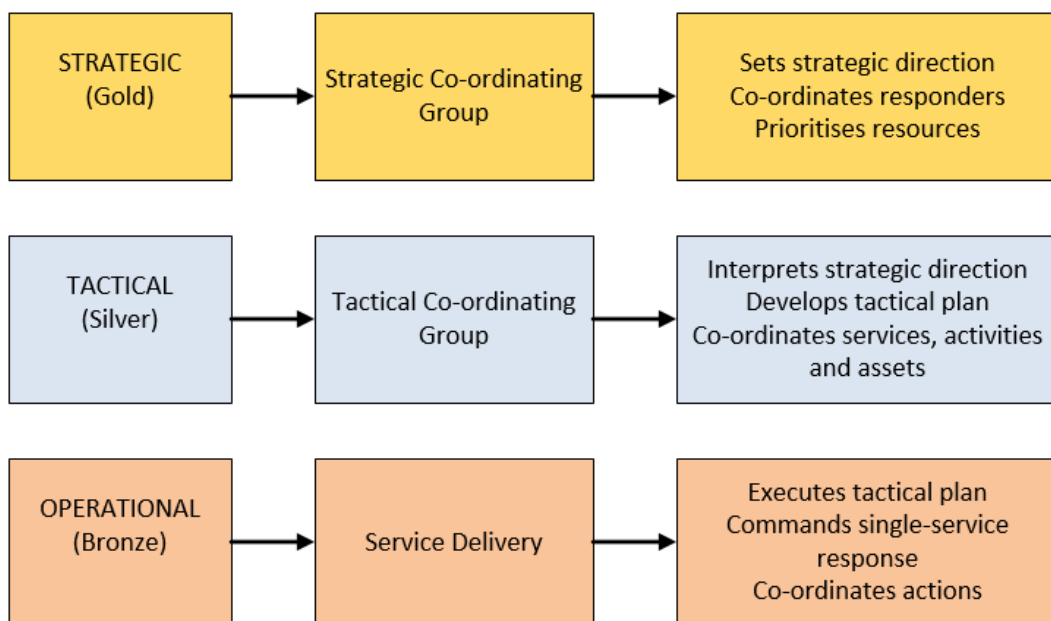
During 2021/2022, the Trust plans to continually review its business continuity management system to ensure alignment with current best practice guidelines.

Decision Making - Responsibilities and arrangements for responding to the pandemic:

In March 2020, the Trust implemented its major incident plan and incident management structure to ensure agile and rapid decision-making during the pandemic.

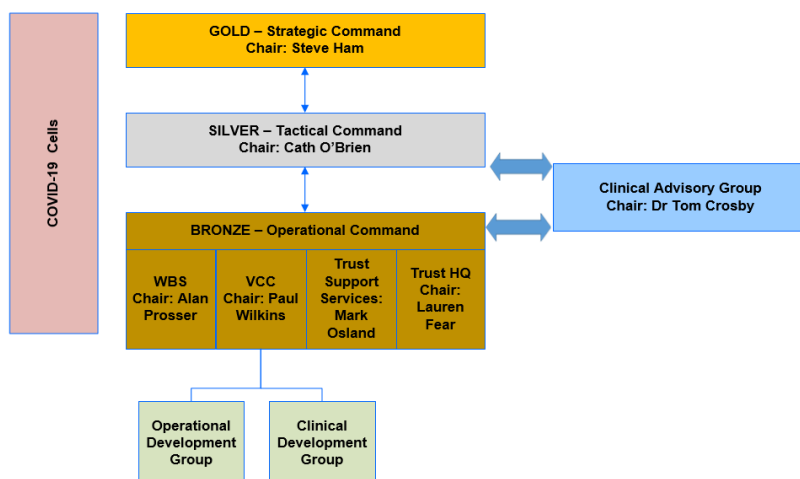
The dedicated incident command and control structure provided a formal escalation and de-escalation path and direction in achieving defined objectives. A nationally recognised three-tiered command and control structure known as Strategic (Gold), Tactical (Silver) and Operational (Bronze) was adopted by the Trust shown below in **Figure 1**.

Figure 1: Tiers of Command



The following management arrangements and reporting structure outlined below in **Figure 2** were established to co-ordinate, prioritise and respond to the pandemic across the Trust during the first wave of the pandemic.

Figure 2: First Wave Incident Management Arrangements – Reporting Structure

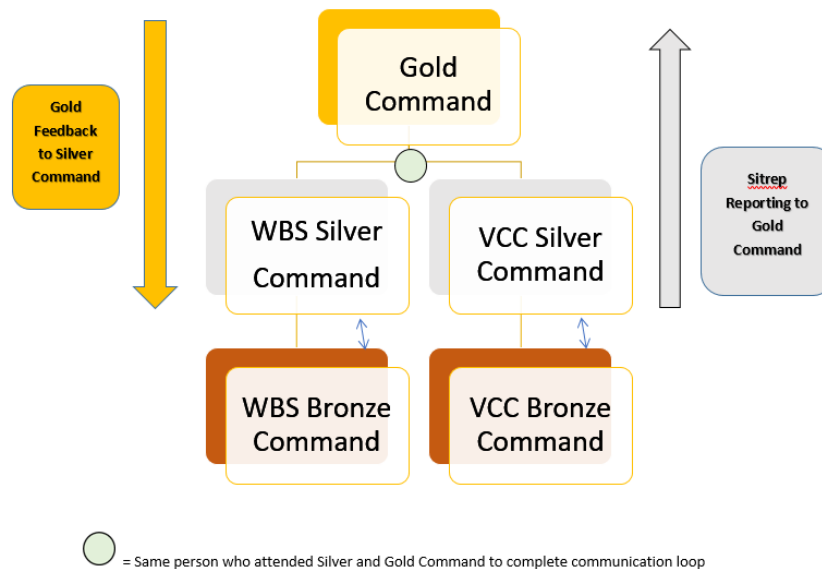


The COVID-19 Gold Command was established to provide strategic leadership in response to the COVID-19 incident with tactical and operational level decision making delegated to Silver and Bronze Command respectively.

The key function of Gold Command was to determine the Trusts strategic management response to the incident whilst maintaining normal services at an appropriate level and to consider the incident in its wider context in order to determine longer term and wider impacts / risks which would have had strategic implications.

These arrangements were subsequently stood down as signs of a recovery began to emerge in August/September 2020, before being subsequently reactivated during quarter 3/4 as prevalence of the virus in the community increased during the onset of the second wave. **Figure 3** outlines the incident management arrangements that were adopted in the second wave until the 17 March 2021, following which these were stood down.

Figure 3: Second Wave Incident Management Arrangements – Reporting Structure



Decision Making - Audit and Assurance:

In June and July 2020, NHS Wales Audit & Assurance Services conducted a rapid advisory review to assess the adjusted financial and overall governance arrangements that were put in place to enable the Trust to maintain appropriate governance whilst enabling its senior leadership team to respond to the rapidly developing emergency.

The key objective of the review was to provide independent, timely feedback to enable changes to be made to temporary governance arrangements if they are to be used in the future. The main findings of the report concluded:

- The Trust's temporary governance arrangements operated effectively during the peak and complied with the guidance and principles issued by Welsh Government.
- A strong framework was established, with clinical input, to ensure maintenance of key governance principles and effective decision making.
- The Command Structure operated effectively and enabled the organisation to make decisions in an agile way.

- Financial governance was maintained and Covid-19 related expenditure is being separately identified and reviewed.

Further detail regarding the scope and findings of the review are included in the Audit Committee papers available on the Trust Internet site via the following [link](#).

Additional assurance on the revised governance arrangements was obtained via the Trust's External Auditors, Audit Wales, who conducted a Structured Assessment during the same period in the context of the on-going response to the pandemic.

The report grouped findings under three themes:

- i. governance arrangements;
- ii. managing financial resources; and
- iii. Operational planning: to support the continued response to the pandemic balanced against the provision of other essential services.

The main conclusions from the report are outlined below:

The Trust has continued to operate effectively throughout COVID-19. It is building a strong culture of good governance based on transparency, collaboration and constructive challenge. The Trust adapted its governance, quality, safety and risk management arrangements quickly and continues to identify opportunities to improve.

The Trust and its Board have worked well under pressure to adapt governance arrangements. Business is shared effectively between the Board, Audit Committee and Quality and Safety Committee. Board business is transparent and well communicated. Information flows effectively from the Trust's executive team to the Board and the Board is clearly central to decision making. Board members provide good scrutiny and there is mutual respect between Board members. The Trust continues to review and refine its governance and corporate arrangements and look for ways to improve. The Trust has good arrangements to ensure safe, quality services and to manage risk. It continues to provide good information to assure the Board and its Committees of the quality and safety of its services.

Full details of the report findings are available in the Audit Committee papers on the Trust Internet site via the following [link](#).

9. CONCLUSION AND FORWARD LOOK

We have produced our Annual Operating Plan for 2021/22 which sets out how we will deliver services from 1st April 2021 to 31st March 2022, in the context of the ongoing COVID-19 pandemic. It describes what services we will provide, where they will be provided from and how we will continue to ensure patient, donor and staff safety. It also outlines the arrangements we have in place for managing our capacity so that we can meet the expected increase in demand for services towards the second half of the year.

Our Annual Plan also describes how we will maintain supplies of blood and blood products to the whole of NHS Wales; deliver essential tertiary cancer services to South East Wales, including the development of a new world class cancer centre facility, and carry out the enabling activities that will be undertaken by Corporate Departments.

The Annual Plan for 2021/22 builds upon the strong foundations and clinical operating models established during 2020 for the planning and delivery of our services as we enter the service recovery period, following the resurgence in COVID-19 infection rates in the late autumn and winter of 2020, and the re-introduction of local lockdowns.

In summary our Annual Operating Plan for 2021/22 sets out how we plan to meet the anticipated demand for services provided by Velindre University NHS Trust within the ongoing constraints of COVID-19 and the inherent unpredictable nature of the pandemic. We will do this by:

- Maintaining excellence in our 'essential' services and working with partners
- Transforming and developing and embedding new ways of working
- Keeping the Velindre Cancer Centre and Welsh Blood Service 'COVID-19 free' and playing our part in the national vaccination effort
- Addressing the COVID-19 'four harms' through sustainability and meeting the wider post COVID-19 recovery challenges
- Supporting staff well-being and communicating with our patients and donors
- Managing all financial impacts and risks.

10. WELL-BEING OF FUTURE GENERATIONS (WALES) ACT

Our Approach to the Well-Being of Future Generations Act:

We have a commitment to transform the Trust and to create a sustainable organisation. We will commence the acceleration of our journey of transformation with the publication, in 2021, of the Trust Strategy together with those for specialist Cancer and Blood and Transplantation Services for 2020 - 2025. These will set out what good look like in five years' time and the actions we will take over the coming years to achieve the excellence we are committed to.

These strategies have been developed within the context of the Well-Being of Future Generations Act (*the Act*) and we will seek to implement the principles of the Act within the Trust to ensure that they become the central organising principle of each and every action that our staff take on a daily basis. This will take time but we are committed to ensuring we translate the intentions and spirit of the Act into tangible and sustainable benefits for the people of our region.

The Act requires public-sector organisations in Wales to focus on delivering long-term well-being goals in a sustainable manner. Whilst we have made progress in embedding the *Act* across the organisation we know that we have much more to do.

We appreciate the work of the Auditor General for Wales, in support of the Future Generations Commissioner, in 'benchmarking' our current strength and opportunities for action. The report '*Implementing the Well-being of Future Generations Act – Velindre University NHS Trust*', received in 2020, has identified a range of organisational strengths and further opportunities for action to support our organisational development.

Moving forwards over the next three years we want to ensure that the *Act* provides a central reference point for everything we do within the organisation and it is a golden thread that will run through all of our strategies, plans and actions.

This will require an increased focus on sustainability and well-being over the next three years as we attempt to embed the Sustainable Development (SD) principle still further to make it a 'normal' part of everything that we do. The journey we are on will see us implement a new approach to planning and delivery across the Trust and the development of a different organisation that is more involved across the breadth of health, social care and public services. This collaborative way of working will see us working across the region with a range of partners to ensure the five ways of working are embedded within everything we collectively do and that we are actively contributing to the seven well-being goals.

Leadership will be fundamental to effective change. Our Chair is committed to leading the Trust to function as an exemplar Public Sector body in relation to the five ways of working and the embedding of the sustainability principle in all we do as an organisation. We have worked with our Health Board partners to facilitate the establishment of the

South East Wales Collaborative Cancer Leadership Group (and this regional collaborative work also embraces the Act as a central principle).

During the next three years we recognise that there are opportunities for us to do more to advance our and the wider community's, well-being and sustainable development agenda. We will seek to evolve existing partnerships to a much greater extent, and also to develop new relationships within the health sector and beyond in order to maximise our contribution and to support others in doing the same.

Our Well-Being Objectives:

The Trust, recognised under the Act as a national body, was required to develop and publish a set of its own well-being objectives.



These objectives were developed following extensive engagement and were designed to focus the Trust's contribution to the realisation of the national well-being goals.

Delivery Arrangements:

Our approach is built upon the personal support and leadership from the Chair and our Board. At Executive level, the Director of Transformation, Strategy and Digital holds the responsibility for sustainability within their portfolio and discharges this through a range of Offices which are co-ordinated and led by the Director of Commercial and Strategic Partnerships. The Trust has established a Sustainability Community Group to facilitate and support work across the Trust and the Sustainability Officer plays a key role in this process.

However, it is important to emphasise that our approach is to expect all of our workforce, suppliers and service providers to contribute to the well-being goals and to embody the five ways of working in their day-to-day actions and behaviours. The Act is viewed as adopting a '*way of being*' rather than simply demonstrating compliance to standards. In this regard, at its heart, it is viewed as whole system organisational development and emphasis is being placed on induction, education and training, relationship management, communication and workforce health and well-being.

The workforce, and the processes they utilise to function, will be supported and enhanced respectively so that they: clearly reflect what 'long-term' means, identify the root causes of problems through system wide perspectives, support work across organisational boundaries to maximise value, establish shared processes and ways of working. Importantly, our actions will be framed and facilitated by our strategic approach.

Progress Against Delivery:

There are a number of actions that we are progressing:

Doing things differently to deliver change:

- The Trust is considering the Sustainability Development (SD) principle when developing its main strategic programmes, in VCC, the TCS programme, and in the Welsh Blood Service (WBS), the National Blood Health Plan and Blood Supply Chain 2020.
- The Welsh Blood Service is aiming to incorporate the Sustainable Development principle into the next phase of the Blood Supply Chain 2020 programme and resulting service changes.
- The Trust is considering how it can evolve existing partnerships to a greater extent, and develop new relationships within the health sector and beyond, to maximise its contribution to A Healthier Wales and to support others in doing the same.

Developing core arrangements and processes:

- The Trust is developing a Sustainable Development Strategy and plans to use it to embed the Sustainable Development principle.
- Responsibility for delivering the Act and embedding the Sustainable Development principle sits within the Strategic Transformation, Planning and Digital Division. The Trust is developing current capacity within the team to deliver the requirements of the Act.
- The Trust is considering the merging or better alignment of its well-being objectives

and strategic objectives.

- The Trust will be developing a strategic planning framework, with the aim of ensuring that the Act genuinely underpins all service development work and the Trust's Integrated Medium Term Plan. All planning activity throughout the Trust will utilise this framework in order to ensure that the Sustainable Development principle is fully embedded across the organisation. The Trust intends for all investment proposals to demonstrate how they align to the Act.
- The Trust is currently undertaking work to create a more systematic approach to tracking and monitoring progress.

Involving citizens and stakeholders:

- The Trust is actively identifying ways to improve how it engages with citizens, stakeholders, patients and donors when developing its services.
- The Trust is exploring possibilities for collaborating with other health bodies to develop a wider regional '*whole system*' Cancer Community and a public health promotion agenda.

Whilst recognising we have much more to do, it is important to acknowledge the achievements of the organisation to date and the strengths it can draw on as we grow together as a sustainable community.

During 2020/21 the Welsh Government approved a Programme Business Case in support of infrastructure improvements at the Welsh Blood Service. A key and ambitious objective of this Programme is to transition to a carbon neutral footprint for the building. This will be achieved through an increased focus on the use of renewable technologies, solar photovoltaic arrays, ground source and air source heat pumps and bio- mass boilers.

We have also focused considerable efforts on ensuring that the TCS Programme has embedded the requirements of the Act. The new Velindre Cancer Centre project is championing sustainable developments, such as integrating sustainable transport into the design of the new VCC, and encouraging the use of sustainable travel. We have identified several proposals for community benefits in the design of the new VCC. In this regard, a number of fundamental deliverables can be evidenced.

We have applied, and continue to apply, the sustainable development principle when designing and developing the TCS Programme clinical service model and supporting infrastructure. The new TCS Programme clinical service model has a clear preventative focus and there are opportunities to educate patients and the wider community on healthier lifestyles to help prevent cancer. The TCS Programme clinical service model and supporting infrastructure also has a strong long-term focus based on a sophisticated understanding of current and future needs.

We have worked in an integrated way to design and develop the TCS Programme and supporting infrastructure and have considered how it can deliver wider benefits as the programme progresses to ensure it has a positive impact on social, economic, environmental and cultural well-being. We are also collaborating with partner organisations across South East Wales to develop and improve cancer services.

In addition, we have a range of strategic and operational examples of good practice in implementing the Well-being and Future Generations Act. A number of these are shared below.

TRUST STRATEGY DEVELOPMENT



The Director of Transformation, Planning and Digital is leading on the development of the Trust Strategy. A comprehensive engagement plan has been created which includes presenting to Patient Liaison Group to ensure members of the community are involved in the strategy development.

VELINDRE CANCER CENTRE



Working in collaboration with Melin to undertake a Sustainability review on the existing site to determine what upgrades can be made in the interim, before the nVCC. For example, determining whether to integrate add photovoltaics to the roof and replacement of lights to LED.

PATIENT AND COMMUNITY LEADERSHIP PROGRAMME

Velindre Cancer Centre has created this programme, which successfully completed the Patient & Community Leadership Programme. Collaborating with Public Health Wales and The Centre for Patient Leadership, Velindre recruited 10 Patient Leaders who now use their newly acquired leadership skills to help shape services for the future, influence change and share their own expertise with clinical staff. It is the first Programme of its kind in NHS Wales. at the event.



WELSH BLOOD SERVICE INFRASTRUCTURE UPGRADE

The Trust has collaborated with Consilium and Melin to investigate improvements to the existing WBS HQ building's fabric and services and how to integrate low and zero carbon technologies. A Programme Business Case has been approved by the Welsh Government.



Gwasanaeth Gwaed Cymru
Welsh Blood Service

ELECTRIC VEHICLES



A business case has been developed for Electric Vehicles (EVs). There are 3 stages to the project; phase 1 will be a commuter vehicle for staff, phase 2 will be staff charging stations and phase 3 will be patient charging. This will be completed in collaboration with NWSSP. Further to this project, the use of EVs for the Grey Fleet is being explored.

Introducing the EVs contributes to the long-term sustainability goals and the objectives of the Trust Travel Plan.

NEXT BIKE

To encourage active travel, a Next Bike station is being installed in the Cancer Centre. Integrating the station into everyday service will contribute to the Travel Plan; encourage active travel, which aligns with the Welsh Government targets of active travel. The Trust aims to join the Healthy Travel Charter, having the bike sharing scheme will contribute to achieving one of the fourteen actions.



SOCIAL MEDIA

Social Media is integrated into service and is a useful two-way conversation tool with our online community, helping the Trust listen and respond to compliments, queries and concerns. Our Patient Advice and Liaison Service team (PALS) are able to respond in a timely and efficient manner, capturing mini-stories and signposting to wider online surveys. The Psychology team at VCC created a Mindfulness app, which was promoted and downloaded by members of the community, staff and patients. The App is deliberately non-cancer specific so anyone can use mindfulness as a tool to manage stress and anxiety.



SINGLE USE PLASTIC POLICY



A phased approach is planned involving area leads to ensure the policy is integrated effectively. Initially, the policy will only include non-clinical areas. To assist the implementation of this policy, the Trust is investing in Water Refill Stations. Water machines are being installed in the divisions and reusable water bottles will be made available for purchase in VCC canteen to encourage reuse, preventing the purchase single use plastic.

ECO TO GO CUP

To prevent the production of unnecessary waste, single use plastic cups have been removed from the Parkside dining room at VCC. Beverages are now served in ceramic mugs and staff are encouraged to use re-useable Eco to Go cups made from natural materials and supplied in collaboration with Keep Wales Tidy. The launch in VCC was so successful it has been rolled out to all divisions and hosted organisations.



WELSH LANGUAGE REPORT



This year has been a challenge for all within the NHS however ensuring access opportunities for Welsh speakers has never been so important.

Local Ownership:

In order to strengthen the approach to bilingual services the Trust's focus was on what it could achieve within the constraints of a pandemic. Ensuring a strong governance structure was apparent meant that the Trust had a way in which it could monitor the areas that needed additional support at a local level.

New working groups were developed in each Division with specific actions relevant to ensure provision was being monitored. These groups developed their own work programme and worked directly with the Welsh language team to make positive steps forward to embed further the needs of Welsh speaking Patients and Donors.

A new Welsh language Development group was agreed by the Executive Management Board with the working groups feeding their actions and recommendations for future provision into this group, ensuring a more robust approach to Welsh language provision.

Working Differently:

With its new way of embracing the need to work differently the Trust embraced the need to live stream meetings. The Welsh language was an important consideration within this context thus demonstrating the change in approach to using the language both externally and internally in order to strengthen our commitment to this agenda.

The Trust is looking forward to seeing how the delivery of meetings and other events can be supported more robustly by the Welsh Government and is monitoring the discussions with IT providers through the Government's 2050 initiative.

The Trust is keen to work with Welsh Government on increasing the number of Welsh speakers by 2050 in order to ensure the NHS can provide the best service to its bilingual service users.

Welsh Language Skills:

In April 2020 to March 2021 the Trust was compliant with recording 80% of staff skills within its Electronic Staff record system. The Trust, as part of its annual staff performance cycle reminds staff to record their competency levels and informs them of any Welsh

language training opportunities. This has enabled the Trust to monitor the percentage of compliance recording and prompt managers to engage further with staff on their Welsh language needs.

It is important to note that a high proportion of these roles are situated in non-patient/donor facing roles and as such would not be available to directly communicate with the public. Staff on reception areas are given lists of Welsh speakers in order for them to contact an individual with the relevant skills should this be required by a patient or to assist with donor requests. However, the current skill capacity does not meet the required need of the service and as such, the Trust is aware that providing the 'active offer' will take further investment into this area.

Here are the available statistics for the Welsh Language Skills across the Trust. These figures have been taken from the Staff Electronic Record system.

Staff Welsh Language Skills Recorded on	Required	Achieved	Compliance %
Electronic Staff Record (ESR)	4719	3792	80.36%
	Required	Achieved	Compliance %
Corporate Division	408	349	85.54%
Research, Development and Innovation Division	165	147	89.09%
Transforming Cancer Services Division	51	42	82.35%
Velindre Cancer Centre	2559	1995	77.96%
Welsh Blood Service	1536	1259	81.97%

Recruitment:

Recruitment and the Welsh language continues to be a focus for the Trust and a commitment was made to strengthen the translation provision across the Trust. The recognition for increased resource into this area means that the delivery against the Welsh language Standards will be a greater focus for the Trust.

In order to meet the requirements of the recruitment process we have developed a recruitment manager's hand book that includes frequently asked questions around the needs for bilingual assessments of posts. Building the bilingual needs of our workforce is crucial in order for us to establish a firm bilingual provision for patients and donors.

The number (in accordance with standard 117) of new and vacant posts that the Trust advertised during the year which were categorised as posts were:



Welsh language skills were essential.



Welsh language skills needed to be learnt when appointed to the post.



Welsh language skills were desirable.



Welsh language skills were not necessary.

VUHNST – Corporate Services 2020 - 2021	
Total Number of vacancies advertised 01/04/2020 to 31/03/2021	41
Total Number of vacancies advertised as Welsh Essential	0
Total Number of vacancies advertised as Welsh Desirable	40
Total Number of vacancies advertised as Welsh Needs to be Learnt	0
Total Number of vacancies advertised as Welsh not a required skill	1

VCC 2020 - 2021	
Total Number of vacancies advertised 01/04/2020 to 31/03/2021	199
Total Number of vacancies advertised as Welsh Essential	0
Total Number of vacancies advertised as Welsh Desirable	180
Total Number of vacancies advertised as Welsh Needs to be Learnt	1
Total Number of vacancies advertised as Welsh not a required skill	18

WBS 2020 - 2021	
Total Number of vacancies advertised 01/04/2020 to 31/03/2021	116
Total Number of vacancies advertised as Welsh Essential	3
Total Number of vacancies advertised as Welsh Desirable	112
Total Number of vacancies advertised as Welsh Needs to be Learnt	0
Total Number of vacancies advertised as Welsh not a required skill	1

Hosted Organisations

NWSSP 2020 - 2021	
Total Number of vacancies advertised 01/04/2020 to 31/03/2021	321
Total Number of vacancies advertised as Welsh Essential	5
Total Number of vacancies advertised as Welsh Desirable	291
Total Number of vacancies advertised as Welsh Needs to be Learnt	0
Total Number of vacancies advertised as Welsh not a required skill	25

NWIS 2020 - 2021	
Total Number of vacancies advertised 01/04/2020 to 31/03/2021	277
Total Number of vacancies advertised as Welsh Essential	0
Total Number of vacancies advertised as Welsh Desirable	266
Total Number of vacancies advertised as Welsh Needs to be Learnt	0
Total Number of vacancies advertised as Welsh not a required skill	11

Language Awareness:

Small changes often make differences and the Welsh Blood Service introduced new bilingual screen savers with the aim of increasing internal awareness of the language. The signage at the main building was also changed and made fully bilingual.

Updating the signage across the Velindre Cancer Centre was extremely important at this time and the Welsh language team worked with the estates department to ensure a fully bilingual approach to this work. It is encouraging to see the partnership approach to this project and how it has made a difference to how patients access all areas.

All Wales Networks:

The Trust continues to be a member of the All Wales Welsh language Managers network and work closely with the Welsh Government. Partnership working on this agenda is crucial in order to ensure an All Wales approach to many subjects including the delivery of the Welsh language standards.

Complaints:

The number of complaints received this year were low. Across the Trust we received 2 complaints relating to the need to provide bilingual information or forms. These were thoroughly investigated and resolved and did not reach the investigation stage.

Moving forward:

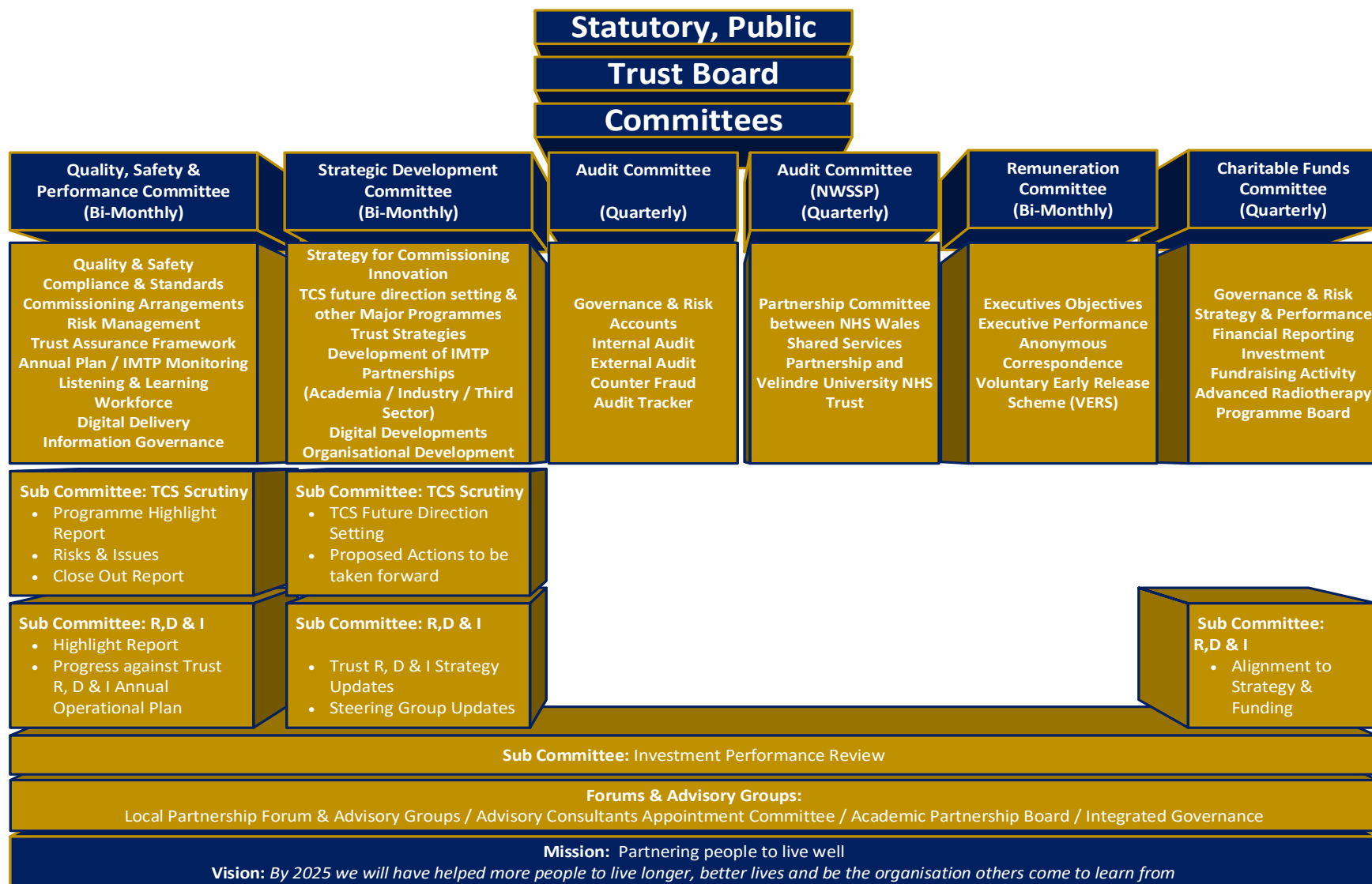
As we embrace the changing environment in which we work, the Trust is keen to ensure access to Welsh language services continues to be visually high on the agenda. The Active offer concept provides a continuous challenge for us but one that we need to embrace if we are to positively treat the Welsh and English language equally.

Over the coming year recruitment processes will continue to be a focus for us. We have confirmed additional resources will be set aside to support this process and the translation needs of the Trust. We are committed to raising the profile of Welsh language internally and externally and as such strengthening our language assessment process as part of recruitment will be our main focus.

Strengthening the Welsh language skills of our workforce is an absolute must for us if we are to embed the use of the language further across the Trust and take on board the principles behind the Active offer. We will be holding two levels of Welsh language virtual class room based training that will enable our staff to progress with their learning after being encouraged to follow free on line training by the Welsh Government.

This is a long term aim for us but one that we know will make a positive impact on our ability to continue to support the bilingual needs of our patients and donors.

Annex 1: Trust Board Committee Structure



Velindre University NHS Trust

Accountability Report

2020-2021



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VELINDRE UNIVERSITY NHS TRUST SCOPE OF RESPONSIBILITY

Velindre University NHS Trust provides specialist services to the people of Wales. The operational delivery of services is managed through Velindre Cancer Centre and the Welsh Blood Service.

Velindre University NHS Trust delivers specialist cancer services for South East Wales using a hub and spoke model. The hub of our specialist cancer services is Velindre Cancer Centre. This is a specialist treatment, teaching, research and development centre for non-surgical oncology. We treat patients with chemotherapy, Systemic Anti-Cancer Treatments (SACTs), radiotherapy and related treatments, together with caring for patients with specialist palliative care needs.

The Welsh Blood Service plays a fundamental role in the delivery of healthcare in Wales. It works to ensure that the donor's gift of blood is transformed into safe and effective blood components, which allow NHS Wales to improve quality of life and save the lives of many thousands of people in Wales every year.

The Trust Board is accountable for Governance, Risk Management, and Internal Control for those services directly managed, and those managed via hosting arrangements. As Accountable Officer, the Chief Executive has responsibility for maintaining appropriate governance structures and procedures as well as a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding the public funds and the organisation's assets for which the Chief Executive is personally responsible. These are carried out in accordance with the responsibilities assigned by the Accounting 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 assurance has been sought and provided. Where necessary additional information is provided in the sections of 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.

Throughout 2020/21, Velindre University NHS Trust and NHS Wales has faced unprecedented and increasing pressure in planning and providing services to meet the needs of those who are affected by COVID-19, details of the impact on delivery of services is provided in the Performance Report Overview, Section 3.

The required response has meant the whole organisation has had to work very differently both internally and with our staff, partners and stakeholders and it has been necessary to revise the way the governance and operational framework is discharged. In recognition of this, Dr. Andrew Goodall, Director General Health and

Social Services/NHS Wales Chief Executive wrote to all NHS Chief Executives in Wales, with regard to “COVID-19 Decision Making and Financial Guidance”. The letter recognised that organisations would be likely to make potentially difficult decisions at pace and without a firm evidence base or the support of key individuals, which under normal operating circumstances would be available. Nevertheless, the organisation is still required to demonstrate that decision-making has been efficient and will stand the test of scrutiny with respect to compliance with Managing Welsh Public Money, demonstrating Value for Money after the COVID-19 crisis has abated, and the organisation returns to more normal operating conditions.

To demonstrate this, Velindre University NHS Trust is recording how the effects of COVID-19 have impacted on any changes to normal decision making processes. Where relevant these, and other actions taken have been explained within this Annual Governance Statement.

During the reporting period 2020-2021, Velindre University NHS Trust also hosted three organisations, which are explained in more detail below. Directors of the Hosted Organisations are bound by an Annual Governance Compliance Statement (or their own Annual Governance Statement in the case of NHS Wales Shared Services Partnership) with the Velindre University NHS Trust Chief Executive and in accordance with the individual hosting agreements with Velindre University NHS Trust. Organisations hosted by Velindre University NHS Trust are:

NHS WALES SHARED SERVICES PARTNERSHIP (NWSSP)

On 11 May 2012, the Velindre National Health Service Trust Shared Services Committee (Wales) Regulations 2012 No.1261 (W.156) was laid before the National Assembly for Wales and came into force on 1 June 2012. The NWSSP is a dedicated organisation that supports the statutory bodies of NHS Wales through the provision of a comprehensive range of high quality, customer focused support functions and services.

NWSSP is hosted by Velindre University NHS Trust via a formal Hosting Agreement, signed by each statutory organisation in NHS Wales. The Director of NWSSP holds Accountable Officer status and holds a separate Accountability Statement with the Director General for Health in the Welsh Government. The Director of NWSSP produces and signs his own Annual Governance Statement to support the Trust Chief Executive in signing the Velindre University NHS Trust Annual Governance Statement.

NHS WALES INFORMATICS SERVICES (NWIS)

NWIS operated under the direction of the Deputy Director, Digital Health and Care of the Welsh Government and was responsible for both the strategic development of Information Communications Technology (ICT) and the delivery of operational ICT

services and information management across NHS Wales. NWIS had a national remit to support NHS Wales, make better use of scarce skills and resources, and facilitate a consistent approach to health informatics and the implementation of common national systems. The Director of NWIS was accountable to the Deputy Director, Digital Health and Care of the Welsh Government.

The Director was required to sign an Annual Governance Compliance Statement to support the Trust Chief Executive in signing the Velindre University NHS Trust Annual Governance Statement.

On 30 September 2019, the Minister for Health & Social Services announced that the NHS Wales Informatics Service (NWIS) would transition from part of Velindre University NHS Trust to a new Special Health Authority (SHA) reflecting the importance of digital and data in modern health and care. The new organisation is a Special Health Authority, like the recently established Health Education and Improvement Wales. It will have an independent Chair and Board, appointed by Welsh Ministers.

The Trust worked closely with colleagues in Welsh Government and NWIS to prepare for the transition, ensuring that the appropriate legal, governance, workforce and financial processes were in place, providing a smooth transition on 1 April 2021.

HEALTH TECHNOLOGY WALES (HTW)

The Trust received grant funding to continue the operation of Health Technology Wales during 2019-2020. HTW is funded by Welsh Government under the Efficiency through Technology Programme. HTW was established to facilitate the timely adoption of clinically and cost effective health technologies in Wales, working with, but independently of, NHS Wales. Its remit covers all health technologies that are not medicines. This could be medical devices, surgical procedures, telemonitoring, psychological therapies, rehabilitation or any health intervention that is not a medicine. HTW independently critically assesses the best available international evidence about the clinical and cost effectiveness of a health technology. This evidence is reviewed by experts and the HTW Appraisal Panel to put the evidence into the Welsh context. HTW also coordinates a Front Door process to support health technology developers to navigate NHS Wales. As well as its Front Door and appraisal functions, HTW also has roles in horizon scanning, evaluating uptake and disinvestment of technologies and providing advice to health technology developers. It does this in partnership with other organisations in NHS Wales to ensure there is no duplication of work and sharing of limited skilled assessment resources. The Director signs an Annual Governance Compliance Statement to support the Trust Chief Executive in signing the Velindre University NHS Trust Annual Governance Statement.

SCOPE OF THE ACCOUNTABILITY REPORT

In line with Welsh Government and HM Treasury Guidance, the Trust has produced an Accountability Report for the financial reporting period 2020 - 2021.

The purpose of the Accountability Report, which sits within the suite of Annual Report documents, is to report to the National Assembly for Wales in respect of the key accountability requirements.

The Accountability Report will be signed and dated by the Trust's Accountable Officer - Chief Executive and is made up of the following four sections:

1. CORPORATE GOVERNANCE REPORT
2. FINANCIAL ACCOUNTABILITY REPORT
3. REMUNERATION AND STAFF REPORT
4. PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT

CORPORATE GOVERNANCE REPORT

The purpose of the Corporate Governance Report is to explain the composition of the Trust and its governance structures and how these support the achievement of the Trust's objectives.

The Corporate Governance Report includes the following sub sections:

- **DIRECTORS' REPORT**
- **THE STATEMENT OF ACCOUNTABLE OFFICERS' RESPONSIBILITIES**
- **THE STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**
- **THE ANNUAL GOVERNANCE STATEMENT**

DIRECTORS' REPORT

This Directors' report brings together information about the Trust Board including the Independent Members and Executive Directors, the composition of the Trust Board and other elements of its governance and risk management structure. It also includes the disclosures and reporting required by the Trust relating to the day-to-day execution of the Trust's business.

The Trust Board is made up of Executive Directors, who are employees of the Trust, and Independent Trust Board Members (IMs), who were appointed to the Trust Board by the Minister via an open and competitive public appointment process.

CHAIR AND INDEPENDENT MEMBERS OF THE TRUST 2020- 2021



Professor Donna Mead, OBE, Chair

Appointment:

Professor Mead was appointed Chair of Velindre University NHS Trust in May 2018.

Area of Expertise:

Higher Education, Research, the NHS and Education, Partnerships and Collaboration.

Trust Board Committee Membership

Professor Mead Chairs the Trust Board meeting, Remuneration Committee, Advisory Consultant Appointment Committee, Charitable Funds Committee, Research, Development & Innovation Sub-Committee and the Academic Partnership Board.

Champion Role:

Trust Champion for Armed Forces and Veterans, University Trust.

Professor Mead is supported by six other Independent Members.



Mr. Stephen Harries, Interim Vice Chair/Independent Member

Appointment:

Mr. Harries was appointed as an Independent Member of the Trust in April 2017. In November 2018, Mr. Harries was appointed as Interim Vice Chair.

Area of Expertise:

Information Governance & Information Management and Technology.

Trust Board Committee Membership

Mr. Harries is Chair of the Strategic Development Committee and Transforming Cancer Services Programme Scrutiny Sub-Committee. He is a member of the Remuneration Committee and the Quality, Safety & Performance Committee.

Champion Role:

Trust Champion for Digital, Mental Health and Equality.



Professor Donald Fraser, Independent Member

Appointment:

Professor Fraser was appointed as an Independent Member of the Trust in December 2019.

Area of Expertise:

University Representative.

Trust Board Committee Membership

Professor Fraser is a member of the Research, Development & Innovation Sub-Committee, Strategic Development Committee, and the Academic Partnership Board.

Champion Role:

Trust Champion for Research, Development & Innovation.



Mrs. Janet Pickles, Independent Member

Appointment:

Mrs. Pickles was appointed as an Independent Member of the Trust in October 2012.

Area of Expertise:

Quality & Safety.

Trust Board Committee Membership

Mrs. Pickles Chairs the Quality, Safety & Performance Committee and is a member of the Audit Committee, Charitable Funds Committee and the Advancing Radiotherapy Board.

Champion Role:

Trust Champion for Infection, Prevention & Control, Vulnerabilities: Older People, Children & Young People and Violence & Aggression.



Mrs. Hilary Jones, Independent Member

Appointment:

Mrs. Hilary Jones was appointed as an Independent Member of the Trust in March 2020.

Area of Expertise:

Estates & Planning.

Trust Board Committee Membership

Mrs. Jones is a member of the Quality, Safety & Performance Committee, Transforming Cancer Services Programme Scrutiny Sub-Committee and the Advancing Radiotherapy Board.

Champion Role:

Trust Champion for Patient and Donor Experience and Sustainability.



Mr. Gareth Jones, Independent Member

Appointment:

Mr. Jones was appointed as an Independent Member of the Trust in December 2019.

Area of Expertise:

Legal.

Trust Board Committee Membership

Mr. Jones is a member of the Strategic Development Committee, Audit Committee, Transforming Cancer Services Programme Scrutiny Sub-Committee and the NWSSP Audit Committee.

Champion Role:

Trust Champion for Patient Information and Welsh Language.



Mr. Martin Veale, JP, Independent Member

Appointment:

Mr. Veale was appointed as an Independent Member of the Trust in April 2017.

Area of Expertise:

Finance, Audit & Governance.

Trust Board Committee Membership

Mr. Veale is Chair of the Audit Committee (Trust), Audit Committee (NHS Wales Shared Services Partnership) and the Investment Performance Review Committee (which is a Sub-Committee of the Charitable Funds Committee).

Mr. Veale is also a member of the Remuneration Committee and the Charitable Funds Committee.

Champion Role:

Trust Champion for Hosted Organisations and Performance Framework.

EXECUTIVE DIRECTORS (BOARD MEMBERS)



Mr. Steve Ham, Chief Executive (Accountable Officer)

Trust Board Committee Membership

Mr. Ham is a member of the Charitable Funds Committee and attends the Quality, Safety and Performance Committee, Strategic Development Committee, Local Partnership Forum, Remuneration Committee and Advisory Consultant Appointments Committee.



Dr. Jacinta Abraham, Medical Director

Trust Board Committee Membership

Dr. Abraham attends the Quality, Safety and Performance Committee, Strategic Development Committee, Research, Development & Innovation Sub-Committee and Advisory Consultant Appointments Committee.

Lead Function: Medical Director & Research.



Mrs. Nicola Williams, Executive Director of Nursing, AHPs and Health Scientists

Trust Board Committee Membership

Mrs. Williams attends the Quality, Safety and Performance Committee, Strategic Development Committee and Research, Development & Innovation Sub-Committee.

Lead Function: Quality & Safety and Nursing.



Ms. Sarah Morley, Executive Director of Organisational Development & Workforce

Trust Board Committee Membership

Ms. Morley is Joint Chair of the Local Partnership Forum and attends the Strategic Development Committee and the Quality, Safety & Performance Committee.

Lead Function: Organisational Development & Workforce



Mr. Mark Osland, Executive Director of Finance

Trust Board Committee Membership

Mr. Osland is a member of the Charitable Funds Committee and attends the Investment Performance Review Sub-Committee, Strategic Development Committee, Quality, Safety & Performance Committee, the Audit Committee (Trust), the Audit Committee (NWSSP) and the Local Partnership Forum.

Lead Function: Finance and Charitable Funds.

EXECUTIVE TEAM MEMBERS (NON-BOARD MEMBERS)



**Mr. Carl James, Director of Strategic Transformation,
Planning, & Digital**

Responsible for strategic developments and planning and the continuous improvement of performance on behalf of the Trust.

Lead Function: Strategic Transformation,
Planning, Digital & Estates.



**Mrs. Lauren Fear, Director of Corporate
Governance/Board Secretary & Chief of Staff**

Principal advisor to the Trust Board and the organisation as a whole on all aspects of governance and ensuring that the Trust meets the standards of good governance set for the NHS in Wales.

Mrs. Fear commenced a fixed term position with the Trust in December 2019 and was appointed on a permanent basis in September 2020.

Lead Function: Governance.



Mrs. Cath O'Brien, Interim Chief Operating Officer

Mrs. O'Brien was appointed as Interim Chief Operating Officer for the Trust in March 2019.

Prior to that position Mrs. O'Brien was the Divisional Director of the Welsh Blood Service.



Mr. Alan Prosser, Interim Director – Welsh Blood Service

Mr. Prosser was appointed as Interim Director for the Welsh Blood Service in March 2019. Prior to that, Mr. Prosser was the Deputy Director of the Welsh Blood Service.

Mr. Prosser is responsible for the operational management of the Service Division.



Mr. Paul Wilkins, Interim Director – Velindre Cancer Centre

Mr. Paul Wilkins was appointed as Interim Director of the Velindre Cancer Centre in November 2019.

As Interim Director of Velindre Cancer Centre, Mr. Wilkins is responsible for the operational management of the Service Division.

Further information in respect of the Trust Board and Committee Activity, the System of Internal Control and the Trust Assurance Framework are captured in the Annual Governance Statement section of this report, which starts on page 19 and Appendix 1 on page 50.

PUBLIC INTEREST DECLARATION

Each Trust Board Member has stated in writing that they have taken all the steps that they ought to have taken as a Director in order to make the Trust's auditors aware of any relevant audit information.

All Trust Board Members and Senior Managers within the Trust (including Directors of all Hosted Organisations) have declared any interests in companies, which may result in a conflict with their managerial responsibilities. No material interests have been declared during 2020-2021: a full register of interests for 2020-2021 is available upon request from the Director of Corporate Governance & Chief of Staff.

DISCLOSURE STATEMENTS

The Trust would make the following disclosure statements for 2020-2021:-

During 2020/2021, the Trust reported two personal data breach incidents to the Information Commissioners Office (ICO). Both notifications were submitted in line with the 72 hour breach reporting timeframe.

1. **Reported April 2020** - In the distribution of shielding letters requesting vulnerable patients to shield themselves during the COVID 19 pandemic, approx. 13,000 letters were posted to a previous address, where the intended recipient had recently moved. Investigation identified cause was due to a processing error within the NHS Wales Informatics Service (NWIS). The letters contained limited personal data; in total the intended recipient's name and (previous) address - no health information specific to individuals was included. ICO notified, and investigation completed. ICO closure email received in June 2020. No regulatory action taken by the ICO against the Trust.
2. **Reported February 2021** – NHS Wales Informatics Service (NWIS) alerted to documents created across the NHS Wales Microsoft 365 tenancy were globally available to all those organisations that are part of that arrangement, to include Health Boards, Trusts and Primary Care services. Investigation identified issue related to permissions applied to Microsoft Teams and the associated SharePoint sites. Access to the documents were contained to NHS Wales' accounts rather than the information being readily available. ICO notified, and investigation completed. ICO closure email received in February 2021. No regulatory action taken by the ICO against the Trust.

Whilst there is no requirement to comply with all elements of the Corporate Governance Code for Central Government Departments, Velindre University NHS Trust has undertaken an assessment against the main principles as they relate to an NHS public sector organisation in Wales. This assessment has been informed by the Trust's assessment of governance undertaken by the Trust Board in April 2021 and also evidenced by internal and external audits. The Trust is complying with the main principles of the Code where applicable, and follows the spirit of the Code to good effect and is conducting its business openly and in line with the Code. The Trust Board recognises that not all reporting elements of the Code are outlined in this Governance Statement but are reported more fully in the Trust's wider Annual Report.

There have been no reported/identified departures from the Corporate Governance Code during the year.

Welsh Government have an ambition for the public sector to be carbon neutral by 2030. This ambition sits alongside the Environment (Wales) Act 2016 and Wellbeing of Future Generations (Wales) Act 2015 as legislative drivers for decarbonisation of the Public Sector in Wales.

The Trust's five year Carbon Reduction Strategy continues to be implemented throughout the Trust and its hosted organisations. As part of this Strategy, carbon reduction projects have been identified and prioritised for implementation. For the period 2020–2021, the Trust Sustainable Development Plan has been embedded into the Integrated Medium Term Plan development process and Strategic Objectives have been merged with the Trust's Well-being Goals.

The Trust will continue work on carbon footprint monitoring in line with the recommendations of the NHS Wales Carbon Footprint document. In particular, it will review CO₂e emissions arising from the use of electricity consumption (Scope 2), and those emissions associated with the use of Fleet vehicles (Scope 3).

The Trust recognises that its day to day operational activities have a direct impact upon the environment and is committed to meeting the legislative drivers set out by Welsh Government.

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments in to the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

**STATEMENT OF THE CHIEF EXECUTIVE'S
RESPONSIBILITIES AS ACCOUNTABLE OFFICER
OF
VELINDRE UNIVERSITY NHS TRUST**

The Welsh Ministers have directed that the Chief Executive should be the Accountable Officer to the Velindre University NHS Trust.

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.

The Accountable Officer is required to confirm that, as far as he or she is aware, there is no relevant audit information of which the entity's auditors are unaware and the Accountable Officer has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

The Accountable Officer is required to confirm that the annual report and accounts as a whole is fair, balanced and understandable and that they take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.

Signed by:

Mr. Steve Ham
Chief Executive

Dated: 8 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 NHS Trust and of the income and expenditure of the NHS Trust 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 judgments 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 Trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction by the Welsh Ministers.

By Order of the Board

Signed:

Professor Donna
Mead, OBE Chair

Dated: 8 June 2021

Mr. Steve Ham,
Chief Executive

Dated: 8 June 2021

Mr. Mark Osland,
Executive Director of
Finance

Dated: 8 June 2021

ANNUAL GOVERNANCE STATEMENT

THE TRUST'S ASSURANCE FRAMEWORK

This Governance Statement details the arrangements in place for discharging the Chief Executive's responsibility to manage and control Velindre University NHS Trust's resources, and the organisations, which it hosts, during the financial year 2020-2021.

Due to the unique Accountable Officer status of the Managing Director of Shared Services Partnership (NWSSP), an Annual Governance Statement for NWSSP has been requested and submitted by the Director of NWSSP to the Trust's Chief Executive. This is available from the Director of Corporate Governance & Chief of Staff upon request and helps to inform this report.

The Directors from the other bodies hosted by Velindre University NHS Trust where appropriate have signed and submitted a '*Governance Compliance Statement*' detailing and declaring compliance with Velindre University NHS Trust governance arrangements which is submitted at the end of March each year to the Velindre University NHS Trust Chief Executive to provide assurance that Trust policy, systems and processes are being complied with to support good governance.

DISCHARGING RESPONSIBILITIES

The Trust Board has been constituted to comply with the National Health Service Wales, Velindre University NHS Trust (Establishment) Order 1993 No.2838 and subsequent Amendment Orders (1995 No. 2492, 1999 No.808, 1999 No 826, 2002 No.442 (W.57) and 2002 No.2199 (W.219 2009 No.2059, 2012 No.1261, 2012 No.1262, 2015 No.22, 2017 No.912, 2018 No.887). In addition to responsibilities and accountabilities set out in terms and conditions of appointment, Trust Board members also fulfil a number of "champion" roles where they act as ambassadors for these matters (detailed on page 8-11). The Trust Board discharges its responsibilities through its Committees (listed in the table on page 20) and scheme of delegation, which is set out in its Standing Orders.

During the reporting period 2020-21, the Trust undertook a comprehensive review of its Board Committee structure, details of which are provided in the Performance Report Overview, Section 9. **‘Decision making and governance’**.

There are nine Committees/Partnership Forums reporting directly to the Trust Board, which is supported by sub-Committees/groups in the discharge of functions:

Committee	Sub Committee
Advisory Consultant Appointments Committee	N/A
Audit Committee (Trust)	N/A
Audit Committee (For Shared Services to consider NHS Wales Shared Services Partnership)	N/A
Charitable Funds Committee	Investment Performance Review Sub-Committee
Quality, Safety & Performance Committee	<ul style="list-style-type: none"> • Research, Development and Innovation Sub-Committee (for R&D activity) • Transforming Cancer Services Programme Scrutiny Sub-Committee (for programme delivery)
Remuneration Committee	N/A
Strategic Development Committee	<ul style="list-style-type: none"> • Research, Development and Innovation Sub-Committee (for Innovation activity) • Transforming Cancer Services Programme Scrutiny Sub-Committee (for future direction setting)
Local Partnership Forum	N/A
Academic Partnership Board	N/A

At a local level, the Trust Board has agreed Standing Orders (SOs) for the regulation of proceedings and business.

The *Trust Standing Orders and Standing Financial Instructions* have been adopted from the Welsh Government's Model Standing Orders for NHS Trusts in Wales and are designed to translate the statutory requirements set out in the *National Health Service Trusts (Membership and Procedures) Regulations 1990 (1990/2024)* into day to day operating practice. Together with the adoption of a scheme of matters reserved to the Trust Board; a scheme of delegations to officers and others; and Standing Financial Instructions, the SOs provide the regulatory framework for the business conduct of the Trust and define its 'ways of working'.

These documents, together with the range of policies set by the Trust Board make up the Governance and Accountability Framework. The Standing Orders have been periodically updated to account for alterations in year; details in respect of the reviews are outlined on page 25.

The dates the Trust Board and Committees met during the period 2020-2021 are captured in Appendix 1 on page 50.

It is acknowledged that in these unprecedented times, there are limitations on Boards and Committees being able to physically meet where this is not necessary and can be achieved by other means. In accordance with the Public Bodies (Admission 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 has not therefore been possible to allow the public to attend meetings of our Board and Committees from 24 March 2020. To ensure business is conducted in as open and transparent a manner as possible during this time, the following actions have been taken:-

- The Trust is inviting all regular attendees to its Public Board and Committees via technological solutions.
- The meetings are closed session i.e. public are not invited to join the meetings in person. This allows the Trust to act in accordance with social distancing guidelines. From July 2020, the Trust has held its virtual Trust Board meeting in public. The public are able to observe the meeting from the widely available video conferencing platform Zoom. A video recording of the meetings is also made available on the website.
- To retain openness and transparency during this time the Trust is committed to ensuring that the papers are published in advance of the meeting and the minutes or a briefing shortly after the meeting has taken place.
- All Board Committees other than Audit, Quality & Safety Committee and Transforming Cancer Services (TCS) Scrutiny Committee, were stood down during the first wave of the pandemic, until the end of October 2020. A recovery plan was

developed in parallel with two principal aims, namely:

- i. To ensure we continue to manage and oversight those areas and actions that we needed to.
- ii. Structured way of cataloguing everything else that was placed in the “Recovery Log,” so that this could all be tracked and then re-started in a planned and controlled way.

Further details of how the Trust adapted governance arrangements to maintain transparency, support agile decision-making and ensure effective scrutiny during the response to COVID-19 are provided in the Performance Report Overview, Section 9. **‘Decision making and governance’**.

COMMITTEE ACTIVITY

In line with Standing Orders, each Committee formally reports annually to the Trust Board on its work during the year detailing the business, activities, attendance and main issues dealt with by the Committee in the reporting year. Copies of the Committee Annual Reports for 2020, which outline the activity of each of the Committees for the year ending 31 December 2020, are available on the Trust Internet site [click here](#).

In addition, each Trust Board meeting receives a highlight report outlining the issues and activity considered and addressed by each Committee at its last meeting. The Trust has a process where committees schedule a pause at the end of each meeting to discuss the key issues they want to raise with the Trust Board through the highlight report process under the following headings:

- Escalate/Alert
- Advise
- Assure
- Inform

The highlight reports are presented to the Trust Board by the Committee Chair. Similarly to the annual reports the highlight reports are available within the Trust Board papers on the Trust’s Internet site [click here](#) or from the Head of Corporate Governance.

The Terms of Reference for each Committee are reviewed annually in line with the Trust Standing Orders, or more frequently if deemed necessary by the Committee or Trust Board. The Terms of Reference for all Committees are available from the Head of Corporate Governance or can be found in the Trust Standing Orders and Standing Financial Instructions.

Key highlights and issues considered by the Trust Board and its Committees during 2020-2021 are included at Appendix 1 of the Governance Statement.

Minutes and papers of all Public Trust Board and Committee meetings are published on the Trust Internet site [click here](#).

During 2020-21, key aspects of Trust Board business and issues delegated to the Audit Committee for consideration and advice, including action taken included but were not limited to the following:

- Agreement of the Internal and External Audit Plans for the year.
- Receiving Internal and External Audit Reports and subsequently monitoring progress against Audit Action Plans. The Audit Action Plan, which tracks the implementation of the recommendations of Audits is regularly reviewed by the Audit Committee.
- Agreeing the Annual Counter Fraud Plan and monitoring counter fraud activities.
- Regular review of the Declaration of Interests and Gifts, Hospitality, Sponsorship and Honoraria Register.
- Monitoring the development and draft content of the Trust's Accountability Report.
- Monitoring of Governance Arrangements across the organisation, including hosted bodies.
- Monitoring overall risk management process by reviewing the Trust Risk Register at each meeting.

Further detail in respect of the activity of the Audit Committee during 2020- 2021 is captured in Appendix 1 on page 50.

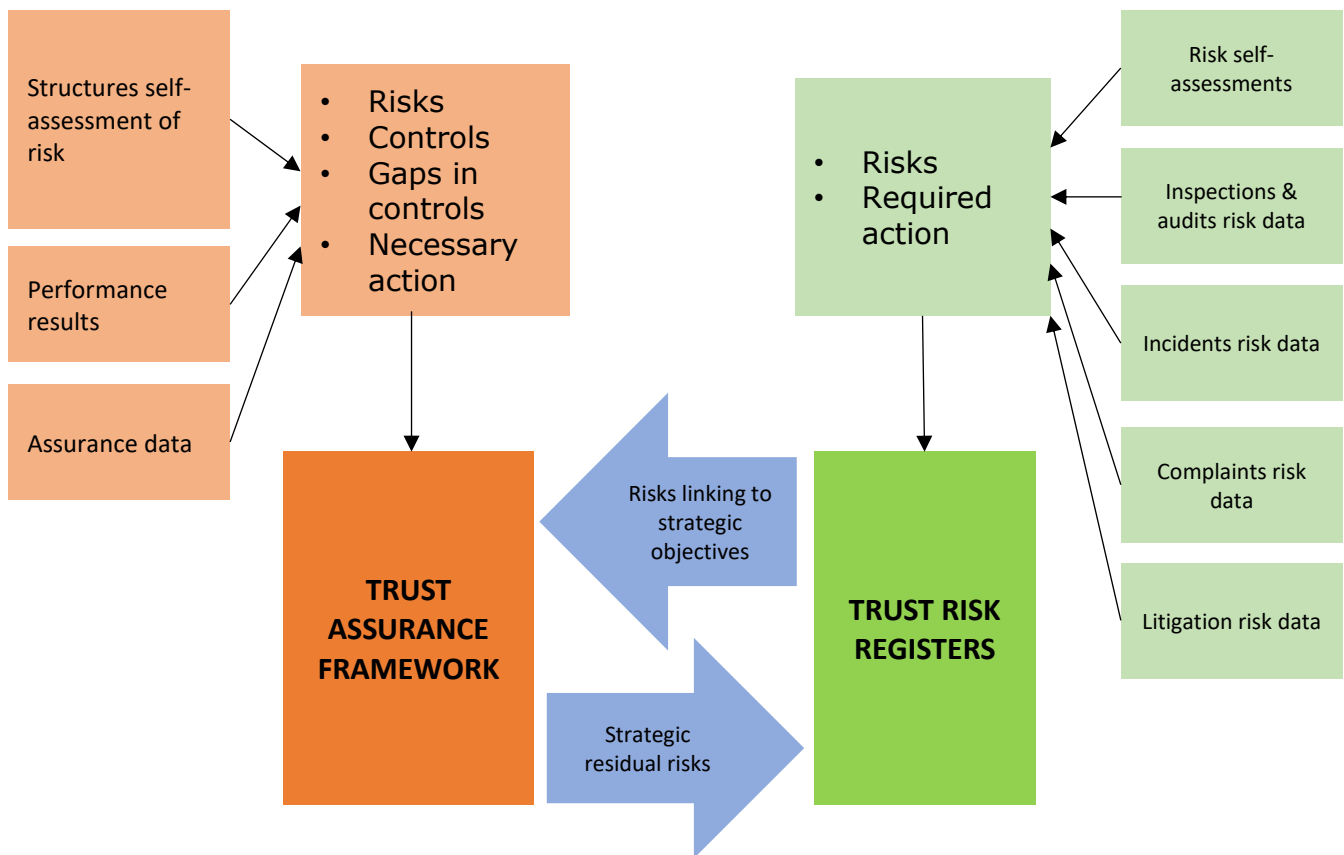
BOARD ASSURANCE FRAMEWORK

The Audit Committee and Trust Board approved a new Board Assurance Framework (BAF) in September 2020. It was agreed to name this document and process the Trust Assurance Framework (TAF) to firstly reflect the fact that the process should be of value for the whole Trust and secondly to reflect the ambition of this framework to, in time, effectively link with both the Quality & Safety and Performance frameworks.

The TAF enables the Board to identify and understand principal risks to achieving its strategic objectives; receive assurance that suitable controls are in place to manage these risks, and where improvements are needed suitable action plans are in place and being delivered; and to provide an assessment of the risk to achieving the related objective.

The TAF is the key source of information that links VUNHST’s strategic objectives to risk and assurance, as demonstrated in **Figure 1** below:

Figure 1: Information flows between the risk register & the assurance framework



ENGAGEMENT WITH THE LOCAL PARTNERSHIP FORUM

In support of the Trust Board, the Trust also has a Local Partnership Forum that met twice during 2020-2021, with Joint Chairs who are each nominated from the Trade Union Representatives and Executive Directors. The role of the Local Partnership Forum is to supply the main (but not only) forum within the Trust where the Directors of the Trust and Trade Union Representatives can discuss together and develop appropriate directions and responses to all major service development and change management issues.

Examples of engagement with the Local Partnership Forum during 2020-2021 are outlined in Appendix 1 on page 50.

TRUST BOARD DEVELOPMENT AND EFFECTIVENESS

Trust Board Development Sessions were paused at the outset of the first wave of the COVID-19 pandemic to enable Trust Board meetings to increase in frequency from bi-monthly to monthly with additional fortnightly COVID-19 Board Briefings instigated.

The Trust Board continued to operate on this basis, until August 2020 when Trust Board meetings returned to meeting on a bi-monthly basis and fortnightly briefings stood down. However, following the onset of the second wave of the COVID-19 pandemic Board Briefings were re-established on a fortnightly basis from December 2020 until the end of April 2021, with the new Board Development Programme reinitiated in May 2021.

In addition to the arrangements outlined above, in September 2020, the Trust commissioned an external Board development Programme designed to support the Board and Executive Team in meeting the challenges it is facing in the continually evolving environment within which it is operating. The Programme commenced in October 2020 and covers the following areas of development:

- Building a high performing leadership team
- Strategic decision-making capabilities and prioritisation
- Building organisational capacity and capability including developing a highly effective and business-focused cadre of senior managers
- Challenging areas of conflicting styles and behaviour
- Developing clear strategies for harnessing individual differences to enable the Executive Team to work as a cohesive whole.
- Better understanding organisational dynamics in order to improve matrix working and embed change management capability across a diverse and dispersed organisation.

STANDING ORDERS AND STANDING FINANCIAL INSTRUCTIONS

The Trust approved a revised set of Standing Orders and Standing Financial Instructions for the regulation of proceedings and business to ensure the following issues were addressed:

July 2020 – Temporary Amendments to Model Standing Orders, Reservation and Delegation of Powers.

November 2020 – Amendments to Standing Orders Schedule 3.0, to include the new Quality, Safety and Performance Committee and the Strategic Development Committee Terms of Reference following the establishment of a new Board Committee structure. All other Committee Terms of reference were reviewed and revised for consistency to reflect the new Board Committee model.

TRUST BOARD APPOINTMENTS DURING 2020-2021

The Trust made the following Trust Board appointments/reappointments:

Independent Members

- Mr. Martin Veale, Independent Member Finance, Audit and Governance commenced his second term with the Trust on the 1 April 2020.
- Professor Donna Mead, Chair commenced her second term with the Trust on the 1 May 2020.
- Mr. Stephen Harries, Interim vice Chair and Independent Member, Information Governance and Digital commenced his third term with the Trust on the 1 May 2021.

Executive Team (Non Board Members)

- Mrs. Lauren Fear was appointed as Director of Corporate Governance on a permanent basis in September 2020. The role of Chief of Staff was included within the Director of Corporate Governance portfolio effective March 2021, for an initial six month trial period.

On 23 March 2020, the Welsh Government suspended all Ministerial Public Appointment campaigns with immediate effect. At the time of this suspension the Trust was due to commence an appointment campaign for a new Independent Member as Mrs. Jan Pickles third term was coming to end on 30 September 2020. Action taken to ensure the Board remained quorate and stable during this time has included an application to the Minister, and subsequently approved, to extend Mrs. Jan Pickles third term until 30 September 2021.

PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

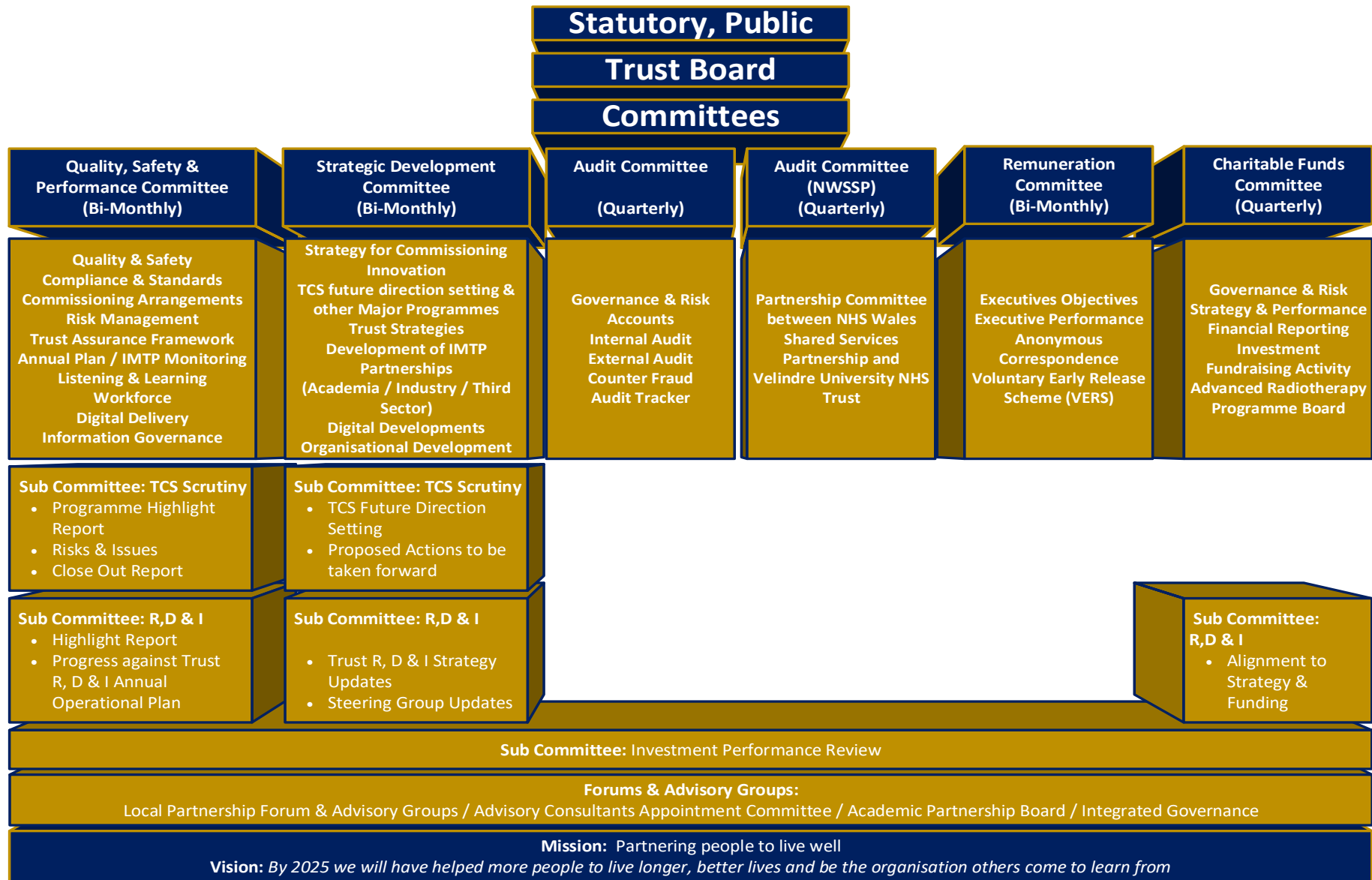
The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risks, it can therefore only provide reasonable and not absolute assurances of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 March 2021, and up to the date of approval of the 2020-2021 annual report and accounts.

The Welsh Government requires that the Trust operates within the wider governance framework set for the NHS in Wales and incorporating the standards of good governance set for the NHS in Wales (as defined within the Citizen Centred Governance principles and Standards for Health Services in Wales), together with its planning and performance management frameworks.

An overarching summary of the Trust's Governance Accountability Framework is illustrated overleaf:

Trust's Governance Accountability Framework



GOVERNANCE OF THE CHARITABLE FUNDS

The Velindre University NHS Trust Board was appointed as Corporate Trustee of the Charitable Funds by virtue of the Velindre National Health Service Trust (Establishment) Order No. 2838 that came into existence on 1st December 1993, and the Trust Board serves as its agent in the administration of the charitable funds held by the Trust.

As part of their induction programme, new Executive Directors and Independent Members of the Trust are made aware of their responsibilities as Board Members of Velindre University NHS Trust and as Corporate Trustees of Velindre University NHS Trust Charity.

The Trust Board as Corporate Trustee is ultimately accountable for charitable funds given to Velindre University NHS Trust Charity. In order to facilitate the administration and management of these funds the Trust Board has established a Charitable Funds Committee (CFC) to provide advice and recommendations to the Board. Committee meetings are held every three months and otherwise as the Committee Chair deems necessary. At least two members must be present to ensure the quorum of the Committee.

The CFC is supported by the Charitable Funds Operational Management Group that meets before each CFC.

The CFC is also supported by an Investment Performance Review - Sub Committee, to oversee the investments made by the Charity.

Further information in respect of the Charitable Funds is available in the Trustee's Annual Report which can be accessed via the Trust website: [click here](#).

HOSTED ORGANISATIONS SYSTEMS OF INTERNAL CONTROL AND ASSURANCE

Hosted organisations utilise the existing Trust's Committee Structure illustrated earlier in this report.

A separate Velindre University NHS Trust Audit Committee is held to consider issues relating specifically to NWSSP, having the same Chair and Independent Membership as the Velindre University NHS Trust Audit Committee. Information relating to the governance arrangements in NWSSP is contained within the Director's Annual Governance Statement to the Velindre University NHS Trust Chief Executive which is available from the Director of Corporate Governance and Chief of Staff upon request.

NWSSP has a 'NHS Wales Shared Services Partnership Committee' which was established as a sub-committee of Velindre University NHS Trust Board in 2012 to comply with Ministerial Directions. The NWSSP Committee has membership from each statutory body in NHS Wales, and is chaired by an Independent Chair. The NWSSP Committee reports to Velindre University NHS Trust Board and all other health body Boards in Wales via their representative member on the Committee. NWSSP have their own Standing Orders which are appended to the Velindre University NHS Trust Standing Orders.

As a result of a number of independent reviews undertaken relating to NWIS, in January 2018 the Trust Board approved an "NWIS Hosting Assurance Requirements Framework", the purpose of which was to clarify the assurance requirements from NWIS to the Velindre University NHS Trust Board as host and how these assurances will be gained from NWIS.

The role of the Audit Committee in respect of this framework is to receive regular, standing agenda reporting on:

1. Internal and External Audit Plans.
2. Internal and External Audit Reports with completed management action plans.
3. Progress reports against audit recommendations (to be highlighted to Welsh Government if progress is deemed unsatisfactory).
4. Risk Register.
5. Compliance and activity governed by the Trust Standards of Behaviour Policy (i.e. Declarations of Interest, Gifts & Hospitality).
6. Single Tender Actions.

This new approach was implemented with effect from the February 2018 Audit Committee and was reviewed and strengthened during March / April 2019. Following the transition of NWIS from its current structure as part of Velindre University NHS Trust to a new Special Health Authority on 1 April 2021, reporting against this Hosting Framework has ceased to be required.

Currently, organisations hosted by Velindre University NHS Trust are able to link with Trust Board Committees and Management Groups where appropriate to ensure assurance is provided for the governance arrangements including statutory compliance for the areas remaining within the Trust's area of responsibility.

CAPACITY TO HANDLE RISK

The organisations hosted by Velindre University NHS Trust maintain and manage their own risk registers and comply with the Trust escalation processes to ensure the Trust Board is made aware of any significant relevant risks relating to the Trust Board's responsibilities via the Trust Risk Register as necessary.

Risks relating to hosted organisations will only be escalated to the Velindre University NHS Trust risk register where matters directly affecting the Trust are apparent. Matters relating to service delivery and performance are a matter for hosted bodies to receive, manage, and escalate as necessary to the relevant sponsor body.

The Trust involves its public stakeholders in managing risks that impact on them. For example, there is ongoing public engagement as an integral part of the development process of the Transforming Cancer Services (TCS) Programme and the new Velindre Cancer Centre (nVCC) Project. A series of stakeholder events have been undertaken, and will continue throughout the lifespan of the TCS Programme. Risks from the TCS Programme are reviewed and monitored by the TCS Programme Scrutiny Sub-Committee and are escalated to the Trust risk register in accordance with the Trust risk escalation process. Information on the risks managed and mitigated during 2020-2021 is detailed in the Trust Risk Register which is received by the Trust Board. Trust Board papers are available on the Trust Internet site, via the following link [click here](#).

RISK MANAGEMENT

The Trust has an approved Risk and Assurance Framework and associated Policies in place. The Policies detail a robust risk assessment process to identify, assess and manage organisational risks which are reported on a risk register to the Trust Board, in line with risk appetite levels set by the Trust Board. The underlying risk principles applied throughout this framework are consistent with the overarching principles of HM Treasury's Orange Book 'Management of Risk – Principles and Concepts', 2020; and ISO 31000: 2018 'Risk Management – Guidelines'. The framework also supports the UK Corporate Governance Code 2018 and the Financial Reporting Council's 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting'.

The refreshed Trust Risk Management Framework, approved by the Trust Board in September 2020 sets out the risk strategy which can be summarised as:

The management of risk is a key factor in the provision of high-quality care to our patients, donors and service users. Of equal importance is the legal duty of the Trust to control any potential risk to staff and the general public, as well as safeguarding the assets of the Trust. It is the responsibility of all staff to be involved in the identification and reduction of risks.

It also sets out risk governance; key accountabilities, roles and responsibilities; risk domains and categories; risk and control interdependencies; risk documentation; risk reporting; and view of implementation, training and support. Alongside the Risk Management Framework, the Trust Board also approved a Risk Management Process document which explains the detail of risk assessment, in terms of risk identification, analysis and evaluation; model for assessing risk treatment and response including how to prepare and implement risk treatment and actions plans; risk recording and reporting processes; and process for risk monitoring and review, including how to assess effectiveness. The full roll out of the newly approved Risk Framework and Risk Processes was paused during the second wave of covid-19 response. As at April 2021 the project to support this was commenced and is due to complete the core implementation and training by August 2021.

The Trust Board is ultimately responsible for overseeing the Trust's risk register and holding the Executive to account for ensuring management action is taken to minimise risk. The Trust Board delegates' responsibility to the Trust's Quality, Safety and Performance Committee for overseeing the risk management process and the Trust's Audit Committee retains the oversight to ensure the system of risk management is effective. The overall aim of the Trust's Risk Management approach is to progress a comprehensive risk management programme to ensure that:

- There is compliance with statutory legislation.
- All sources and consequences of risk are identified.
- Risks are assessed and either eliminated or minimised.
- Damage and injuries are reduced, and people's health and well-being is optimised.
- Resources diverted away from patient/service user care to fund risk reduction are minimised.
- Lessons are learnt from concerns in order to share best practice and prevent re-occurrence.

The Trust has a series of controls in place to manage and mitigate these risks.

The Chief Executive, as Accountable Officer for the Trust, has overall accountability and responsibility for having an effective risk management system in place within the Trust, including hosted organisations. The Chief Executive is responsible for meeting all statutory requirements and adhering to guidance issued by the Welsh Government Department of Health & Social Services in respect of governance. Within the Trust's Risk Management Policy, the Chief Executive has set clear measurable risk management objectives for the Executive Directors and Service Directors with delegated responsibility for risk management and governance.

The Director of Corporate Governance & Chief of Staff has organisational lead responsibility for the risk framework to the Chief Executive and the Board. Each Executive Director is responsible for overseeing effective management of risk within their area of responsibility, and Executive Directors are supported in these duties by the Service Directors and Senior Managers across the organisation.

Every member of staff, including clinicians, is responsible for ensuring that their own actions contribute to the wellbeing of patients/service users, staff, visitors and the organisation. They are expected to contribute to the identification, reporting and assessment of risks and to take positive action to manage them appropriately.

Risk management is embedded in Trust decision making and service delivery. This is supported by continually considering and assessing Trust compliance with key clinical guidance including:

- Guidance and technology appraisals from the National Institute for Health and Care Excellence (NICE).
- National Service Frameworks (NSFs).
- National Enquiries for example Confidential Inquiries.
- Patient Safety Alerts.

- Professional Guidelines for example from Royal Colleges.
- Guidelines or standards from other national/local bodies.
- Local and national audit.
- Research & Development.
- Participation in clinical trials.
- Health and Care Standards (Wales).

Risk Management and risk resourcing is managed by Divisional Directors through their business plans. All divisions/departments have processes for assessing risk and risk registers are created as appropriate. Risks are updated and reviewed within the service divisions. The divisional Senior Management Team (SMT) works with their supporting groups/Committees to ensure effective controls are in place for their risks to be managed at a tolerable level.

Risks are referred to the appropriate Committees of the Trust Board for scrutiny and to identify additional control measures. In turn, the Committees provide assurance to the Trust Board that all reasonably practicable steps have been taken to reduce the risk, that effective controls are in place and the risk is being managed at a tolerable level.

TRUST RISK REGISTERS

The organisation's risk profile is visible through the Trust Risk Registers. Risks are identified at the commencement of new or amended activities and through the ongoing review of existing risks. Risk assessments are undertaken to assess the impact upon the service and other stakeholders. Public Stakeholders are involved in the assessment of risk through public consultations, Patient Liaison Group representation and Community Health Council at Trust Board and Committee meetings, feedback received in respect of Patient Experience surveys and Donor Forums and learning from Concerns received from patients, donors, relatives and/or carers.

All risks are assessed and awarded a score, informed by potential impact and likelihood. Risks are escalated resulting in the highest level of risk being referred to the Executive Management Trust Board for appraisal prior to inclusion on the Trust's risk register and reported to Trust Board and relevant Trust Board Committee/s. Each risk entered onto the Trust register is given a 'target' score informed by the appetite for the risk, which is the level of risk the Trust Board is prepared to accept before action is deemed necessary to reduce it. The risk appetite is used in decision making to inform the prioritisation of actions and the resources required to mitigate risks on the Trust risk register. The system of record and for risk management is Datix. The Trust is updating the module used in Datix and the revised forms have been aligned to the refreshed framework. This is due for

full roll out by August 2021.

During the period of the first and second waves of the Covid-19, the approach to risk management reporting has been adapted. Risk reporting, through a quality and safety lens, has been a strong feature of Divisional reporting into the Quality, Safety and Performance Committee. Management of Covid-19 related risks has been through the Covid-19 Incident Command Structure and then reported into Trust Board as part of the Covid-19 reporting mechanisms. This has also been captured in the formal planning cycles during the year, approved by the Trust Board. In addition, key risks have been reported into the relevant Committees – for instance regarding Transforming Cancer Services and Research, Development and Innovation. Divisional risks have been reported through each Quality, Safety & Performance Committee. Significant risk matters have also been escalated to the Trust Board during the period, for instance preparing for and after Brexit and changes to the cancer patient management system. The consolidated view of reporting to Trust Board will be recommenced in June 2021. The consolidated view of reporting to Trust Board will be:

Quality Risk Domain:

- Future trends in the toxicity and complexity of treatment and the growing number of patients with comorbidities and side effects from treatment mean that access to critical care for rapidly deteriorating patients and complex early phase trials will continue to be very important. There is therefore a risk that the current clinical pathways may need to be strengthened and reassessed through partnership with Health Boards. There is a current focus on strengthening patient pathways, working with Health Boards, particularly regarding timely critical care access.

Performance & Service Sustainability:

- There is a risk of not adequately planning our workforce in a way that is effectively aligned to service requirements, which could result in not having the right people, in the right place, at the right time and with the right skills, which could impact on the sustainability of service delivery.
- The Digital Health and Care Record Programme presents a risk to cancer services, given its significance as a replacement of the primary patient administration and core cancer treatment system. These system changes have led to a significant re-design of working processes for multiple staff groups, at a time of heightened pressure on all services due to the recovery from Covid-19.
- There is a risk to our ability to provide blood and cancer services at the appropriate volume and in line with national guidance, given the increase in services phase in Health Boards for

cancer and elective procedures during recovery phase from Covid-19.

- Risks have been identified in relocating the Cancer Information System Cymru (CaNISC) from its current data centre. Due to the age of the platform and specifically the legacy nature of the application layer, there are risks that Velindre Cancer Centre would have all of its services being provided from a single data centre. If this data centre was then subject to disruption, this would have the potential to impact on the delivery of cancer services.
- There is a risk of not maintaining adequate blood supply due to an inability to operate blood collection clinics at the same efficiency compared to the pre-Covid 19 approach, due to social distancing and infection prevention control measures.
- The inability to replace the existing Welsh Transplantation and Immunogenetics Laboratory (WTAIL) system by the target date, means there is an ongoing risk that both current and future requests to deliver new WTAIL services will not be able to be supported. This could lead to WTAIL being unable to deliver critical service modernisation that will meet service user expectations.
- All services across NHS Wales are now managing the ongoing and increasing risks of Cyber-attack. The risk to services are multi-dimensional and the Trust recognises that an attack could have the potential to significantly impact service delivery, and the reputation and confidence in our services.

Health & Safety:

- There are a number of health and safety risks at the Velindre Cancer Centre resulting from the age of the building and infrastructure.

Compliance:

- There is a risk to achieving compliance against the Welsh Language Standards within the timescales set by the Welsh Language Commissioner.

Finance:

- There is a risk that the contracting arrangements between Velindre and its Commissioners do not adequately accommodate future service developments and changes in clinical practices and therefore ensure that appropriate funding mechanisms are in place and agreed.

A link to the Trust Board and Committee papers for the period can be found [click here](#).

TRUST ASSURANCE FRAMEWORK

The Trust Assurance Framework defines the purpose as:

The Trust Assurance Framework enables the Board to identify and understand principal risks to achieving its strategic objectives; receive assurance that suitable controls are in place to manage these risks, and where improvements are needed suitable action plans are in place and being delivered; and to provide an assessment of the risk to achieving the related objective.

The Framework lays out the benefits of a Trust Assurance Framework, the barriers to an effective Assurance Framework; the governance and assurance context, including the “three lines of defense”; detail on compiling the Trust Assurance Framework, including strategic objectives, assurance ratings and the risk quantification matrix; and it also explains how the Assurance Framework is operationalised, including scrutiny and challenge.

In November 2020 the Strategic Development Committee endorsed the Executive’s proposal of the strategic risks to the organisation to populate the Trust Assurance Framework and this was approved by the Trust Board in December 2020. The further populating of the whole framework was then paused during the management of the second wave of Covid-19 and the project to completed this recommenced in May 2020. The fully populated Trust Assurance Framework will be operationalised through governance by August 2021. It will then be received at each Strategic development Committee and each Trust Board meeting.

An efficient and effective assurance framework is a fundamental component of good governance and provides a tool for the Board to identify and ensure that there is sufficient, continuous and reliable assurance, organisational stewardship and the management of the major risks to the Trust’s success in achieving its strategic objectives.

RISK APPETITE STATEMENT

The Trust faces a broad range of risks reflecting its responsibilities. The risks arising from its responsibilities can be significant. These risks are managed through detailed processes that emphasise the importance of integrity, intelligent inquiry, maintaining high quality staff and public accountability.

The Trust makes resources available to control operational risks at acceptable levels and we recognise that it is not possible or indeed necessarily desirable to eliminate some of the risks inherent in our activities. Acceptance of some risk is often necessary to foster innovation within the services for which we are responsible.

The Trust's Risk Appetite Statement was refreshed and approved at Trust Board in September 2020, and considers the most significant risks to which the Trust is exposed. It provides an outline of the approach to managing these risks. All strategic and business plans for operational areas must be consistent with this Statement. Given the range of the Trust's activities and responsibilities, it is not appropriate to make a single overarching statement of the Trust's attitude to risk. Instead, a range of risk appetite statements arising from the different areas of our work has been developed in the following areas:

- Safety
- Quality
- Compliance
- Research & Development
- Partnerships & Innovation
- Reputation & Public Confidence
- Performance & Service Sustainability
- Financial Sustainability
- Workforce & Organisational Development
- Partnerships

The full Risk Appetite Statement is available via this [link](#).

HEALTH AND CARE STANDARDS FOR WALES

The Health and Care Standards published in April 2015, set out the requirements for the delivery of health care in Wales at every level and in every setting. The onus is on all NHS organisations to demonstrate that the standards are being used and are met on a continuous basis.

The Trust has an established framework through which self-assessments are undertaken and action taken to implement improvements and changes required to enable the Trust to deliver the highest quality of services to the people of Wales.

The Trust's service divisions and hosted organisations use the Standards to self- assess at all levels and across all activities to:

- Map against professional standards and operational plans.
- Assess how well they currently meet the standards.
- Identify what they do well and what could be shared wider.

- Identify what they do less well and what can be done to improve delivery.
- Make changes which contribute to overall quality improvement within their service.


In addition to the Trust undertaking a self-assessment, a selection of Standards were validated by Internal Audit during April 2021:

- Standard 1.0 – Governance, Leadership & Accountability.
- Standard 2.3 – Pressure damage
- Standard 3.3 – Quality Improvement, Research and Innovation
- Standard 7.1 - Workforce

The audit of the Health & Care Standards in Wales conducted by Internal Audit sought to provide assurance that the Trust has adequate procedures in place to ensure that it is operating in accordance with the Standards and that appropriate self-assessment against the Standards is undertaken.

The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with establishment controls within the Health and Care Standards is:

Substantial Assurance.

RATING	INDICATOR	DEFINITION
<p style="text-align: center;">Substantial Assurance</p>		<p>The Board can take substantial assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with low impact on residual risk exposure.</p>

The audit identified that the arrangements in place for the completion and review of the Health and Care Standards Self Assessments were of a high standard with good practice noted across all areas reviewed. The review has highlighted no findings or recommendations.

GOVERNANCE & ACCOUNTABILITY ASSESSMENT/TRUST BOARD EFFECTIVENESS

The Board is required to undertake an annual self-assessment of its effectiveness. The approach taken this year was to bring together the various sources of assurance, internal and external, that would support the Board in considering its overall level of maturity for the Trust in respect of good

governance and Board effectiveness. At the Trust’s Annual Board Governance and Effectiveness Assessment meeting on the 15 April 2021, Board members were taken through the process and concluded that the Trust’s self-assessment of the overall maturity level for 2020-2021 was assessed at Level (4).

Governance, Leadership & Accountability – Self Assessment	1. Do not yet have a clear, agreed understanding of where they are (or how they are doing) and what / where they need to improve.	2. Are aware of the improvements that need to be made and have prioritised them, but are not yet able to demonstrate meaningful action.	3. Are developing plans and processes and can demonstrate progress with some of their key areas for improvement.	4. Have well developed plans and processes and can demonstrate sustainable improvement throughout the organisation /business.	5. Can demonstrate sustained good practice and innovation that is shared throughout the organisation/ business, and which others can learn from.
Rating				✓	

The above process has been subject to independent internal assurance by the organisation’s Head of Internal Audit. The internal audit review confirmed that a satisfactory process exists for the review and completion of the Governance and Accountability assessment, involving Executives and, Independent Members. There were no recommendations received in respect of the completion of the Governance and Accountability assessment.

REVIEW OF EFFECTIVENESS

As Accountable Officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. The Chief Executive’s review of the effectiveness of the system of internal control is informed by the work of Internal and External Auditors, the Executive Directors and other assessment and assurance reports, including the work of Healthcare Inspectorate Wales. The Chief Executive has listened to the Board on their views of the strengths and opportunities in the system of internal control and been advised by the work of the Audit Committee and other Committees established by the Board.

The Chief Executive’s performance in the discharge of these personal responsibilities is assessed by the Director General of the Department of Health & Social Services/Chief Executive of NHS Wales.

At the Annual Board Governance and Effectiveness Assessment meeting (mentioned above) the Trust Board concluded an overall maturity level for 2020-2021 as Level (4); which is defined as

‘having well developed plans and processes and can demonstrate sustainable improvement throughout the organisation’.

The scrutiny of these arrangements is in part informed through the internal mechanisms already referred to, but also through the independent and impartial views expressed by a range of bodies external to the Trust, these include:

- Children’s Commissioner.
- Community Health Councils.
- Health & Safety Executive.
- Healthcare Inspectorate Wales.
- Welsh Language Commissioner.
- Other accredited bodies.
- Older Peoples Commissioner.
- Audit Wales.
- Welsh Government.
- Internal Audit (NHS Wales Shared Services).
- Welsh Risk Pool Services.
- Equality & Human Rights Commission.

INTERNAL AUDIT OPINION & SCORES FOR 2020-2021

Internal audit provides the Chief Executive and the Board through the Audit Committee with a flow of assurance on the system of internal control. The Chief Executive and Internal Audit agreed a programme of audit work, which was approved by the Audit Committee, and delivered in accordance with public sector internal audit standards by the NHS Wales Internal Audit Service, part of the NHS Wales Shared Services Partnership. The programme of audit work is designed to focus on significant risks and local improvement priorities. The subject areas covered during 2020-2021 were:

1. Corporate Governance, Risk and Regulatory Compliance
2. Strategic Planning, Performance Management and Reporting
3. Financial Governance and Management
4. Clinical Governance Quality & Safety
5. Information Governance and Security
6. Operational Service and Functional Management
7. Workforce Management
8. Capital and Estates

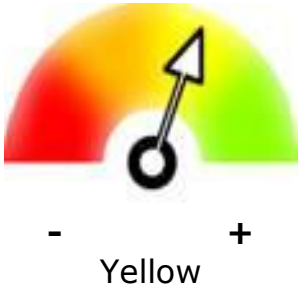
The overall opinion by the Head of Internal Audit on governance, risk management and control is a function of this risk based audit programme and contributes to the picture of assurance available to the Board in reviewing effectiveness and supporting our drive for continuous improvement.

THE HEAD OF INTERNAL AUDIT OPINION

The Head of Internal Audit is satisfied that sufficient audit work has been undertaken during the year to be able to give an overall opinion in line with the requirements of the Public Sector Internal Audit Standards. Regular audit progress reports have been submitted to the Audit Committee during the year.

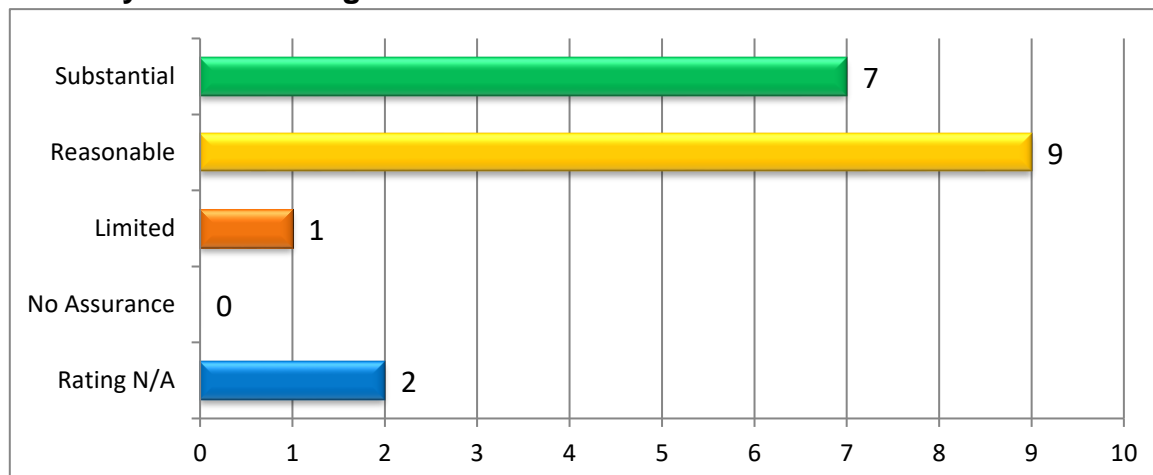
The Head of Internal Audit assessment should be interpreted in this context when reviewing the effectiveness of the system of internal control and be seen as an internal driver for continuous improvement.

The Head of Internal Audit opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management, and control is set out below. The overall opinion was classified as Reasonable Assurance.

Reasonable assurance		<p>The Board can take reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.</p>
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In reaching this opinion the Head of Internal Audit identified that the majority of reviews during the year concluded positively with robust control arrangements operating in some areas. From the reports issued during the year, five were allocated Substantial Assurance and eleven were allocated Reasonable Assurance. One report was allocated limited assurance and there were zero no assurance reports. The Limited Assurance report (Workforce Planning) was followed-up during the year and the Follow-up review was allocated Reasonable Assurance. In total 19 audits were reported during the year. The chart below presents the assurance ratings and the number of audits derived for each.

Summary of audit ratings



AUDIT WALES STRUCTURED ASSESSMENT 2020/21

The Trust's External Auditors, Audit Wales, conducted a Structured Assessment during 2020 that was designed in the context of the on-going response to the pandemic. As in previous years, the work focused on the corporate arrangements for ensuring that resources are used efficiently, effectively and economically. The work was structured under the following themes: leadership and governance; financial management; and operational planning. Auditors also paid attention to progress made to address previous recommendations where these related to important aspects of organisational governance and financial management especially in the current circumstances.

The report grouped findings under three themes:

- governance arrangements;
- managing financial resources; and
- Operational planning: to support the continued response to the pandemic balanced against the provision of other essential services.

The main conclusions from the 2020 report are outlined below:

- The Trust has continued to operate effectively throughout COVID-19. It is building a strong culture of good governance based on transparency, collaboration and constructive challenge. The Trust adapted its governance, quality, safety and risk management arrangements quickly and continues to identify opportunities to improve.
- The Trust and its Board have worked well under pressure to adapt governance arrangements. Business is shared effectively between the Board, Audit Committee and Quality and Safety Committee. Board business is transparent and well communicated. Information flows effectively from the Trust's executive team to the Board and the Board is clearly central to decision making. Board members provide good scrutiny and there is mutual respect between Board members. The Trust continues to review and refine its governance and corporate arrangements and look for ways to improve. The Trust has good arrangements to ensure safe, quality services and to manage risk. It continues to provide good information to assure the Board and its Committees of the quality and safety of its services.
- The Trust's arrangements for managing financial resources are working well. It met its financial duties to break even over the financial year 2019-20 and the three -year rolling period 2017-18 to 2019-20. The Trust continues to forecast breakeven in 2020-21 although achieving financial balance assumes additional funding will be made available to cover the ongoing costs of responding to COVID-19. It has strong financial controls and provides clear information on financial performance and risk for Board scrutiny.

- The Trust quickly developed operational plans as required by the Welsh Government. It is continually identifying the resources needed to deliver the plans and assessing the unknown implications of the pandemic. The Trust has identified risks to implementing its plans, including the resource implications of restarting services. The Board has been involved with developing the plans and has agreed arrangements to monitor progress. The Trust engaged stakeholders to develop and implement its plans but would benefit from earlier engagement with the Community Health Council (CHC) to inform future plans.

The Trust received no new recommendations for action based on the 2020 work. Improvement opportunities identified throughout the report are being addressed by the Executive Management Board and progress will be monitored by the Audit Committee by scrutiny of the Audit Action Plan. Velindre University NHS Trust– Structured Assessment 2020 report is published and available from the Audit Wales internet site by [clicking here](#).

The Trust’s External Auditors, Audit Wales have also commenced its Structured Assessment for 2021. The work has been split into two phases, with the first phase of work undertaken in early 2021 which focused on operational planning arrangements (specifically the Quarter 3-4 Plan).

The Trust will receive the Final report at its Audit Committee in July 2021, no areas for improvement or recommendations have been identified.

INFORMATION GOVERNANCE

The Trust has established arrangements for Information Governance to ensure that appropriate use and access to information the Trust and its associated organisations hold, including confidential patient and donor information, is managed in line with the relevant Information Governance law, regulations and Information Commissioner’s Office guidance. This is guided by such legislation and guidance that includes UK General Data Protection Regulation, UK Data Protection Act 2018 and Caldicott. The Medical Director is the Trust’s Caldicott Guardian and supported by designated Caldicott Guardian roles at both respective Trust Divisions, the Director of Finance is the Senior Information Risk Owner (SIRO) and the Trust has appointed a Data Protection Officer (DPO).

The Trust continues to be proactive regarding all aspects of information handling and security, privacy, system developments, and incident/ records management, and continues to implement processes and communication of associated national and local GDPR and DPA guidance.

During 2020/2021, our information governance focus has been on supporting the organisation to focus on its operational efforts in response to the Coronavirus pandemic. We have consolidated and centralised existing staff resource within the core information governance function of the Trust in

order to further strengthen and ensure the advice and guidance being provided is in a consistent manner, and against clear governance standards that are communicated and understood by the whole of the Trust.

Over the past twelve months, our information governance department has continued to lead on raising staff awareness, monitor compliance with GDPR, other data protection laws and internal data protection activities; advise on Data Protection Impact Assessments (DPIAs); auditing information handling activities; management of reported incidents; and compliance checks to help reduce risk levels and incidents. This provides assurance that the Trust has continued to discharge our information governance responsibilities in line with best practice, and that the processing of personal data being carried out within the Trust is in compliance with data protection legislation.

BUSINESS CONTINUITY AND EMERGENCY PREPAREDNESS

The Trust continues to make significant progress in its business continuity and emergency preparedness framework.

A Trust wide business continuity steering group supports the framework and governance within the Trust. This is supported by a Trust wide policy, communications plan and command and control guidance.

The focus of the Trust for the past year has been on the planning and response to the Covid-19 global pandemic, and ensuring the Trust continues to deliver core service provision throughout this exceptional time. As previously highlighted the need to plan and respond to the COVID 19 pandemic presented a number of challenges to the organisation. 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 prepare and respond to the likely impact on the multi-agency response as a key member of the Strategic Co-ordination Group. There does remain 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 response to Covid-19 has been unprecedented in UK history, in terms of the scale, duration and impact. This response required prolonged establishment of UK and Welsh structures, including Local Resilience Forum structures. Robust incident management structures were put in place across the Trust to manage the COVID19 response. The Trust has actively engaged with UK activities, Welsh Government and Public Health Wales on the Coronavirus Planning & Response.

During quarter 1 of 2021 both the Welsh Blood Service and Velindre Cancer Centre (VCC) have focused on reviewing its business impact analyses and major incident plan to ensure the learning from Covid-19 was captured and mitigated.

The changing environment of risk results in the strategies and plans being reviewed regularly and in line with the National Risk Register. Emerging threats are considered in the development and enhancement of risk mitigation strategies and the organisations response mechanisms. These plans are commensurate with the level of risk the Trust anticipates exposure to.

Business Continuity Plans have been tested in the last 12 months, and include Major Incident Communications test, Clinical Emergency Communication tests, participation in Exercise Wales Connect, Welsh Government supported Cyber Incident exercise, Pandemic Flu workshops and Brexit/D20 related workshops. Engagement in multidisciplinary exercises has allowed the Trust to encompass lessons learned, align to wider health emergency planning and to further improve the current procedures.

The WBS has undertaken a site wide security assessment in partnership with the Counter Terrorism unit of South and North Wales Police.

The Trust has undertaken a significant amount of work with regard to Brexit and specifically undertaken detailed planning and preparation to mitigate against core service disruption encountered from EU Exit. The planning has been multi-faceted and based on risk, across a number of varying themes and integrated with NHS Wales, Local Authorities, the Welsh Government and the Local Resilience Forums (LRFs) it partners with and key stakeholders. There has been a specific focus on key risks which include supply chain continuity for medicines, medical devices and clinical consumables. In addition, the Welsh Blood Service has worked closely with UK blood services and enhanced the mutual aid arrangements between services to ensure the continuity and safety of the blood supply chain.

The Trust continues to engage with Welsh Government Emergency Planning Advisory Group and LRFs around key strategies for workload, training and exercises. The Trust has continued to explore training needs analysis for Strategic and Tactical officers for Emergency Management, and two members of the Board have completed Strategic LRF training in the past 12 months.

During 2021/2022, the Trust plans to continually review business continuity management system to ensure alignment with current best practice guidelines.

INTEGRATED MEDIUM TERM PLAN (IMTP)

Velindre University NHS Trust is a very ambitious organisation striving to provide services which are recognised as excellent by the people who use them, the people who work in them and by our key partners.

Velindre University NHS Trust vision is:

‘To be recognised locally, nationally, and internationally as a renowned organisation of excellence for patient and donor care, education and research’

This vision is supported by a clear set of goals, values and a small number of strategic themes, which provide a framework to operate within.

The NHS in Wales is a planned system and each Health Board and the Trust is required to have a fully costed three-year rolling Integrated Medium Term Plan (IMTP). The IMTP outlines the key actions which will be taken to support the Trust in delivering its strategy.

In accordance with the set statutory duty, the Trust submitted its’ IMTP, covering the period 2020-2023, to Welsh Government. However, the IMTP was not formally considered for approval by the Welsh Government as they made a decision to pause the IMTP approval process in light of the COVID-19 challenges at that point in time. However, the Trust were informed that:

‘Following a robust assessment, your IMTP is considered to be approvable, which stands you in good stead for the future and provides a baseline for future planning discussions’.

As outlined above, in March 2020, the IMTP process was paused, following which quarterly planning arrangements were introduced during 2020-2021. Quarterly plans were required from all organisations aligned to the priorities in Quarter 1, Quarter 2 and Quarter 3/Quarter 4 frameworks which were issued throughout the year. The Trust has complied with this requirement throughout the year with all plans formally scrutinised by the Quality, Safety and Performance Committee and subsequently approved by the Trust Board.

Delivery of the IMTP during 2020-2021 was also subject to scrutiny and assurance through the Quality, Safety and Performance Committee and the Trust Board. Through this scrutiny and review process it is clear that great progress has been made across the organisation in working towards the realisation of the Velindre Cancer Centre (VCC) and the Welsh Blood Service (WBS) strategic objectives. Key achievements are described in some detail in the Trust’s Annual Report Executive Summary.

In respect of financial performance, the Trust reported an overall underspend of £38k for the Trust

and consequently delivered on our statutory duty to achieve a financial breakeven over a three year period. This underspend includes an amount of £22k for NWSSP and £16k against our core services.

MINISTERIAL DIRECTIONS

A list of Ministerial Directions issued by the Welsh Government during 2020/2021 is available at: <https://gov.wales/health-social-care>

Whilst Ministerial Directions are received by Local Health Boards, these are not always applicable to Velindre University NHS Trust. Those considered of relevance to the Trust are listed below:

- **Ministerial Direction regarding the NHS Pension Tax Proposal 2019-2020**

The Trust has disseminated this direction as appropriate and reported it to the Trust Remuneration Committee.

All Ministerial Directions issued throughout the year are listed on the Welsh Government website above.

Welsh Health Circulars issued by Welsh Government are logged by the Governance Function and assigned an Executive Lead to assess the impact to the Trust and take forward necessary actions as appropriate. A register and action log is maintained by the Governance Function. A list of Welsh Health Circulars issued by the Welsh Government during 2020-2021 is available at: <https://gov.wales/health-circulars>

EQUALITY & DIVERSITY

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

The control measures include:

- Trust Strategic Equality Plan and Objectives (2020 – 2024);
- Trust the Gender Pay Gap Report which includes the Equality Monitoring Report;
- Equality reports to Quality, Safety & Performance Committee on the Trust's Equality Objectives and Actions;
- Reports to the Equality and Human Rights Commissions' enquiries;
- Report to the Welsh Government Equalities Team;
- Provision of evidence to the Health Care Standards Audit, specifically Standard 2;
- Equality Impact Assessments.

CONCLUSION

As indicated throughout this statement, the need to plan and respond to the COVID-19 pandemic has had a significant impact on the organisation, wider NHS and society as a whole. It has required a dynamic response which has presented a number of opportunities in addition to the risks. The need to respond and recover from the pandemic will be with the organisation and wider society throughout 2021/22 and beyond. I will ensure our Governance Framework considers and responds to this need.

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 2020-2021 annual report and accounts.

There have been no significant governance issues identified during this period.

Signed by:

Mr. Steve Ham
Chief Executive

Date: 8 June 2021

APPENDIX 1 – GOVERNANCE STATEMENT – TRUST BOARD AND COMMITTEE ACTIVITY 2020-2021

The table below outlines the key highlights and activity considered by the Trust Board and its Committees during 2020-21, please note this is not an exhaustive list.

Meeting:	Meeting Dates:	Activity:
<p>Velindre University NHS Trust - Public Trust Board meeting.</p> <p>Meeting Agendas, Minutes and Papers are available on the Trust Internet site</p>	<ul style="list-style-type: none"> • 30.04.2020 • 04.06.2020 • 25.06.2020 • 30.07.2020 • 24.09.2020 • 26.11.2020 • 10.12.2020 • 28.01.2021 • 25.03.2021 <p>All meetings were quorate.</p>	<p>Programme/Project Updates:</p> <ul style="list-style-type: none"> • Transforming Cancer Services Programme. • New Velindre Cancer Centre (nVCC) Project. • Blood Supply Chain 2020. <p>Finance:</p> <ul style="list-style-type: none"> • Updating the Board on the financial position of the Trust. • Approving the Annual Accounts and Accountability Report in June 2020. <p>Performance:</p> <ul style="list-style-type: none"> • Considered and scrutinised the Delivering Excellence Performance reports at each meeting. • Updating the Board on the impact of COVID-19. <p>Planning:</p> <ul style="list-style-type: none"> • Progress updates and approval in respect of the Trust's Quarterly plans and Annual (2021-22) Plan. <p>Risk Management:</p> <ul style="list-style-type: none"> • Scrutiny of the Trust's Risk Register. <p>Integrated Governance:</p> <ul style="list-style-type: none"> • Audit Wales Structured Assessment Report 2020 and Annual Audit Report. • Revisions to the Standing Orders. • Highlight Reports from Board Committees.

		<ul style="list-style-type: none"> • Hosting Assurance Arrangements. • Updates in respect of the Infected Blood Inquiry (IBI). • Updates in respect of the Welsh Language Standards Implementation and Risk Assessment. • Updates in respect of Brexit.
Advisory Consultant Appointments Committee	<p>Panels were held:</p> <ul style="list-style-type: none"> • 11.02.2020 	As and when required the Advisory Consultant Appointment Committee meet to manage the arrangements for appointments to NHS Consultant posts within the Trust.
Trust Audit Committee	<ul style="list-style-type: none"> • 21.04 2020 • 25.06.2020 • 09.07.2020 • 08.10.2020 • 11.12.2020 • 21.01.2021 • 22.03.2021 <p>All meetings were quorate.</p>	<p>The purpose of the Audit Committee is to:</p> <p>Advise and assure the Board and the Accountable Officer on whether effective arrangements are in place - through the design and operation of the Trust's system of assurance - to support them in their decision taking and in discharging their accountabilities for securing the achievement of the Trust's objectives, in accordance with the standards of good governance determined for the NHS in Wales.</p> <p>Where appropriate, the Committee will advise the Board and the Accountable Officer on where and how its system of assurance may be strengthened and developed further.</p> <p>The Audit Committee Annual Report for 2020, which outlines the activity of the Committee for the year ending 31 December 2020 was approved by the Audit Committee on 21 January 2021 and is available on the Trust Internet site click here.</p>
NHS Wales Shared Services Partnership Audit Committee (NWSSP)	<ul style="list-style-type: none"> • 28.04.2020 • 30.06.2020 • 20.10.2020 • 26.01.2021 	<p>The NWSSP Audit Committee Annual Report for 2019-2020 was received at their meeting in October 2020 and is available via the following link:</p> <p>NWSSP Audit Committee Annual Report 2019-20</p>

	All meetings were quorate	The NWSSP Audit Committee Annual Report for 2021 will be received by the Committee for approval in June 2021.
Charitable Funds Committee	<p>Stood Down</p> <ul style="list-style-type: none"> • 23.06.2020 <p>Meetings Resumed</p> <ul style="list-style-type: none"> • 04.11.2020 • 09.12.2020 • 11.02.2021 <p>All meetings were quorate.</p>	<p>The Velindre Trust Board was appointed as corporate trustee of the charitable funds by virtue of the Velindre National Health Service Trust (Establishment) Order No. 2838 that came into existence on 1st December 1993 and that its Board serves as its agent in the administration of the charitable funds held by the Trust.</p> <p>The purpose of the Committee “is to make and monitor arrangements for the control and management of the Trust’s Charitable Funds”.</p> <p>The Charitable Funds Committee Annual Report for 2020/21, which outlines the activity of the Committee for the year ending 31 March 2021, will be received by the Committee for approval in August 2021.</p>
Local Partnership Forum (LPF)	<p>Stood Down</p> <ul style="list-style-type: none"> • 08.04.2020 • 08.07.2020 <p>Meetings Resumed</p> <ul style="list-style-type: none"> • 02.12.2020 • 03.03.2021 <p>All meetings were quorate.</p>	<p>The purpose of the Local Partnership Forum (LPF) is;</p> <p>To provide a formal mechanism where the Trust, as employer and trade unions / professional bodies representing Trust employees (hereafter referred to as staff organisations) work together to improve health services for the citizens served by the Trust – achieved through a regular and timely process of consultation, negotiation and communication. In doing so, the LPF must effectively represent the Trust’s workforce.</p> <ul style="list-style-type: none"> • It is the forum where the Trust and staff organisations will engage with each other to inform, debate and seek to agree local priorities on workforce and health service issues; and inform thinking around national priorities on health matters.

		<ul style="list-style-type: none"> The Trust may specifically request advice and feedback from the LPF on any aspect of its business and the LPF may also offer advice and feedback even if not specifically requested by the Trust. The LPF may provide advice to the Board: <ul style="list-style-type: none"> In written advice or, In any other form specified by the Board. <p>The Local Partnership Forum Annual Report for 2020/21, which outlines the activity of the Committee for the year ending 31 March 2021 will be submitted for approval at its meeting in June 2021.</p>
Quality & Safety Committee	<ul style="list-style-type: none"> 29.04.2020 18.05.2020 22.06.2020 20.07.2020 27.08.2020 *28.09.2020 <p>(*Final meeting before being re-established as new Quality, Safety & Performance Committee aligned to new Board Committee model)</p> <p>All meetings were quorate</p>	<p>The purpose of the Quality & Safety Committee is to provide:</p> <p>Evidence based and timely advice to the Board to assist it in discharging its functions and meeting its responsibilities with regard to the quality and safety of healthcare; and Assurance to the Board in relation to the Trust's arrangements for safeguarding and improving the quality and safety of patient and service user centred healthcare in accordance with its stated objectives and the requirements and standards determined for the NHS in Wales.</p> <p>The Quality & Safety Committee Annual Report for 2020, which outlines the activity of the Committee for the year ending 31 March 2020 is available on the Trust Internet site click here.</p>
Quality, Safety & Performance Committee	<p>Inaugural meeting</p> <ul style="list-style-type: none"> 12.11.2020 18.01.2021 15.03.2021 <p>All meetings were quorate</p>	<p>The purpose of the Quality, Safety and Performance Committee is to provide:</p> <p>Evidence based and timely advice to the Board to assist it in discharging its functions and meeting its responsibilities with regard to the: quality, safety and performance of healthcare; all aspects of workforce; digital delivery and</p>

		<p>information governance; and</p> <p>Assurance to the Board in relation to the Trust's arrangements for safeguarding and improving the quality, safety and performance of patient and service user centred healthcare, workforce matters, digital delivery and information governance in accordance with its stated objectives, legislative responsibilities and the requirements and standards determined for the NHS in Wales.</p>
Strategic Development Committee	<p>Inaugural meeting</p> <ul style="list-style-type: none"> • 05.11.2020 • 14.12.2020 • 09.02.2021 <p>All meetings were quorate</p>	<p>The purpose of the Strategic Development Committee is to provide:</p> <p>Evidence based and timely advice to the Board to assist it in discharging its functions and responsibilities with regard to the:</p> <ul style="list-style-type: none"> - strategic direction - strategic planning and related matters - organisational development - digital services, estates and other enabler services - sustainable development and the implementation of strategy through the spirit and intention of the Well Being of Future Generations Act - investment in accordance with Value-based healthcare <p>Assurance to the Board in relation to strategic decision-making, ensuring it is supported with a robust understanding of risks in relation to the achievement of organisational goals and strategic objectives.</p> <p>Where appropriate, the Committee will advise the Board and the Accountable Officer on where, and how, its system of assurance may be strengthened and developed further.</p>
Remuneration Committee	<p>Stood down:</p> <ul style="list-style-type: none"> • 29.08.2020 • 24.06.2020 <p>Meetings Resumed:</p> <ul style="list-style-type: none"> • 03.09.2020 	<ul style="list-style-type: none"> • Considered Voluntary Early Release applications received during the year for approval. • Considered cases of potential redundancies. • Board Appointments / Recruitment Updates • Executive Appraisal and Objectives. • Terms of Reference Review.

	All meetings were quorate.	<ul style="list-style-type: none"> • Pension Tax Proposal.
Research, Development & Innovation (RDI) Sub-Committee	<p>Stood down:</p> <ul style="list-style-type: none"> • 16.03.2020 • 17.06.2020 • 21.09.2020 <p>Meetings Resumed:</p> <ul style="list-style-type: none"> • 27.01.2021 <p>All meetings were quorate.</p>	<p>The purpose of the RD&I Committee is to provide:</p> <ul style="list-style-type: none"> • Strategy and policy oversight for Innovation and Research activities at the Trust and advise on and monitor performance in these areas. • Promotion and encouragement of an Innovation and Research ethos and culture which is integral to the Trusts vision, mission and values. • Evidence based timely advice to the Board to assist it in discharging its functions and meeting its responsibilities with regards to the quality and safety of Innovation and Research activity. In the relation to research this includes activity carried out within the Trust both as a research sponsor and host organisation. • Assurance to the Board in relation to the Trust's arrangements for ensuring compliance with the, and the EU Clinical Trials Directive 2004 as amended from time to time. • Foster collaboration and make recommendations on adoption and dissemination. • Consideration of relevant matters with reference to the parameters identified for risk appetite in relation to research, development and innovation as set by the Board. <p>The RD&I Sub-Committee Annual Report for 2020/21, which outlines the activity of the Committee for the year ending 31 March 2021 will be received for approval by the Committee in July 2021.</p>

APPENDIX 2–Board Member Attendance Trust Board Meetings 2020-21

Key: ✓ In Attendance
 ☒ Not in Attendance

Board Member	30.04.20	04.06.20	25.06.20	30.07.20	24.09.20	26.11.20	10.12.20	28.01.21	25.03.21
Prof. Donna Mead, Chair	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Stephen Harries, Interim Vice Chair and Independent	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Martin Veale, Independent Member	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Janet Pickles, Independent Member	✓	✓	✓	✓	✓	✓	☒	✓	✓
Mrs. Hilary Jones, Independent Member	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Gareth Jones, Independent Member	✓	✓	✓	✓	✓	✓	✓	✓	✓
Professor Donald Fraser Independent Member	☒	☒	☒	✓	✓	✓	✓	✓	✓
Mr. Steve Ham, Chief Executive	✓	✓	✓	✓	✓	✓	✓	✓	✓

Board Member	30.04.20	04.06.20	25.06.20	30.07.20	24.09.20	26.11.20	10.12.20	28.01.21	25.03.21
Mr. Mark Osland, Executive Director of Finance	✓	✓	✓	✓	☒	✓	✓	✓	✓
Dr. Jacinta Abraham, Executive Medical Director	✓	✓	✓	✓	✓	☒	☒	✓	✓
Ms. Sarah Morley, Executive Director of Organisational Development & Workforce	✓	✓	✓	✓	✓	✓	✓	✓	☒
Mrs. Nicola Williams, Executive Director of Nursing, AHPs & Health Science	✓	✓	✓	✓	✓	✓	✓	✓	✓

FINANCIAL ACCOUNTABILITY REPORT

The Trust continues to operate in a challenging financial environment like all organisations in NHS Wales, which was particularly difficult in 2020/2021 as a result of the impact of the COVID-19 pandemic. Despite the pandemic, opportunities to make efficiency savings and identify recurring reductions in costs whilst maintaining and improving services are sought wherever possible by Directors, finance teams and staff across the organisation.

The Core Trust Services incurred additional revenue spend of £6.291m and capital spend of £1.845m in its response to the pandemic. Welsh Government provided the Trust with funding to cover these COVID-19 related issues which ensured they did not impact on the Trust meeting the key target of its expenditure not exceeding income.

Despite these challenges, the Trust was able to achieve all three financial targets set by Welsh Government in 2020/2021. This will remain a difficult task in 2021/2022 and the foreseeable future as the Trust continues to respond to the pandemic and invest in additional capacity to enable it to deal with activity backlogs, which will require additional Welsh Government funding in order that the Trust can continue to meet its financial targets.

The Trust remains committed to providing high quality and safe care with the best possible outcomes for its patients, while striving to deliver this through efficient and effective services, and therefore seeking opportunities to make efficiency savings and identify recurring reductions in costs will continue to be a priority focus for the organisation.

FINANCIAL TARGETS

The Trust has met all three of its financial targets for the year ended 31 March 2021:

- Breakeven duty - The Trust achieved a surplus of £38,000 in 2020/2021 (2019/2020: surplus of £24,000), resulting in a surplus of £93,000 over a three year period. The Trust has therefore achieved its statutory financial duty to achieve financial breakeven over a rolling three year period.
- Duty to prepare a 3 year integrated plan – Due to the pandemic, the process for the 2020/2023 integrated plan was paused in Spring 2020 and a temporary quarterly planning arrangement put in place for 2020/2021. As a result, the extant planning duty for 2020/2021 remains the requirement to submit and have approved a 2019/2022 integrated plan, as set out in the NHS Wales Planning Framework 2019/2022. The Trust submitted a 2019/2022 integrated plan in accordance with the planning framework and has therefore met its statutory duty to have an approved financial plan.

- Creditor payments - The Trust is required to pay 95% of the number of non- NHS bills within 30 days of the receipt of goods or a valid invoice (whichever is the later). The Trust has met this target, paying 96.7% (2019/2020: 97.4%) within the required time.

The Trust ordinarily would have four financial targets to meet: the fourth being the External Finance Limit (EFL). The Welsh Government has temporarily removed this target for 2019/2020 and 2020/2021.

FEES AND CHARGES - AUDITOR REMUNERATION

Fees paid to Audit Wales for their statutory audit and performance audit work were £215,829 by the Trust, and £12,167 by the Trust's Charitable Fund.

MATERIAL REMOTE CONTINGENT LIABILITIES

The Trust hosts the Welsh Risk Pool (WRP) as part of NHS Wales Shared Services Partnership (NWSSP). The WRP returns from Welsh Health Organisations estimate that in 2020/2021 the Trust has remote contingent liabilities of £61m (2019/2020: £38m) which relate to potential litigation claims against NHS Wales that could arise in the future due to known incidents. Due to the nature and uncertainty of these potential claims, no provision has been made for them within the accounts.

LONG TERM EXPENDITURE TRENDS

	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
	£000	£000	£000	£000	£000
Total Revenue	637,132	712,828	525,607	572,642	848,405
Pay	144,112	149,866	160,551	182,684	242,072
Non Pay	478,901	549,774	352,075	373,015	587,320
Depreciation	15,989	17,595	16,466	17,186	17,554
Total Expenditure	639,002	717,235	529,092	572,885	846,946
Non-operating revenue and costs	1,725	5,613	3,295	440	(207)
Total consolidated surplus / (deficit)	(145)	1,206	(190)	197	1,252

The table above includes the income and expenditure of the Trust's charitable fund and assets that

have been donated to the Trust. The Trust's annual surplus / (deficit) excluding the charitable fund and donated assets is shown below:

	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
	£000	£000	£000	£000	£000
Surplus / (deficit) excluding charitable fund and donated assets	35	49	31	24	38

Notes

- During 2016/2017 the Trust established a National Technology Adoption Hub. The Surgical Material Testing Laboratory transferred to, and Health and Care Research Wales Workforce transferred from, the Trust.
- During 2018/2019 the Wales Workforce Education & Development Services (WEDS), which was part of the NHS Wales Shared Services Partnership (NWSSP), was transferred from the Trust into the newly established Health Education & Improvement Wales (HEIW). The transfer of WEDS resulted in a significant reduction in the income and expenditure reported within the above table, but had no impact on the surplus / deficit for the year.
- During 2019/2020 two new all Wales services were established within NWSSP - the Medical Examiner Scheme and the General Medical Practice Indemnity Scheme.
- During 2020/2021 a new All Wales service was established within NWSSP – the Collaborative Bank Partnership; and two existing services commenced expansion – the Single Lead Employer Scheme and the General Medical Practice Indemnity Scheme to include the first phased intake to the Existing Liability Scheme.

MODERN SLAVERY ACT 2015

TRANSPARENCY IN SUPPLYCHAINS STATEMENT 2020/2021

This statement is made to comply with Section 54 of the Modern Slavery Act 2015 and the Welsh Government's Code of Practice: Ethical Employment in Supply Chains. The Statement sets out the steps that Velindre University NHS Trust has taken and is continuing to take, to make sure that modern slavery and / or human trafficking is not taking place within the Trust or supply chain during the year ending 31 March 2021.

Modern slavery encompasses slavery, servitude, human trafficking and forced labour. The Trust has a zero-tolerance approach to any form of modern slavery (slavery, servitude, human

trafficking and forced labour). We are committed to acting ethically and with integrity and transparency in all business activity and to establish effective systems and controls, to safeguard against any form of modern slavery occurring within the Trust's supply chain.

The Trust is also fully committed to complying with its legal obligations. In doing so, it is committed as an NHS employer, to eradicate modern slavery and human trafficking, by combating unlawful and unethical employment practices and to support those affected.

The Trust will not undertake any employment practices that;

- Support modern slavery and human rights abuses;
- Support or abet the operation of blacklist / prohibited lists;
- Facilitate false self-employment;
- Permits the use of unfair umbrella schemes;
- Provide employees or workers with zero hours contracts; and
- Facilitate the payment of salaries which are lower than the National Living Wage.

Current Policies and Initiatives

The Trust is fully aware of its responsibilities towards patients, donors, service users, employees and the local community, and expects all employees and suppliers to act ethically and with integrity, in all our business relationships.

The Trust produced its first 'Ethical Employment Statement' in 2019, which was approved by the Trust Board and published in the 2019/2020 Annual Report and on the Trust's Internet / Intranet sites. This report set out the Trust's commitment to producing an annual written statement, in relation to its obligations under the Modern Slavery Act (2015) in 2019.

The Trust takes the following steps, to ensure that there is no modern slavery or human trafficking in our supply chains or in any part of our business:

People

- The Trust is fully compliant with the six NHS pre-employment check requirements, to verify that applicants meet the preconditions of the role they are applying for. This includes a right to work in the UK check;
- The Trust has a robust IR35 policy and processes in place, which ensures that there is no unfair use of false self-employed workers or workers being engaged under umbrella schemes. This process ensures the fair and appropriate engagement of all workers and prevents individuals from avoiding paying Tax and National Insurance contributions.
- The Trust does not engage or employ employees or workers on Zero Hours Contracts.

The Trust does employ Bank Staff, but these staff are provided with the opportunity to apply for substantive posts should they wish to.

- The Trust pays our lowest paid employees on Pay Band 2 (the lowest NHS Wales pay band). This salary is compliant with the National Living Wage.
- The Trust has an Equality and Diversity Policy and a range of processes and procedures which ensures that no potential applicant, employee or worker engaged by the Trust is in any way unduly disadvantaged in terms of pay, employment rights, employment, training and development and career opportunities;
- In 2020 the Trust has launched a Working in Confidence platform that allows staff to raise and resolve concerns confidentially
- The Trust has in place a range of workforce policies e.g. Grievance Policy, Dignity at Work Procedure, Anonymous Communications, Violence, Domestic Abuse and Sexual Violence in the Workplace; etc. Our policies enable our employees to raise concerns about poor working practices.
- The Trust complies fully with the Transfer of Undertaking (Protection of Employment) Regulations ensuring that Trust employees that may be required to transfer to a new organisation, will retain their current NHS Terms and Conditions of Service; and
- The Trust does not make use of blacklist / prohibited list information.

Procurement and our Supply Chain

- The Trust's Procurement Team operates within the current UK and NHS procurement regulations and includes a mandatory exclusion question regarding the Modern Slavery Act 2015.
- The Trust's NWSSP Supplier Policy sets out the manner in which we behave as an organisation and how we expect procurement employees and suppliers to act.
- The Trust's Procurement Team's approach to procurement and our supply chain includes:
 - Ensuring that our suppliers are carefully selected through robust supplier selection criteria/processes;
 - Requiring that the main contractor provides details of its sub- contractor(s), to enable the Procurement Team on behalf of the Trust to check their credentials;
 - Randomly request that the main contractor provide details of its supply chain;
 - Ensuring invitation to tender documents contain a clause on human rights issues;
 - Ensuring invitation to tender documents also contains clauses giving the Trust the right to terminate a contract for failure to comply with labour laws;
 - Using a Supplier Selection Questionnaire which includes a section on Modern Day Slavery;
 - Trust staff must contact and work with the Procurement Team when looking to work with new suppliers, to ensure that appropriate checks can be undertaken;
 - Ensuring supplier adherence to the Trust and NHS Wales values. We are zero

tolerant to slavery and human trafficking and thereby expect all our direct and indirect suppliers /contractors to be compliant;

- Assurances are sought from suppliers, via the tender process, that they do not make use of blacklists/prohibited lists. The Trust is also able to provide confirmation and assurances that the Trust does not make use of blacklist/prohibited list information.
- The Transparency in Supply Chain (TISC) Report – Modern Slavery Act (2015) compliance tracker is used, through contracts procured by NWSSP Procurement Services on the Trust's behalf.

Training

- Advice and training about modern slavery and human trafficking is provided to employees through our mandatory safeguarding children and adults training programmes, our safeguarding policies and procedures and our safeguarding lead. The Trust is exploring new ways to continuously increase awareness within our organisation and to ensure a high level of understanding of the risks involved with modern slavery and human trafficking, in our supply chains and in our business.

Policies and Initiatives 2020 /2021

In the forthcoming year, the Trust is committed to taking the following actions to continue to ensure that modern slavery and / or human trafficking is not taking place within our organisation or supply chain during the year ending 31 March 2021.

People

- The Trust complies with the IR35 Legislation, which came into effect on the 6 April 2021.
- The Trust will use internal communications to promote and raise employee awareness of modern slavery and human trafficking.
- The Trust publicised and promoted Anti-Slavery Day on the 18 October 2020, to encourage all employees to take action, as appropriate, within their role, to address this issue.
- The Trust has purchased a Working in Confidence Platform
- The Trust's Safeguarding lead will be updating the Safeguarding Guidance Booklet for staff to include the modern slavery pathway.

REMUNERATION & STAFF REPORT

The details of the Remuneration Relationship are reported on page 70 of the Accountability Report, and note 10.6 of the Annual Accounts.

The pay and terms and conditions of employment for the Executive Team and senior managers have been and will be determined by the Velindre University NHS Trust Remuneration and Terms of Service Committee, within the framework set by the Welsh Government. The Remuneration and Terms of Service Committee also considered and approved applications relating to the voluntary early release scheme. The Trust Remuneration Committee members are Independent Members of the Board and a Trade Union Representative. The Committee is chaired by the Trust Chair. Details of the membership of the Remuneration & Terms of Service Committee are captured on pages 8-12 of the Directors' Report section of this report.

Existing public sector pay arrangements apply to all staff including members of the Executive Team. All members of the Executive Team are on pay points and not pay scales.

The performance of members of the Executive Team is assessed against personal objectives and against the overall performance of the Trust. The Trust does not operate a performance related pay scheme.

All Executive Directors have the option to have a lease car, under the terms of the Trust's lease car agreement.

The Chief Executive and Executive Directors are employed on permanent contracts, which can be terminated by giving due notice unless for reasons of misconduct.

There have been no payments to former Executives or other former senior managers during the year.

The remuneration report is required to contain information about senior managers' remuneration. The senior management team consists of the Chief Executive, the Executive Directors and the Independent Members (Non-Executive Directors), the Director of Transformation, Planning, and Digital, the Chief Operating Officer and the Director of Corporate Governance / Board Secretary / Chief of Staff. Full details of senior managers' remuneration are shown later in the table on page 69.

The totals in some of the following tables may differ from those in the Annual Accounts as they represent staff in post at 31st March 2021 whilst the Annual Accounts (note 10.2) shows the average

number of employees during the year.

Transparency of senior remuneration in the devolved Welsh Public Sector – ANNEX 10.

Guide to Tackling Unfair Employment Practices and False Self-Employment -

<https://gov.wales/docs/dpsp/publications/valuewales/170620-unfair-employment-en.pdf> - ANNEX

10

STAFF COMPOSITION BY GENDER

A breakdown of the workforce by gender is set out in the table below. This figure represents the composition as at 31 March 2021. To note it excludes those in Bank, Locum and Honorary positions.

*FTE – Full-time Equivalent

Gender	Headcount	FTE*	% of Headcount
Female	2,983	2,654.39	57.5
Male	2,049	1,961.86	42.5
Grand Total	5,032	4,616.25	100

A breakdown of the Trust Executive Directors and Senior Managers by gender is set out in the table below. This figure represents the composition as at 31 March 2021. The data confirms that there are more female than male Trust Executive Directors and Senior Managers. Female employees are employed in five out of the eight Trust Executive Directors and Senior Manager posts.

Job Title	Gender	Headcount	FTE	% of Headcount
Chief Executive	Male	1	1	12.50%
Interim Chief Operating Officer	Female	1	1	12.50%
Executive Director of Finance	Male	1	1	12.50%
Medical Director	Female	1	1	12.50%
Executive Director of Nursing, AHP and Healthcare Science	Female	1	1	12.50%
Executive Director of Workforce and Organisational Development	Female	1	1	12.50%
Director of Transformation, Planning & Digital	Male	1	1	12.50%
Director of Corporate Governance / Trust Secretary	Female	1	1	12.50%
Grand Total		8	8	100%
	Male	3		37.50%
	Female	5		62.50%

STAFF COMPOSITION BY STAFF GROUP

During 2020/2021 the average full time equivalent (FTE) number of operational staff permanently employed by the Trust was 4,073. The average number of employees is calculated as the full time equivalent number of employees in each week of the financial year divided by the number of weeks in the financial year. The table below provides a breakdown of the workforce by staff grouping and in addition to permanently employed staff, shows staff on inward secondment, agency staff and other staff.

	Average FTE Number of Operational Employees						2019/2020 Total (Restated)
	Permanently Employed	Staff on Inward Secondment	Agency Staff	Specialist Trainee	Other Staff	2020/2021 Total	
Administrative, Clerical and Board Members	2,558	20	29	0	36	2,643	2,557
Medical and Dental	111	1	0	4	5	121	100
Nursing and Midwifery Registered	190	1	0	0	4	195	189
Professional, Scientific and Technical Staff	65	0	0	0	0	65	56
Additional Clinical Services	301	1	5	0	9	316	201
Allied Health Professionals	123	0	9	0	0	132	125
Healthcare Scientists	136	0	1	0	5	142	138
Estates and Ancillary	355	0	42	0	59	456	356
Students	3	0	0	0	0	3	0
Total	3,842	23	86	4	118	4,073	3,722

SICKNESS ABSENCE DATA 2020/21

The data shows an overall increase in sickness absence levels during 2020/21 and as a result the Trust did not achieve the Welsh Government Sickness Absence Rate of 3.54% during this period with an overall Sickness Absence Rate of 5.18.

Report	2020/21	2019/20	Variance
Total Days Lost (Long Term):	43262	45150	-1,889
Total Days Lost (Short Term):	14011	18244	-4,233
Total Days Lost:	57272	63394	-6121.7
Average Staff Employed in the Period – FTE	4392.47	4006.36	386.11
Average Working Days Lost (FTE):	13.04	15.82	-2.78
Total Staff Employed in Period:	5032	4526	506
Total Staff Employed in Period with No Absence (Headcount):	3176	1971	1,205
Percentage Staff with No Sick Leave:	63.12	43.55	19.57

The Workforce team work with Divisions to manage the wellbeing of staff and sickness absence. Monthly performance reports are developed for Divisions and Executive colleagues to monitor sickness and COVID sickness absence. Interventions to support managers are aligned to reasons for sickness to ensure effective interventions that support staff. Regular sickness audits are undertaken and manager drop in session are available to support managers in ensuring staff are encouraged back to work.

The Trust also offers and provides staff with free access to a diverse range of traditional medical, psychological and complementary therapy interventions, to assist them to proactively and reactively manage their health and wellbeing. This includes an Employee Assistance Programme, which family members can also access for free.

The top reason for sickness absence across the Trust continues to be psychological ill health. To provide staff with appropriate and additional support in an unprecedented year, the Trust has focused on interventions to support the psychological wellbeing of our staff. This has included drop in session with our psychology team as well as on site support from our EAP service. As part of our Health and Wellbeing plan we are training mental health first aid champions and run a number of staff networks to support staff shielding and BAME staff.

STAFF POLICIES

All Trust policies and procedures are equality impact assessed against the nine protected characteristics, to ensure that they do not discriminate against people who apply to work in the Trust or are employed by the Trust. All Trust policies and procedures are available to access via the Trust Internet website.

SALARY AND PENSION DISCLOSURE TABLES (AUDITED) – SINGLE TOTAL FIGURE OF REMUNERATION

This Remuneration Report includes a single total figure of remuneration. The amount of pension benefits for the year which contributes to the single total figure is calculated based on guidance provided by the NHS Business Services Authority Pensions Agency.

The amount included in the table for pension benefit is based on the increase in accrued pension adjusted for inflation. This will generally take into account an additional year of service together with any changes in pensionable pay. This is not an amount which has been paid to an individual by the Trust 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 person's 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.

The salary and pension disclosures reflect the senior managers' information. As indicated on page 8-12 the senior management team consists of the Chief Executive, the Executive Directors and the Independent Members (Non-Executive Directors), the Director of Strategic Transformation, Planning, and Digital, the Chief Operating Officer, and the Director of Corporate Governance / Trust Secretary.

**SALARY AND PENSION DISCLOSURE TABLES (AUDITED) –
SINGLE TOTAL FIGURE OF REMUNERATION (CONTINUED)**

Name and Title	2020/2021					2019/2020				
	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in Kind (to the nearest £100)	Pension benefits (to the nearest £1,000)	Total (to the nearest £5,000)	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in Kind (to the nearest £100)	Pension benefits (to the nearest £1,000)	Total (to the nearest £5,000)
Executive Directors and Senior Managers										
Steve Ham Chief Executive	140-145	0	0	23	165-170	140-145	0	0	17	155-160
Mark Osland Executive Director of Finance	105-110	0	0	27	130-135	105-110	0	0	26	130-135
Jacinta Abraham ¹ Medical Director	110-115	25-30	0	48	190-195	110-115	25-30	1	38	175-180
Catherine O'Brien Interim Chief Operating Officer	115-120	0	0	22	135-140	115-120	0-5	0	45	160-165
Lauren Fear ² Director of Corporate Governance	85-90	0	0	21	105-110	25-30	0	0	7	35-40
Nicola Williams Executive Director of Nursing, AHP and Healthcare Scientists	105-110	0	0	38	145-150	60-65	0	0	-	-
Sarah Morley Executive Director of Organisational Development and Workforce	95-100	0	0	26	120-125	90-95	0	0	21	115-120

Name and Title	2020/2021					2019/2020				
	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in Kind (to the nearest £100)	Pension benefits (to the nearest £1,000)	Total (to the nearest £5,000)	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in Kind (to the nearest £100)	Pension benefits (to the nearest £1,000)	Total (to the nearest £5,000)
Susan Thomas ³ Interim Executive Director of Organisational Development and Workforce	10-15	0	0	3	10-15	10-15	0	0	-	-
Carl James ⁴ Director of Strategic Transformation, Planning, and Digital	115-120	0	40	32	150-155	115-120	0	52	26	145-150

Notes:

1. Other remuneration for J Abraham relates to clinical responsibilities.
2. L Fear was appointed on an interim basis from 02/12/2019. This appointment was made permanent on 01/12/2020.
3. S Thomas was appointed on an interim basis to the role of Executive Director of Organisational Development & Workforce to cover a period of absence from 10/02/2020 to 09/05/2020 for S Morley.
4. Benefits in kind for C James relate to the use of a Trust lease car and taxable mileage payments.

**SALARY AND PENSION DISCLOSURE TABLES (AUDITED) –
SINGLE TOTAL FIGURE OF REMUNERATION (CONTINUED)**

Name and Title	2020/2021					2019/2020				
	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in Kind (to the nearest £100)	Pension benefits (to the nearest £1,000)	Total (to the nearest £5,000)	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in Kind (to the nearest £100)	Pension benefits (to the nearest £1,000)	Total (to the nearest £5,000)
Independent Members/Non -Executive Directors										
Donna Mead	40-45	0	0	0	40-45	40-45	0	0	0	40-45
Janet Pickles	5-10	0	0	0	5-10	5-10	0	0	0	5-10
Martin Veale	5-10	0	0	0	5-10	5-10	0	0	0	5-10
Stephen Harries	30-35	0	0	0	30-35	30-35	0	0	0	30-35
Donald Fraser	5-10	0	0	0	5-10	0-5	0	0	0	0-5
Gareth Jones	5-10	0	0	0	5-10	0-5	0	0	0	0-5
Hilary Jones	5-10	0	0	0	5-10	0-5	0	0	0	0-5

SALARY AND PENSION DISCLOSURE

CASH EQUIVALENT TRANSFER VALUES

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or an arrangement to secure pension benefits in another pension scheme or an arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

REAL INCREASE IN CETV

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

SALARY AND PENSION DISCLOSURE TABLES (AUDITED) – BOARD MEMBER AND VERY SENIOR MANAGER PENSIONS

Name and Title	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at aged 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2021 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2021 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2021	Cash Equivalent Transfer Value at 31 March 2020	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
	£000	£000	£000	£000	£000	£000	£000	£000
Steve Ham Chief Executive	0-2.5	5-7.5	40-45	125-130	-1	-	-	0
Mark Osland Executive Director of Finance	2-2.5	0	5-10	0	143	108	19	0
Jacinta Abraham Medical Director	2.5-5	(0-2.5)	45-50	95-100	919	842	43	0
Catherine O'Brien Interim Chief Operating Officer	0-2.5	0	20-25	0	347	309	17	0
Lauren Fear Director of Corporate Governance	0-2.5	0	0-5	0	19	5	2	0
Nicola Williams Executive Director Nursing, AHP and Healthcare Scientists	2.5-5	0-2.5	45-50	125-130	956	885	42	0

Name and Title	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at aged 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2021 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2021 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2021	Cash Equivalent Transfer Value at 31 March 2020	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
	£000	£000	£000	£000	£000	£000	£000	£000
Sarah Morley Executive Director of Organisational Development and Workforce	0-2.5	0-2.5	25-30	60-65	581	532	27	0
Susan Thomas ² Interim Executive Director of Organisational Development and Workforce	0-2.5	0-2.5	25-30	55-60	459	349	1	0
Carl James Director of Strategic Transformation, Planning & Digital	0-2.5	0	50-55	0	647	594	25	0

Notes:

1. S Ham - no CETV will be shown for senior managers over Normal Pension Age (NPA).
- 2.S Thomas was appointed on an interim basis to the role of Executive Director of Organisational Development & Workforce to cover a period of absence from 10/02/2020 to 09/05/2020 for S Morley.

As Independent Members do not receive pensionable remuneration, there are no entries in respect of pensions for Independent Members.

REPORTING OF OTHER COMPENSATION SCHEMES – EXIT PACKAGES

During 2020/2021 exit packages were approved for 7 staff with a value of £252,756 (8 staff, value £209,837 2019/2020). £34,419 exit costs were paid in 2020/2021, the year of departure (£102,501 2019/2020). These packages were paid in accordance with recognised NHS terms and conditions of service/Trust Policy. None of the exit packages reported related to senior officers. Two of the payments related to a special severance payment. The actual date of departure might be in a subsequent period.

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 Velindre University NHS Trust in the financial year 2020/2021 was £140,000 - £145,000 (2019/2020, £140,000 - £145,000). This was 4.7 times (2019/2020, 4.9) the median remuneration of the workforce, which was £30,516 (2019/2020, £29,009).

In 2020/2021, 13 (2019/2020, 9) employees received remuneration in excess of the highest paid Director.

Remuneration for all staff ranged from £18,000 to £234,100 (2019/2020 £17,700 to £207,000).

Total remuneration includes salary and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Overtime payments are included in the calculation of both elements of the relationship.

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.

EXPENDITURE ON CONSULTANCY

During 2020/2021 the Trust spent £5.972m of its revenue funding on external consultancy fees (£4.337m related to the NHS Wales Informatics Service and £0.935m to the NHS Wales Shared Services Partnership); and £2.717m of its capital funding (£0.57m related to the NHS Wales Informatics Service).

Examples include:

- Accountancy fees
- Legal fees
- Design fees
- Project management fees & support costs
- IT consultancy and advice
- Fees relating to building management, including surveyor & electrical costs.

TAX ASSURANCE FOR OFF-PAYROLL ENGAGEMENTS

Following the Review of Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23 May 2012, departments must publish information on their highly paid and/or senior off-payroll engagements. The information, contained in the three tables below, includes all off-payroll engagements as at 31 March 2021 for those earning more than £245 per day for the core Trust and its hosted organisations.

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

No. of Existing Engagements as of 31 March 2021	56
Of which the number that have existed.	
for less than one year at time of reporting.	35
for between one and two years at time of reporting.	7
for between two and three years at time of reporting.	5
No. that have existed for between three and four years at time of reporting.	8

No. that have existed for four or more years at time of reporting.	1
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Within the total number of off-payroll engagements disclosed, eleven engagements related to staff seconded from other NHS Wales Organisations.

All the off-payroll engagements, outlined above, have at some point been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax, and where necessary, that assurance has been sought.

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

No. of new engagements, between 1 April 2020 and 31 March 2021	41
Of which:	
No. assessed as caught by IR 35.	40
No. assessed as not caught by IR 35.	1
No. engaged directly (via PSC contracted to department) and are on the departmental payroll.	1
No. of engagements reassessed for consistency/assurance purposes during the year.	13
No. of engagements that saw a change to IR 35 status following the consistency review.	0

Within the total number of new off-payroll engagements disclosed, eight engagements related to staff seconded from other NHS Wales Organisations.

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

No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
No. of individuals that have been deemed “board members, and/or, senior officials with significant financial responsibility”, during the financial year. This figure should include both off-payroll and on-payroll engagements.	0

PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT

Where the Trust undertakes activities that are not funded by the Welsh Government the Trust receives income to cover its costs. Further detail of income received is published in the Trust's annual accounts; within note 4 headed 'other operating revenue'.

The Trust confirms it has complied with cost allocation and the charging requirements set out in HM Treasury guidance during the year.

The Trust ensures public funds are used appropriately and to deliver the intended objectives. Expenditure this year was again regular and compliant with the relevant legislation. Fees and charges for services provided by public sector organisations pass on the full cost of providing those services and are in accord with Welsh Government requirements.

The Trust hosts the Welsh Risk Pool (WRP) as part of NHS Wales Shared Services Partnership (NWSSP) and therefore its accounts include the estimates of remote contingent liabilities from Welsh Health Organisations for potential litigation claims that could arise in the future due to known incidents. In 2020/2021, the financial statements of the Trust are reporting total remote contingent liabilities of £61m.

AUDIT CERTIFICATE AND AUDITOR GENERAL FOR WALES REPORT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion on financial statements

I certify that I have audited the financial statements of Velindre University NHS Trust and its group for the year ended 31 March 2021 under Section 61 of the Public Audit (Wales) Act 2004. These comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Cash Flow Statement and the Consolidated 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, except for the possible effects of the matters described in the 'Basis for qualified opinion' section of my report, the financial statements:

- give a true and fair view of the state of affairs of Velindre University NHS Trust and its group as at 31 March 2021 and of its surplus 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.

Basis for qualified opinion

Note 16.1 of the financial statements discloses an inventory balance of £95.564 million as at 31 March 2021. Due to our policy in following Welsh Government restrictions relating to Covid-19 that took effect from 23 March 2020, I was unable to observe and reperform parts of the Trust's count of its inventory on 31 March 2021. As I have been unable to obtain the required audit assurance by alternative means, I am therefore unable to determine whether the Trust's reported year-end inventory balance of £95.564 million is materially true and fair.

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 trust and its group 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 – Clinicians' pension tax liabilities

I draw attention to Note 24 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;
- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Performance Report 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 Trust and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report or the Annual Governance Statement.

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

- 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 set out on pages 17 and 18 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 Trust'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, internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Velindre University NHS Trust'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 and the posting of unusual journals.
- Obtaining an understanding of Velindre University NHS Trust's framework of authority as well as other legal and regulatory frameworks that the Velindre University NHS Trust 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 Velindre University NHS Trust.

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

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team 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 Velindre University NHS Trust's 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.

Please see my Report on pages 87 to 88.

Adrian Crompton
Auditor General for Wales
15 June 2021

24 Cathedral Road
Cardiff
CF11 9LJ

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 Velindre University NHS Trust's (the Trust'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 implications of the ministerial direction on senior clinicians' pensions. I have not qualified my 'true and fair' opinion in respect 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 £200k in 2011-12 to £40k 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 (i.e. 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 Trust 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 Trust has disclosed a contingent liability in note 24 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 Trust'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

Velindre University NHS Trust

Finance Report

2020-2021



Velindre University NHS Trust

Foreword

These accounts for the period ended 31 March 2021 have been prepared to comply with International Financial Reporting Standards (IFRS) adopted by the European Union, in accordance with HM Treasury's FReM by Velindre University NHS Trust 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, with the approval of the Treasury, directed.

These are Group accounts showing the accounts of the Trust including those organisations hosted by it (see 'Statutory background' below), and are consolidated with the Trust's Charitable Fund of which the Trust is the Corporate Trustee.

Statutory background

The Trust was established by Statutory Instrument on 1 April 1994 and at that time was a single specialty Trust providing only Cancer Services. Over the last 27 years, the Trust has significantly evolved and expanded. The main function of the Trust is to provide all-Wales and regional clinical health services to the NHS and the people of Wales. The Trust consists of two clinical divisions: the Welsh Blood Service and Velindre Cancer Centre.

In addition to the above services, the Trust is host to a number of organisations. At period ended 31 March 2021, these included:

- NHS Wales Informatics Service (NWIS) which was established as a hosted body on 1 April 2010;
- NHS Wales Shared Services Partnership (NWSSP) which was set up on 1 April 2011; following which the functions of a number of separate services were transferred into NWSSP. NWSSP became a hosted body within Velindre NHS Trust on 1 June 2012. One new All Wales service was established within NWSSP during 2020-2021: the All Wales Collaborative Bank Partnership; and two existing services commenced expansion - the Single Lead Employer Scheme to include pre-registration pharmacists, dental foundation trainees and the phased intake of core and specialty medical trainees which will continue until May 2022; and the General Medical Practice Indemnity Scheme to include the first phased intake to the Existing Liability Scheme.
- Health Technology Wales (HTW) which was established on 1 April 2016 and continued to receive grant funding from Welsh Government under the Efficiency through Technology Programme.

Performance Management and Financial Results

This 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 2020-2021. 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 2016-2017.

Under the National Health Services (Wales) Act 2006 the financial obligations of the NHS Trust are contained within Schedules 4 2(1) and 4 2(2). Each NHS trust must ensure that its revenue is not less than sufficient, taking one financial year with another, to meet outgoings properly chargeable to the revenue account. The first assessment of performance against the 3-year statutory duty under Schedules 4 2(1) and 4 2(2) was at the end of 2016-2017, being the first three year period of assessment.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	Note	2020-21 £000 NHS Trust	2019-20 £000	2020-21 £000 Consolidated	2019-20 £000
Revenue from patient care activities	3	576,716	429,374	576,716	429,374
Other operating revenue	4	271,507	142,612	271,689	143,268
Operating expenses	5.1	(846,661)	(572,235)	(846,946)	(572,885)
Operating (deficit)/surplus		1,562	(249)	1,459	(243)
Investment revenue	6	0	109	133	259
Other gains and losses	7	25	2	25	2
Finance costs	8	(365)	179	(365)	179
Consolidated Total				1,252	197
Retained surplus	2.1.1	1,222	41		
Other Comprehensive Income					
Items that will not be reclassified to net operating costs:					
Net gain/(loss) on revaluation of property, plant and equipment		1,543	1,007	1,543	1,007
Net gain/(loss) on revaluation of intangible assets		0	0	0	0
Net gain/(loss) on revaluation of financial assets		0	0	727	(518)
Movements in other reserves		0	0	0	0
Net gain/(loss) on revaluation of PPE and Intangible assets held for sale		0	0	0	0
Impairments and reversals		0	0	0	0
Transfers between reserves		0	0	0	0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0	0
Sub total		1,543	1,007	2,270	489
Items that may be reclassified subsequently to net operating costs					
Net gain/(loss) on revaluation of financial assets held for sale		0	0	0	0
Sub total		0	0	0	0
Total other comprehensive income for the year		1,543	1,007	2,270	489
Total comprehensive income for the year		2,765	1,048	3,522	686

The notes on pages 6 to 74 form part of these accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note	31 March 2021	31 March 2020	31 March 2021	31 March 2020
		NHS Trust		Consolidated	
		£000	£000	£000	£000
Non-current assets					
Property, plant and equipment	13	136,558	129,554	136,558	129,554
Intangible assets	14	20,821	17,644	20,821	17,644
Trade and other receivables	17.1	817,142	862,962	817,142	862,962
Other financial assets	18	0	0	5,613	4,606
Total non-current assets		974,521	1,010,160	980,134	1,014,766
Current assets					
Inventories	16.1	95,564	13,134	95,564	13,134
Trade and other receivables	17.1	548,836	414,260	548,529	414,353
Other financial assets	18	0	0	0	0
Cash and cash equivalents	19	43,263	18,263	44,811	19,735
		687,663	445,657	688,904	447,222
Non-current assets held for sale	13.2	0	0	0	0
Total current assets		687,663	445,657	688,904	447,222
Total assets		1,662,184	1,455,817	1,669,038	1,461,988
Current liabilities					
Trade and other payables	20	(353,136)	(166,270)	(353,243)	(166,450)
Borrowings	21	(8)	(21)	(8)	(21)
Other financial liabilities	22	0	0	0	0
Provisions	23	(316,959)	(272,376)	(316,959)	(272,376)
Total current liabilities		(670,103)	(438,667)	(670,210)	(438,847)
Net current assets/(liabilities)		17,560	6,990	18,694	8,375
Total assets less current liabilities		992,081	1,017,150	998,828	1,023,141
Non-current liabilities					
Trade and other payables	20	(7,301)	0	(7,301)	0
Borrowings	21	0	(8)	0	(8)
Other financial liabilities	22	0	0	0	0
Provisions	23	(818,782)	(863,259)	(818,782)	(863,259)
Total non-current liabilities		(826,083)	(863,267)	(826,083)	(863,267)
Total assets employed		165,998	153,883	172,745	159,873
Financed by Taxpayers' equity:					
Public dividend capital		122,468	113,118	122,468	113,118
Retained earnings		15,552	12,432	15,552	12,432
Revaluation reserve		27,978	28,333	27,978	28,333
Other reserves		0	0	0	0
Funds Held on Trust Reserves				6,747	5,990
Total taxpayers' equity		165,998	153,883	172,745	159,873

The financial statements were approved by the Board on 8 June 2021 and signed on behalf of the Board by:

Steve Ham, Chief Executive and Accountable Officer

Date: 8 June 2021

The notes on pages 6 to 74 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

2020-21	Public Dividend Capital £000	Retained earnings £000	Revaluation reserve £000	Total £000	FHOT Reserves £000	Consolidated Total £000
Changes in taxpayers' equity for 2020-21						
Balance as at 31 March 2020	113,118	12,432	28,333	153,883	5,990	159,873
Adjustment	0	0	0	0	0	0
Balance at 1 April 2020	113,118	12,432	28,333	153,883	5,990	159,873
Retained surplus/(deficit) for the year		1,222		1,222		1,222
Net gain/(loss) on revaluation of property, plant and equipment		0	1,543	1,543		1,543
Net gain/(loss) on revaluation of intangible assets		0	0	0		0
Net gain/(loss) on revaluation of financial assets		0	0	0	727	727
Net gain/(loss) on revaluation of assets held for sale		0	0	0		0
Net gain/(loss) on revaluation of financial assets held for sale		0	0	0		0
Impairments and reversals		0	0	0		0
Other reserve movement		0	0	0		0
Transfers between reserves		1,898	(1,898)	0		0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0		0
Reserves eliminated on dissolution	0			0		0
Total in year movement	0	3,120	(355)	2,765	727	3,492
New Public Dividend Capital received	9,485			9,485		9,485
Public Dividend Capital repaid in year	(135)			(135)		(135)
Public Dividend Capital extinguished/written off	0			0		0
Other movements in PDC in year	0			0		0
FHoT - Endowment					0	0
FHoT - Restricted					0	0
FHoT - Unrestricted					30	30
Balance at 31 March 2021	122,468	15,552	27,978	165,998	6,747	172,745

The notes on pages 6 to 74 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

2019-20	Public Dividend Capital £000	Retained earnings £000	Revaluation reserve £000	Total £000	Funds held on Trust Reserves £000	Consolidated Total £000
Changes in taxpayers' equity for 2019-20						
Balance at 31 March 2019	108,461	12,353	27,364	148,178	6,355	154,533
Adjustment for Implementation of IFRS 9	0	0	0	0	0	0
Balance at 1 April 2019	108,461	12,353	27,364	148,178	6,355	154,533
Retained surplus/(deficit) for the year		41		41		41
Net gain/(loss) on revaluation of property, plant and equipment		0	1,007	1,007		1,007
Net gain/(loss) on revaluation of intangible assets		0	0	0		0
Net gain/(loss) on revaluation of financial assets		0	0	0	(518)	(518)
Net gain/(loss) on revaluation of assets held for sale		0	0	0		0
Net gain/(loss) on revaluation of financial assets held for sale		0	0	0		0
Impairments and reversals		0	0	0		0
Other reserve movement		0	0	0		0
Transfers between reserves		38	(38)	0		0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0		0
Reserves eliminated on dissolution	0			0		0
Total in year movement	0	79	969	1,048	(518)	530
New Public Dividend Capital received	4,522			4,522		4,522
Public Dividend Capital repaid in year	0			0		0
Public Dividend Capital extinguished/written off	0			0		0
Other movements in PDC in year	135			135		135
FHoT - Endowment					0	0
FHoT - Restricted					0	0
FHoT - Unrestricted					153	153
Balance at 31 March 2020	113,118	12,432	28,333	153,883	5,990	159,873

The notes on pages 6 to 74 form part of these accounts.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

		2020-21	2019-20	2020-21	2019-20
	Note	£000	£000	£000	£000
Cash flows from operating activities		NHS Trust		Consolidated	
Operating surplus/(deficit)	SOCI	1,562	(249)	1,459	(243)
Movements in working capital	30	25,279	(52,654)	25,751	(52,849)
Other cash flow adjustments	31	127,532	171,398	127,532	171,398
Provisions utilised		(111,055)	(101,749)	(111,055)	(101,749)
Interest paid		0	(2)	0	(2)
Net cash inflow (outflow) from operating activities		43,318	16,744	43,687	16,555
Cash flows from investing activities					
Interest received		0	109	133	259
(Payments) for property, plant and equipment		(19,738)	(15,279)	(19,738)	(15,279)
Proceeds from disposal of property, plant and equipment		192	10	192	10
(Payments) for intangible assets		(7,783)	(8,768)	(7,783)	(8,768)
Proceeds from disposal of intangible assets		0	0	0	0
Payments for investments with Welsh Government		0	0	0	0
Proceeds from disposals with Welsh Government		0	0	0	0
(Payments) for financial assets.		0	0	(1,886)	(1,385)
Proceeds from disposal of financial assets.		0	0	1,460	1,461
Net cash inflow (outflow) from investing activities		(27,329)	(23,928)	(27,622)	(23,702)
Net cash inflow (outflow) before financing		15,989	(7,184)	16,065	(7,147)
Cash flows from financing activities					
Public Dividend Capital received		9,485	4,522	9,485	4,522
Public Dividend Capital repaid		(135)	0	(135)	0
Loans received from Welsh Government		0	0	0	0
Other loans received		0	0	0	0
Loans repaid to Welsh Government		0	0	0	0
Other loans repaid		0	0	0	0
Other capital receipts		0	0	0	0
Capital elements of finance leases and on-SOFP PFI		(21)	(24)	(21)	(24)
Cash transferred (to)/from other NHS Wales bodies		(318)	0	(318)	0
Net cash inflow (outflow) from financing activities		9,011	4,498	9,011	4,498
Net increase (decrease) in cash and cash equivalents		25,000	(2,686)	25,076	(2,649)
Cash [and] cash equivalents at the beginning of the financial year	19	18,263	20,949	19,735	22,384
Cash [and] cash equivalents at the end of the financial year	19	43,263	18,263	44,811	19,735

The notes on pages 6 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 NHS Trusts (NHST) 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 2020-2021 Manual for Accounts. The accounting policies contained in that manual follow the 2020-2021 Financial Reporting Manual (FRoM), 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 NHST 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 NHST for the purpose of giving a true and fair view has been selected. The particular policies adopted by the NHST 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 Revenue

Revenue in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable.

From 2018-2019, 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 is 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

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.

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 2019-2020 where employers in the Scheme would continue to pay 14.38% employer contributions under their normal monthly payment process, and in Wales the additional 6.3% would be 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 37 'Other Information' on page 72 of 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.

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

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.

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 2017-2018 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 Income (SoCI).

From 2015-2016, 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.

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 SoCI. 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 ensures 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

Recognition

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

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

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

Measurement

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

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

and technological advances.

1.8 Depreciation, amortisation and impairments

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

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

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

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

1.9 Research and Development

Research and development expenditure is charged to operating costs in the year in which it is incurred, except insofar as it relates to a clearly defined project, which can be separated from patient care activity and benefits therefrom can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the SoCI 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 SoCI. On disposal, the balance for the asset on the revaluation reserve is transferred to retained earnings.

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 NHS Wales organisation 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 recognised in calculating the NHS Trust's surplus/deficit charged.

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

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

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

A restructuring provision is recognised when the NHS Wales organisation has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

1.14.1 Clinical negligence and personal injury costs

The Welsh Risk Pool Services (WRPS) operate a risk pooling scheme which is co-funded by the Welsh Government with the option to access a risk sharing agreement funded by the participating NHS Wales bodies. The risk sharing option was implemented in both 2020-21 and 2019-2020. The WRPS is hosted by the 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 GP services in Wales.

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

1.15 Financial Instruments

From 2018-2019 IFRS 9 Financial Instruments is applied, as interpreted and adapted for the public sector, in the FReM. The principal impact of IFRS 9 adoption by NHS Wales organisations is a change to the calculation basis for bad debt provisions: changing from an incurred loss basis to a lifetime expected credit loss (ECL) basis.

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 SoCI; '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 SoCI

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

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

1.16.6 Other financial assets

Listed investments are stated at market value. Unlisted investments are included at cost as an approximation to market value. Quoted stocks are included in the balance sheet at mid-market price, and where holdings are subject to bid / offer pricing their valuations are shown on a bid price. The shares are not held for trading and accordingly are classified as available for sale. Other financial assets are classified as available for sale investments carried at fair value within the financial statements.

1.17 Financial liabilities

Financial liabilities are recognised on the SOFP when the NHS Wales organisation becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired. Loans from Welsh Government are recognised at historical cost.

1.17.1 Financial liabilities are initially recognised at fair value through SoCI

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

1.17.2 Financial liabilities at fair value through the SoCI

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 SoCI. The net gain or loss incorporates any interest earned on the financial asset.

1.17.3 Other financial liabilities

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

1.18 Value Added Tax (VAT)

Most of the activities of the NHS Wales organisation are outside the scope of VAT and, in general, output VAT does not apply and input VAT 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 VAT 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 SoCI. At the SoFP date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date.

1.20 Third party assets

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

1.21 Losses and Special Payments

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

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

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

The NHS Wales organisation accrues or provides for the best estimate of future payouts 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 NHS Wales organisation has not entered into pooled budgets with Local Authorities.

1.23 Critical Accounting Judgements and key sources of estimation uncertainty

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

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

1.24 Key sources of estimation uncertainty

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

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

1.25 Provisions for legal or constructive obligations for clinical negligence, personal injury & defence costs

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

Claims are funded via the 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 organisations, 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.

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 -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 Trust's 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.

Discounting provisions

The WRPS discounts estimate future lump sums within the provisions which are assumed to settle over a 3 year period.

A proportion of the lump sum estimates are assumed to settle with RPI indexed annual payments and the remainder as Annual Survey of Hours and Earnings (ASHE) indexed annual payments.

The HM Treasury short term nominal discount rate of -0.02% (2019/2020: 0.51%) is applied to the RPI proportion of the lump sum estimate using the retail price index (RPI) inflation rate of 3.22%.

The remainder is discounted by applying the Annual Survey of Hours and Earnings (ASHE) real discount rate of 0.7%.

PPO Provisions

The majority of high value (>£1M) claims settle with a Periodical Payment Order (PPO) where part or all of the final settlement value is paid over the life time of the claimant.

When cases settle with a PPO arrangement, an individual provision is created by multiplying the claimants' index linked annual payment value by the number of years' life expectancy.

Future cashflows are modelled based on individual claim data and include any agreed future steps in payment value.

The number of years' life expectancy is discounted according to the Ogden table multipliers using HM Treasury's nominal discount rate for general provisions issued annually in the Public Expenditure System (PES) paper and an inflation factor.

For 2020-2021, the nominal short, medium, long and very long term rates are: -0.02%, (0-5 years), 0.18%, (+5-10 years) 1.99%(+10-40 years) and 1.99% (over 40 years) respectively.

The inflation factor applied is dependent upon the rate agreed as part of the settlement of the claimant's case. Where annual payments are required to be uplifted by the RPI, the RPI rate of 3.22% has been used for the period up to and including 31st January 2030 and 2.32% thereafter. Where annual payments are required to be uplifted based on market data for carers' wages, the annual survey of hours and earnings (ASHE) discount rate of 0.7% has been applied.

The probabilities of survival for each claimant are based on estimated life expectancy, agreed by medical experts in each case.

1.26 Private Finance Initiative (PFI) transactions

The Trust has no PFI arrangements.

1.27 Contingencies

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

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

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

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

1.28 Absorption accounting

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.

For transfers of functions involving NHS Wales Trusts in receipt of PDC the double entry for the fixed asset NBV value and the net movement in assets is PDC.

1.29 Accounting standards that have been issued but not yet been adopted

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

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

IFRS 16 Leases is to be effective from 1 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.

1.30 Accounting standards issued that have been adopted early

During 2020-2021 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

1.31 Charities

Following Treasury's agreement to apply IAS 27 to NHS Charities from 1 April 2013, the Trust has established that as it is the corporate trustee of the Velindre University NHS Trust Charitable Fund it is therefore considered for accounting standards compliance to have control of Velindre University NHS Trust Charitable Fund as a subsidiary, and with the agreement of Welsh Government has made the decision to consolidate the Velindre University NHS Trust Charitable Fund within the statutory accounts of the Trust.

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

Welsh Government as the ultimate parent of the NHS Wales organisations will disclose the Charitable Accounts in the Welsh Government Consolidated Accounts. Details of the transactions with the charity are included in the related parties notes.

1.32 Subsidiaries

Material entities over which the NHS Wales organisation has the power to exercise control so as to obtain economic or other benefits are classified as subsidiaries and are consolidated. Their income and expenses; gains and losses; assets, liabilities and reserves; and cash flows are consolidated in full into the appropriate financial statement lines. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the NHS Wales organisation or where the subsidiary's accounting date is before 1 January or after 30 June.

Subsidiaries that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'.

1.33 Borrowing costs

Borrowing costs are recognised as expenses as they are incurred.

1.34 Public Dividend Capital (PDC) and PDC dividend

PDC represents taxpayers' equity in the NHS Wales organisation. At any time the Minister for Health and Social Services with the approval of HM Treasury can issue new PDC to, and require repayments of, PDC from the NHS Wales organisation. PDC is recorded at the value received. As PDC is issued under legislation rather than under contract, it is not treated as an equity financial instrument.

From 1 April 2010 the requirement to pay a public dividend over to the Welsh Government ceased.

2. Financial Performance

2.1 STATUTORY FINANCIAL DUTIES

Under the National Health Services (Wales) Act 2006 the financial obligations of the NHS Trust are contained within Schedules 4 2(1) and 4(2).

The Trust is required to achieve financial breakeven over a rolling 3 year period.

Welsh Health Circular WHC/2016/054 replaced WHC/2015/014 'Statutory and Financial Duties of Local Health Boards and NHS Trusts' and further clarifies the statutory financial duties of NHS Wales bodies.

2.1.1 Financial Duty

	Annual financial performance			2018-19 to 2020-21
	2018-19 £000	2019-20 £000	2020-21 £000	Financial duty £000
Retained surplus	55	41	1,222	1,318
Less Donated asset / grant funded revenue adjustment	(24)	(17)	(1,184)	(1,225)
Adjusted surplus/ (Deficit)	<u>31</u>	<u>24</u>	<u>38</u>	<u>93</u>

The increase in donated assets received in 2020-2021 primarily relates to assets provided to the Trust and NWSSP by the DHSC to support the COVID-19 pandemic: £29k for the Trust and £1,105k for NWSSP (held on behalf of NHS Wales). The remaining assets were provided by the Trust Charitable Fund: £50k. Of the £1,184k total, £79k related to capital assets, and £1,105k was in respect of revenue items held as stock by NWSSP.

Velindre University NHS Trust has met its financial duty to break even over the 3 years 2018-2019 to 2020-2021.

2.1.2 Integrated Medium Term Plan (IMTP)

Due to the pandemic, the process for the 2020-2023 integrated plan was paused in Spring 2020 and a temporary quarterly planning arrangement put in place for 2020-2021.

As a result the extant planning duty for 2020-2021 remains the requirement to submit and have approved a 2019-2022 integrated plan, as set out in the NHS Wales Planning Framework 2019-22.

Velindre University NHS Trust submitted a 2019-2022 integrated plan in accordance with the planning framework.

The Minister for Health and Social Services extant approval.

Status	Approved
Date	26/03/2019

2. Financial Performance (cont)

2.2 ADMINISTRATIVE REQUIREMENTS

2.2.1. External financing

Due to the circumstances that arose as a result of Coronavirus Covid 19:

- the suspension of the National Loan Fund temporary deposit facility, and
- the requirement to issue year-end capital adjustments,

the requirement to achieve the administrative External Financing Target has been suspended for 2020-21.

2.3. Creditor payment

The Trust 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 Trust has achieved the following results:

	2020-21	2019-20
Total number of non-NHS bills paid	76,838	74,370
Total number of non-NHS bills paid within target	74,285	72,416
Percentage of non-NHS bills paid within target	96.7%	97.4%
The Trust has met the target.		

3. Revenue from patient care activities	2020-21	2019-20	2020-21	2019-20
	NHS Trust		Consolidated	
	£000	£000	£000	£000
Local health boards	74,582	72,603	74,582	72,603
Services Committees (WHSSC & EASC)	47,099	46,281	47,099	46,281
Welsh NHS Trusts	2,506	1,654	2,506	1,654
Health Education and Improvement Wales (HEIW)	993	228	993	228
Foundation Trusts	62	60	62	60
Other NHS England bodies	52	20	52	20
Other NHS Bodies	0	1	0	1
Local Authorities	0	0	0	0
Welsh Government	11,144	5,856	11,144	5,856
Welsh Government Welsh Risk Pool Reimbursements				
NHS Wales Secondary Health Sector	120,386	170,523	120,386	170,523
NHS Wales Primary Sector Future Liability Scheme Reimbursement	0	0	0	0
NHS Wales Redress	2,491	2,056	2,491	2,056
Other	0	0	0	0
Welsh Government - Hosted Bodies	315,169	128,426	315,169	128,426
Non NHS:				
Private patient income	1,952	1,375	1,952	1,375
Overseas patients (non-reciprocal)	0	0	0	0
Injury Costs Recovery (ICR) Scheme	0	0	0	0
Other revenue from activities	280	291	280	291
Total	576,716	429,374	576,716	429,374
Welsh Government Covid 19 income included in total above;	179,467	0	179,467	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		
4. Other operating revenue	2020-21	2019-20	2020-21	2019-20
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Income generation	1,027	1,273	1,027	1,273
Patient transport services	0	0	0	0
Education, training and research	4,452	5,725	4,452	5,725
Charitable and other contributions to expenditure	3,998	3,587	1,497	1,444
Incoming FHoT Revenue				
Unrestricted - donations and legacies			2,683	2,799
Restricted - donations and legacies			0	0
Receipt of NWSSP Covid centrally purchased assets	0	0	0	0
Receipt of Covid centrally purchased assets from other organisations	0	0	0	0
Receipt of donations for capital acquisitions	50	18	50	18
Receipt of government grants for capital acquisitions	1,134	0	1,134	0
Non-patient care services to other bodies	705	652	705	652
Rental revenue from finance leases	0	0	0	0
Rental revenue from operating leases	0	0	0	0
Other revenue:				
Provision of pathology/microbiology services	0	0	0	0
Accommodation and catering charges	105	200	105	200
Mortuary fees	0	0	0	0
Staff payments for use of cars	158	99	158	99
Business unit	0	0	0	0
Other	259,878	131,058	259,878	131,058
Total	271,507	142,612	271,689	143,268
Total Patient Care and Operating Revenue	848,223	571,986	848,405	572,642
Other revenue comprises:				
NHS Wales Shared Services Partnership	223,532	96,991	223,532	96,991
NHS Wales Informatics Services	33,813	31,095	33,813	31,095
Other	2,533	2,971	2,533	2,971
Total	259,878	131,057	259,878	131,057
Welsh Government Covid 19 income included in total above;	450	1,364	450	1,364

Note 37.2 provides detail on the Welsh Government funding received in relation to the COVID 19 pandemic.

In addition to the income shown in the above note, the Trust also received £9.3m of pass through funding from Welsh Government for Hospices which has been netted off within the accounts to ensure Trust income and expenditure was not overstated.

On 1st April 2019 employer pension contributions increased by 6.3%. Welsh Government funded this by making payment directly to the NHS Business Services Agency on the Trust's behalf. The notional income of £9,725m is reported with the above notes, with further detail provided in note 37.1.

5. Operating expenses	2020-21	2019-20	2020-21	2019-20
	£000	£000	£000	£000
5.1 Operating expenses	NHS Trust		Consolidated	
	Reclassified		Reclassified	
Local Health Boards	9,861	7,927	9,861	7,927
Welsh NHS Trusts	753	222	753	222
Health Education and Improvement Wales (HEIW)	19	0	19	0
Goods and services from other non Welsh NHS bodies	0	0	0	0
WHSSC/EASC	0	0	0	0
Local Authorities	174	75	174	75
Purchase of healthcare from non-NHS bodies	0	0	0	0
Welsh Government	0	0	0	0
Other NHS Trusts	506	495	506	495
Directors' costs	1,353	1,280	1,353	1,280
Operational Staff costs	177,956	153,682	177,956	153,682
Non operational trainee staff costs	62,340	27,441	62,340	27,441
Single lead employer Staff Trainee Cost	247	280	247	280
Collaborative Bank Staff Cost	176	0	176	0
Supplies and services - clinical	130,206	62,651	130,206	62,651
Supplies and services - general	61,768	49,001	61,768	49,001
Consultancy Services	5,972	3,601	5,972	3,601
Establishment	15,128	15,814	15,128	15,814
Transport	2,709	2,329	2,709	2,329
Premises	65,218	52,715	65,218	52,715
FHoT Resources expended				
Costs of generating funds			90	285
Charitable activities			183	365
Governance Costs			0	0
Impairments and Reversals of Receivables	0	0	0	0
Depreciation	11,739	11,677	11,739	11,677
Amortisation	5,815	5,509	5,815	5,509
Impairments and reversals of property, plant and equipment	0	0	0	0
Impairments and reversals of intangible assets	0	0	0	0
Impairments and reversals of financial assets	0	0	0	0
Impairments and reversals of non current assets held for sale	0	0	0	0
Audit fees	216	209	228	209
Other auditors' remuneration	0	0	0	0
Losses, special payments and irrecoverable debts	128,176	172,357	128,176	172,357
Research and development	0	0	0	0
NWSSP centrally purchased Covid assets issued free of charge to NHS Wales organisations	49,598	0	49,598	0
NWSSP centrally purchased Covid assets issued free of charge to other organisations	100,247	0	100,247	0
Other operating expenses	16,484	4,970	16,484	4,970
Total	846,661	572,235	846,946	572,885

On 1st April 2019 employer pension contributions increased by 6.3%. Welsh Government funded this by making payment directly to the NHS Pensions Agency on the Trust's behalf. The notional expenditure of £9.725m is reported above under the various staff cost headings. Further detail is provided in note 37.1.

Staff costs are split over a number of different headings from 2020/2021, with 2019/2020 costs of £27.721m reclassified. Operational staff costs are those staff employed by the Trust and deemed operational within it. Non-operational trainee staff costs are those trainees employed by NWSSP under the All Wales Single Lead Employer Scheme (SLE) on behalf of other NHS Wales organisations, and who are operational within those organisations rather than the Trust. Where NWSSP employ staff under the SLE scheme on behalf of the Trust, these costs are reported as Single Lead Employer Staff Trainee costs. Staff employed under another NWSSP scheme, which commenced in 2020/2021, the All Wales Collaborative Bank, are also identified separately. Further analysis of these costs is shown in notes 10.1 and 10.7, with details of average numbers of employees shown in notes 10.2 and 10.8.

5. Operating expenses (continued)

5.2 Losses, special payments and irrecoverable debts:

Charges to operating expenses	2020-21 £000	2019-20 £000	2020-21 £000	2019-20 £000
Increase/(decrease) in provision for future payments:	NHS Trust		Consolidated	
Clinical negligence:-				
Secondary care	126,411	161,267	126,411	161,267
Primary care	122	0	122	0
Redress Secondary Care	1,754	3,350	1,754	3,350
Redress Primary Care	0	0	0	0
Personal injury	4,205	4,653	4,205	4,653
All other losses and special payments	5,761	0	5,761	0
Defence legal fees and other administrative costs	1,901	2,675	1,901	2,675
Structured Settlements Welsh Risk Pool	(11,978)	412	(11,978)	412
Gross increase/(decrease) in provision for future payments	128,176	172,357	128,176	172,357
Contribution to Welsh Risk Pool	0	0	0	0
Premium for other insurance arrangements	0	0	0	0
Irrecoverable debts	0	0	0	0
Less: income received/ due from Welsh Risk Pool	0	0	0	0
Total charge	128,176	172,357	128,176	172,357

The Clinical Negligence figure includes £1,478,645 (2019/2020 £1,431,502) in respect of payments made under Redress for 2020/2021. A further £1,012,000 relating to the final quarter is within the creditor balance pending reimbursement in 2020/2021.

Included within other losses is a write off of £5,714,816 in respect of over provisioning of beds / mattresses to support NHS Wales' field hospital response to the COVID 19 pandemic. The purchases were funded by Welsh Government and made by NWSSP on behalf of some NHS Wales Health Boards, in response to their anticipated requirements. Further information is provided in note 26.2.

	2020-21 £	2019-20 £
Permanent injury included within personal injury:	0	0

6. Investment revenue	2020-21	2019-20	2020-21	2019-20
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Rental revenue :				
PFI finance lease revenue:				
Planned	0	0	0	0
Contingent	0	0	0	0
Other finance lease revenue	0	0	0	0
Interest revenue:				
Bank accounts	0	109	0	109
Other loans and receivables	0	0	0	0
Impaired financial assets	0	0	0	0
Other financial assets	0	0	133	150
Total	0	109	133	259

On 19th March 2020, the interest rate on the Trust's bank accounts was reduced to nil and therefore no revenue has been received during 2020/2021.

7. Other gains and losses	2020-21	2019-20	2020-21	2019-20
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Gain/(loss) on disposal of property, plant and equipment	25	(2)	25	(2)
Gain/(loss) on disposal of intangible assets	0	0	0	0
Gain/(loss) on disposal of assets held for sale	0	4	0	4
Gain/(loss) on disposal of financial assets	0	0	0	0
Gains/(loss) on foreign exchange	0	0	0	0
Change in fair value of financial assets at fair value through income statement	0	0	0	0
Change in fair value of financial liabilities at fair value through income statement	0	0	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0	0	0
Total	25	2	25	2

8. Finance costs	2020-21	2019-20	2020-21	2019-20
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Interest on loans and overdrafts	0	0	0	0
Interest on obligations under finance leases	0	2	0	2
Interest on obligations under PFI contracts:				
Main finance cost	0	0	0	0
Contingent finance cost	0	0	0	0
Interest on late payment of commercial debt	0	0	0	0
Other interest expense	0	0	0	0
Total interest expense	0	2	0	2
Provisions unwinding of discount	(183)	(279)	(183)	(279)
Periodical Payment Order unwinding of discount	548	98	548	98
Other finance costs	0	0	0	0
Total	365	(179)	365	(179)

9. Operating leases

9.1 Trust as lessee

Operating lease payments represent rentals payable by Velindre University NHS Trust for properties and equipment.

Payments recognised as an expense	2020-21	2019-20	2020-21	2019-20
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Minimum lease payments	2,863	2,905	2,863	2,905
Contingent rents	0	0	0	0
Sub-lease payments	0	0	0	0
Total	2,863	2,905	2,863	2,905

Total future minimum lease payments	2020-21	2019-20	2020-21	2019-20
	£000	£000	£000	£000
Payable:	NHS Trust		Consolidated	
Not later than one year	2,733	2,752	2,733	2,752
Between one and five years	4,260	5,462	4,260	5,462
After 5 years	967	756	967	756
Total	7,960	8,970	7,960	8,970

Total future sublease payments expected to be received	0	0	0	0
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9. Operating leases (continued)

9.2 Trust as lessor

NWSSP leases an area of the IP5 warehouse to DHSC for the lighthouse laboratory and a further area to a commercial entity.

Rental Revenue

Receipts recognised as income

	2020-21 £000	2019-20 £000	2020-21 £000	2019-20 £000
	NHS Trust		Consolidated	
Rent	111	0	111	0
Contingent rent	0	0	0	0
Other	0	0	0	0
Total rental revenue	111	0	111	0

Total future minimum lease payments

Receivable:

	2020-21 £000	2019-20 £000	2020-21 £000	2019-20 £000
	NHS Trust		Consolidated	
Not later than one year	55	0	55	0
Between one and five years	0	0	0	0
After 5 years	0	0	0	0
Total	55	0	55	0

10. Employee costs and numbers

10.1 Employee costs Operational Staff	Permanently	Staff on	Agency	Specialist	Other	2020-21	2019-20
	employed	Inward	Staff	Trainee	Staff	£000	£000
	staff	Secondment		(SLE)			Restated
	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	127,707	1,860	4,124	198	4,821	138,710	125,953
Social security costs	14,188	61	0	23	160	14,432	10,933
Employer contributions to NHS Pensions Scheme	28,492	51	0	26	310	28,879	21,186
Other pension costs	44	0	0	0	0	44	29
Other post-employment benefits	0	0	0	0	(3)	(3)	0
Termination benefits	0	0	0	0	0	0	0
Total	170,431	1,972	4,124	247	5,288	182,062	158,101

Of the total above:

Charged to capital	2,639	2,983
Charged to revenue	179,423	155,118
Total	182,062	158,101

Net movement in accrued employee benefits (untaken staff leave accrual included above)	1,610	139
Covid 19 net movement in accrued employee benefits (untaken staff leave accrual included in above)	1,546	118

During 2020-2021, NWSSP expanded the All Wales Single Lead Employer Scheme. Previously NWSSP had employed GP trainees on behalf of NHS Wales and these were included within staff notes 10.1 and 10.2. Due to the significant increase in values, those trainees, and others now employed via the Scheme, are excluded from notes 10.1 and note 10.2, and only staff operational within the Trust are reported within these notes. This includes those trainees who work within the Velindre Cancer Centre (shown above and below as "specialist trainees"). All other staff employed via this scheme are reported within notes 10.7 and 10.8 which provide the total costs and average numbers of all staff employed. 2019-2020 costs (further described in note 5.1) and average numbers have been restated.

The increase in the net movement of untaken staff leave from 2019-2020 to 2020-2021 is primarily due to the impact of the COVID 19 pandemic, and this is further analysed above.

Other staff includes temporary workers paid directly by the Trust and staff sub-contracted or recharged from other NHS or public bodies.

Since 1st April 2019, Welsh Government have paid additional employer's pension contributions to the NHS Business Services Agency. This is recognised in the "employer contributions to NHS pensions scheme" line above. Further information is provided in note 37.1.

10.2 Average number of employees

	Permanently	Staff on	Agency	Specialist	Other	2020-21	2019-20
	Employed	Inward	Staff	Trainee	Staff	Total	Total
		Secondment		(SLE)			Restated
	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	2,558	20	29	0	36	2,643	2,557
Medical and dental	111	1	0	4	5	121	100
Nursing, midwifery registered	190	1	0	0	4	195	189
Professional, scientific and technical staff	65	0	0	0	0	65	56
Additional Clinical Services	301	1	5	0	9	316	201
Allied Health Professions	123	0	9	0	0	132	125
Healthcare scientists	136	0	1	0	5	142	138
Estates and Ancillary	355	0	42	0	59	456	356
Students	3	0	0	0	0	3	0
Total	3,842	23	86	4	118	4,073	3,722

The average number is calculated using the full time equivalent (FTE) of employees.

10.3. Retirements due to ill-health

	2020-21	2019-20
Number	6	4
Estimated additional pension costs £	228,710	278,470

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.

10.4 Employee benefits

The Trust operates four salary sacrifice schemes (childcare vouchers, cycle to work, home electronics and lease cars) for the financial benefit of its employees. It also provides an Easter and summer childcare subsidy scheme, a respite care subsidy scheme, and a purchase of annual leave scheme. In addition, staff have access to a non contributory Employee Assistance Programme which provides financial wellbeing support, and a financial wellbeing scheme to provide staff with access to simple financial education, salary deducted loans, and a range of savings and investment products.

10.5 Reporting of other compensation schemes - exit packages

	2020-21	2020-21	2020-21	2020-21	2019-20
				Number of departures where special payments have been made	Total number of exit packages
Exit packages cost band (including any special payment element)	Number of compulsory redundancies Whole numbers only	Number of other departures Whole numbers only	Total number of exit packages Whole numbers only	Whole numbers only	Whole numbers only
less than £10,000	2	0	2	0	2
£10,000 to £25,000	0	1	1	1	3
£25,000 to £50,000	0	2	2	0	2
£50,000 to £100,000	0	2	2	1	1
£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	2	5	7	2	8

	2020-21	2020-21	2020-21	2020-21	2019-20
				Cost of special element included in exit packages	Total cost of exit packages
Exit packages cost band (including any special payment element)	Cost of compulsory redundancies £	Cost of other departures £	Total cost of exit packages £	£	£
less than £10,000	16,302	0	16,302	0	16,674
£10,000 to £25,000	0	18,117	18,117	18,117	59,622
£25,000 to £50,000	0	71,669	71,669	0	81,873
£50,000 to £100,000	0	146,668	146,668	95,000	51,668
£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	16,302	236,454	252,756	113,117	209,837

Exit costs paid in year of departure	Total paid in year 2020-21	Total paid in year 2019-20
	£	£
Exit costs paid in year	34,419	102,501
Total	34,419	102,501

Redundancy, voluntary early release, and other departure costs have been paid in accordance with the provisions of the relevant schemes / legislation. Where the Trust has agreed early retirements or compulsory redundancies, the additional costs are met by the Trust 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 (see notes 10.3 and 10.9 for details of ill health retirement costs).

The disclosure reports the number and value of exit packages agreed in the year in line with the Welsh Government manual for accounts.

Where special payments have been made, the highest value was £95,000 and the lowest value was £18,117. The median value of the payments made was £56,559.

10.6 Remuneration Relationship

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

The banded remuneration of the highest-paid director in Velindre University NHS Trust in the financial year 2020-2021 was £140,000 to £145,000 (2019-2020, £140,000 to £145,000). This was 4.7 times (2019-2020, 4.9 times) the median remuneration of the workforce, which was £30,516 (2019-2020, £29,009).

In 2020-2021, 13 (2019-2020, 9) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £18,000 to £234,100 (2019-2020, £17,700 to £207,000).

Total remuneration includes salary and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Overtime payments are included for the calculation of both elements of the relationship.

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.

10.7 Operational and Non Operational Employee costs

	Non operational staff			Total 2020-21	2019-20
	Operational Staff Total	SLE Trainee Staff	Collaborative Bank Staff		
	£000	£000	£000	£000	£000
Salaries and wages	138,710	49,740	150	188,600	146,831
Social security costs	14,432	5,662	9	20,103	13,321
Employer contributions to NHS Pension Scheme	28,879	6,938	18	35,835	25,361
Other pension costs	44	0	0	44	29
Other employment benefits	(3)	0	0	(3)	0
Termination benefits	0	0	0	0	0
Total	182,062	62,340	177	244,579	185,542
Charged to capital	2,639	0	0	2,639	2,983
Charged to revenue	179,423	62,340	177	241,940	182,559
	182,062	62,340	177	244,579	185,542
Net movement in accrued employee benefits (untaken staff leave accrual included above)	1,610	0	0	1,610	139
Covid 19 net movement in accrued employee benefits (untaken staff leave accrual included in above)	1,546	0	0	1,546	118

NWSSP established the All Wales Collaborative Bank Partnership in 2020/2021. Staff employed under this scheme are not operational within the Trust and therefore their costs are also excluded from notes 10.1 and 10.2, and reported within notes 10.7 and 10.8.

10.8 Average number of operational and non operational employees

	Non operational staff			Total 2020-21	2019-20 Restated
	Operational Staff Total Number	SLE Trainee Staff Number	Collaborative Bank Staff Number		
Administrative, clerical and board members	2,643	0	0	2,643	2,557
Medical and dental	121	940	0	1,061	519
Nursing, midwifery registered	195	0	3	198	189
Professional, Scientific, and technical staff	65	0	0	65	56
Additional Clinical Services	316	65	0	381	201
Allied Health Professions	132	0	0	132	125
Healthcare Scientists	142	0	0	142	138
Estates and Ancillary	456	0	0	456	356
Students	3	0	0	3	0
Total	4,073	1,005	3	5,081	4,141

10.9. Retirements due to ill-health

There are no retirements due to ill-health for the Single Lead Employer Trainees therefore the figures reported in note 10.3 remain unchanged.

10.10 Employee benefits

The Single Lead Employer Trainees are entitled to the same employee benefits as the Trust's operational staff.

10.11 Reporting of other compensation schemes - exit packages

There have been no exit package payments for the Single Lead Employer Trainee staff, therefore the figures reported in note 10.5 remain unchanged.

11. Pensions

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.

12. Public Sector Payment Policy

12.1 Prompt payment code - measure of compliance

The Welsh Government requires that trusts 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 trust financial targets a requirement to pay 95% of the number of non-NHS creditors within 30 days of delivery or receipt of a valid invoice, whichever is the later.

	2020-21	2020-21	2019-20	2019-20
	Number	£000	Number	£000
NHS				
Total bills paid in year	2,677	54,304	2,425	42,009
Total bills paid within target	2,209	42,844	2,165	35,768
Percentage of bills paid within target	82.5%	78.9%	89.3%	85.1%
Non-NHS				
Total bills paid in year	76,838	619,674	74,370	243,194
Total bills paid within target	74,285	580,699	72,416	220,230
Percentage of bills paid within target	96.7%	93.7%	97.4%	90.6%
Total				
Total bills paid in year	79,515	673,978	76,795	285,203
Total bills paid within target	76,494	623,543	74,581	255,998
Percentage of bills paid within target	96.2%	92.5%	97.1%	89.8%

12.2 The Late Payment of Commercial Debts (Interest) Act 1998

	2020-21	2019-20
	£	£
Amounts included within finance costs from claims made under legislation	0	0
Compensation paid to cover debt recovery costs under legislation	0	0
Total	0	0

13. Property, plant and equipment :

2020-21	Land	Buildings, excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport Equipment	Information Technology	Furniture and fittings	Total	FHoT	Consolidated Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2020	17,928	67,428	263	24,983	32,316	5,809	33,528	1,451	183,706	0	183,706
Indexation	(353)	1,973	7	0	0	0	0	0	1,627	0	1,627
Additions - purchased	0	2,405	0	3,336	2,724	944	7,846	439	17,694	0	17,694
Additions - donated	0	50	0	0	29	0	0	0	79	0	79
Additions - government granted	0	0	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	(131)	0	0	0	(273)	0	0	0	(404)	0	(404)
Reclassifications	0	1,110	0	(5,004)	2,189	0	1,705	0	0	0	0
Revaluation	149	0	0	0	0	0	0	0	149	0	149
Reversal of impairments	0	0	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0	0	0
Disposals other than by sale	(130)	(90)	0	0	(242)	(344)	(1,007)	(26)	(1,839)	0	(1,839)
At 31 March 2021	17,463	72,876	270	23,315	36,743	6,409	42,072	1,864	201,012	0	201,012
Depreciation											
At 1 April 2020	0	8,750	26	0	21,334	3,055	20,216	771	54,152	0	54,152
Indexation	0	232	1	0	0	0	0	0	233	0	233
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	(90)	0	0	(242)	(344)	(969)	(26)	(1,671)	0	(1,671)
Charged during the year	0	2,787	9	0	2,878	586	5,331	149	11,740	0	11,740
At 31 March 2021	0	11,679	36	0	23,970	3,297	24,578	894	64,454	0	64,454
Net book value											
At 1 April 2020	17,928	58,678	237	24,983	10,982	2,754	13,312	680	129,554	0	129,554
Net book value											
At 31 March 2021	17,463	61,197	234	23,315	12,773	3,112	17,494	970	136,558	0	136,558
Net book value at 31 March 2021 comprises :											
Purchased	17,463	56,717	234	23,315	12,702	3,112	17,485	970	131,998	0	131,998
Donated	0	4,480	0	0	71	0	9	0	4,560	0	4,560
Government Granted	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2021	17,463	61,197	234	23,315	12,773	3,112	17,494	970	136,558	0	136,558
Asset Financing:											
Owned	17,463	61,197	234	23,315	12,773	3,112	17,486	970	136,550	0	136,550
Held on finance lease	0	0	0	0	0	0	8	0	8	0	8
On-SoFP PFI contract	0	0	0	0	0	0	0	0	0	0	0
PFI residual interest	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2021	17,463	61,197	234	23,315	12,773	3,112	17,494	970	136,558	0	136,558
The net book value of land, buildings and dwellings at 31 March 2021 comprises :											
							£000	£000	£000		
Freehold							61,657	0	61,657		
Long Leasehold							4,950	0	4,950		
Short Leasehold							12,288	0	12,288		
Total							78,895	0	78,895		

The NHS Trust 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 Institution of Chartered Surveyors' Valuation Standards, 6th Edition. Trusts 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.

Ventilators with a net book value of £0.273m were transferred to NHS Wales organisations during 2020/2021 which was recorded through the S1 process.

13. Property, plant and equipment :

2019-20

	Land	Buildings, excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport Equipment	Information Technology	Furniture and fittings	Total	FHoT	Consolidated Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2019	18,106	65,544	258	21,601	32,131	5,817	26,258	1,277	170,992	0	170,992
Indexation	(178)	1,285	5	0	0	0	0	0	1,112	0	1,112
Additions - purchased	0	569	0	5,888	1,189	637	5,105	271	13,659	0	13,659
Additions - donated	0	0	0	0	18	0	0	0	18	0	18
Additions - government granted	0	0	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	38	0	(2,506)	0	0	2,468	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	(8)	0	0	(1,022)	(645)	(303)	(97)	(2,075)	0	(2,075)
At 31 March 2020	17,928	67,428	263	24,983	32,316	5,809	33,528	1,451	183,706	0	183,706
Depreciation											
At 1 April 2019	0	6,003	17	0	19,752	3,061	14,884	721	44,438	0	44,438
Indexation	0	105	0	0	0	0	0	0	105	0	105
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	(8)	0	0	(1,023)	(637)	(303)	(97)	(2,068)	0	(2,068)
Charged during the year	0	2,650	9	0	2,605	631	5,635	147	11,677	0	11,677
At 31 March 2020	0	8,750	26	0	21,334	3,055	20,216	771	54,152	0	54,152
Net book value											
At 1 April 2019	18,106	59,541	241	21,601	12,379	2,756	11,374	556	126,554	0	126,554
Net book value											
At 31 March 2020	17,928	58,678	237	24,983	10,982	2,754	13,312	680	129,554	0	129,554
Net book value at 31 March 2020 comprises :											
Purchased	17,928	54,214	237	24,983	10,909	2,754	13,299	680	125,004	0	125,004
Donated	0	4,464	0	0	73	0	13	0	4,550	0	4,550
Government Granted	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2020	17,928	58,678	237	24,983	10,982	2,754	13,312	680	129,554	0	129,554
Asset Financing:											
Owned	17,928	58,542	237	24,983	10,982	2,754	13,285	680	129,391	0	129,391
Held on finance lease	0	136	0	0	0	0	27	0	163	0	163
On-SoFP PFI contract	0	0	0	0	0	0	0	0	0	0	0
PFI residual interest	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2020	17,928	58,678	237	24,983	10,982	2,754	13,312	680	129,554	0	129,554
The net book value of land, buildings and dwellings at 31 March 2020 comprises :											
							£000	£000	£000		
Freehold							60,301	0	60,301		
Long Leasehold							11,501	0	11,501		
Short Leasehold							5,040	0	5,040		
Total							76,842	0	76,842		

The NHS Trust 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 Institution of Chartered Surveyors' Valuation Standards, 6th Edition. Trusts 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.

13. Property, plant and equipment :

Disclosures:

i) Donated Assets

Velindre University NHS Trust received the following donated assets during the year:

Medical Equipment (P&M)	£29,206
Bobarth (Buildings)	£50,000
Total	£79,206

ii) Valuations

The Trust's 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 Trust 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.

iii) Asset Lives

Depreciated as follows:

- Land is not depreciated.
- Buildings as determined by the Valuation Office Agency.
- Equipment 5-15 years.

iv) Compensation

The Trust did not receive any compensations in the financial year.

v) Write Downs

The Trust did not have any impairments in the financial year.

vi) The Trust 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

The Trust sold 9 vehicles during the financial year. The total net profit of assets sold was £30k. The breakdown of these asset sales is shown below. The Trust also sold a portion of land in Denbigh in the financial year. The total net loss on the sale of the land was £5k. The net amount of these sales is shown in note 7, 'other gains / losses'.

The Trust transferred land from & to Cardiff and Vale University Health Board with a net effect of £131k to the Trust: transfer out £7,005k, transfer in £6,874k.

viii) Consultancy Services

The Trust capitalised a total of £2,717k consultancy fees in the year. These figures are included within the additions (category dependent) in notes 13 and 14.

Gain/(Loss) on Sale

Asset description	Reason for sale	Gain/(Loss) on sale £000
WBS Vehicles x 9	Assets fully depreciated	30
NWSSP Land at Denbigh	Non utilised land	(5)
		<u>25</u>

13.2 Non-current assets held for sale

	Land	Buildings, including dwellings	Other property plant and equipment	Intangible assets	Other assets	Total	FHoT assets	Consolidated Total
	£000	£000	£000	£000	£000	£000	£000	£000
Balance b/f 1 April 2020	0	0	0	0	0	0	0	0
Plus assets classified as held for sale in year	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0
Less assets sold in year	0	0	0	0	0	0	0	0
Plus reversal of impairments	0	0	0	0	0	0	0	0
Less impairment for assets held for sale	0	0	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	0	0
Balance c/f 31 March 2021	0	0	0	0	0	0	0	0
Balance b/f 1 April 2019	0	0	0	0	0	0	0	0
Plus assets classified as held for sale in year	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0
Less assets sold in year	0	0	0	0	0	0	0	0
Plus reversal of impairments	0	0	0	0	0	0	0	0
Less impairment for assets held for sale	0	0	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	0	0
Balance c/f 31 March 2020	0	0	0	0	0	0	0	0

14. Intangible assets

	Computer software purchased	Computer software internally developed	Licenses and trade-marks	Patents	Development expenditure internally generated	CRC Emission Trading Scheme	Total	FHoT	Consolidated Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2020	47,919	7,412	4,905	0	0	0	60,236	0	60,236
Revaluation		0			0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Additions									
- purchased	7,097	1,172	0	0	0	0	8,269	0	8,269
- internally generated	0	0	0	0	0	0	0	0	0
- donated	0	0	0	0	0	0	0	0	0
- government granted	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	531	191	0	0	0	0	722	0	722
Disposals other than by sale	(13,425)	(2,065)	(247)	0	0	0	(15,737)	0	(15,737)
At 31 March 2021	42,122	6,710	4,658	0	0	0	53,490	0	53,490
Amortisation									
At 1 April 2020	35,843	2,955	3,794	0	0	0	42,592	0	42,592
Revaluation		0			0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Charged during the year	4,375	870	570	0	0	0	5,815	0	5,815
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	(13,425)	(2,066)	(247)	0	0	0	(15,738)	0	(15,738)
Accumulated amortisation at 31 March 2021	26,793	1,759	4,117	0	0	0	32,669	0	32,669
Net book value									
At 1 April 2020	12,076	4,457	1,111	0	0	0	17,644	0	17,644
Net book value									
At 31 March 2021	15,329	4,951	541	0	0	0	20,821	0	20,821
Net book value									
Purchased	15,323	4,951	541	0	0	0	20,815	0	20,815
Donated	6	0	0	0	0	0	6	0	6
Government granted	0	0	0	0	0	0	0	0	0
Internally Generated	0	0	0	0	0	0	0	0	0
At 31 March 2021	15,329	4,951	541	0	0	0	20,821	0	20,821

14. Intangible assets

	Computer software purchased	Computer software internally developed	Licenses and trade-marks	Patents	Development expenditure internally generated	CRC Emission Trading Scheme	Total	FHoT	Consolidated Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2019	45,523	5,962	4,862	0	0	0	56,347	0	56,347
Revaluation		0			0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Additions									
- purchased	6,143	1,925	43	0	0	0	8,111	0	8,111
- internally generated	0	0	0	0	0	0	0	0	0
- donated	0	0	0	0	0	0	0	0	0
- government granted	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	(3,747)	(475)	0	0	0	0	(4,222)	0	(4,222)
At 31 March 2020	47,919	7,412	4,905	0	0	0	60,236	0	60,236
Amortisation									
At 1 April 2019	35,669	2,812	2,823	0	0	0	41,304	0	41,304
Revaluation		0			0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Charged during the year	3,920	618	971	0	0	0	5,509	0	5,509
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	(3,746)	(475)	0	0	0	0	(4,221)	0	(4,221)
Accumulated amortisation at 31 March 2020	35,843	2,955	3,794	0	0	0	42,592	0	42,592
Net book value									
At 1 April 2019	9,854	3,150	2,039	0	0	0	15,043	0	15,043
Net book value									
At 31 March 2020	12,076	4,457	1,111	0	0	0	17,644	0	17,644
Net book value									
Purchased	13,214	3,309	1,111	0	0	0	17,634	0	17,634
Donated	10	0	0	0	0	0	10	0	10
Government granted	0	0	0	0	0	0	0	0	0
Internally Generated	0	0	0	0	0	0	0	0	0
At 31 March 2020	13,224	3,309	1,111	0	0	0	17,644	0	17,644

14. Intangible assets

Intangible assets comprise of licences for use of purchased IT software such as financial systems, internally generated IT software and various licences and trade marks.

An assessment is performed on an annual basis to determine that the assets are still available for use and that there is a continued market for their use. The fair values are based on the original cost and amortised based upon finite lives detailed below, and are as detailed in the note to the accounts.

The useful lives and amortisation rates used is 5 years and no intangible assets are assessed as having indefinite useful lives.

No intangible assets have been acquired by Government Grant.

i) Donated Intangible Assets

There were no intangible assets donated this year.

15. Impairments

Impairments in the period arose from:	2020-21		2019-20	
	Property, plant & equipment	Intangible assets	Property, plant & equipment	Intangible assets
	£000	£000	£000	£000
Loss or damage from normal operations	0	0	0	0
Abandonment of assets 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
Other	0	0	0	0
Reversal of impairment	0	0	0	0
Impairments charged to operating expenses	0	0	0	0
FHoT Impairments charged to operating expenses	0	0	0	0
Consolidated impairment charged to operating expenses	0	0	0	0

Analysis of impairments :

Operating expenses in Statement of Comprehensive Income	0	0	0	0
Revaluation reserve	0	0	0	0
Total	0	0	0	0
FHoT Operating expenses in SoCNI	0	0	0	0
FHoT reserves	0	0	0	0
NHS Consolidated Total	0	0	0	0

There have been no impairments during the year ended 31st March 2021.

16. Inventories

16.1 Inventories

	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
	NHS Trust		Consolidated	
Drugs	1,730	1,523	1,730	1,523
Consumables	89,692	9,034	89,692	9,034
Energy	0	0	0	0
Work in progress	0	0	0	0
Other	4,142	2,577	4,142	2,577
Total	95,564	13,134	95,564	13,134
Of which held at net realisable value:	0	0	0	0

DH Assets covered under Memorandum of Understanding

Capital	Revenue
£000	£000
1	1

DH donated assets within Other in 2020-21

0	0
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DH donated assets

As received from Department of Health and Social Care (DH)

5,294	2,438
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Issued to NHS bodies

(4,733)	(1,894)
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Returned to DH

0	0
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Replacement from DH

0	0
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As at 31 March 2021

561	544
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16.2 Inventories recognised in expenses

	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
	NHS Trust		Consolidated	
Inventories recognised as an expense in the period	181,745	54,225	181,745	54,225
Write-down of inventories (including losses)	5,823	29	5,823	29
Reversal of write-downs that reduced the expense	0	0	0	0
Total	187,568	54,254	187,568	54,254

Of the increase in stock at 31st March 2021, approximately £80m is due to COVID and the Welsh Government request for NWSSP to hold 24 weeks stock of PPE to meet NHS Wales' demand. The remaining increase of approximately £1.7m of equipment stock is held on behalf of NHS Wales at 31st March 2021, and is again due to the pandemic.

An increase in inventories recognised as an expense in the period is reported due to the significantly increased quantities of PPE that have been issued from NWSSP stores during the pandemic.

Included in the write-down of inventories is a loss of £5.715m in respect of the over-provisioning of beds for field hospitals by NHS Wales which has been approved by the Director General of Health & Social Services / Chief Executive NHS Wales.

In addition to the DH donations included in MOU 1, DH were also due to donate CT scanner equipment with a value of £1.458m under MOU 2. This however was not completed before 31st March 2021. The CT equipment is being utilised in Betsi Cadwaladr and Hywel Dda UHBs so when actioned will be transferred to these bodies.

17. Trade and other receivables

17.1 Trade and other receivables

	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
	NHS Trust		Consolidated	
Current				
Welsh Government	478,271	376,844	478,271	376,844
WHSSC & EASC	7	167	7	167
Welsh Health Boards	14,235	16,765	14,235	16,765
Welsh NHS Trusts	1,241	708	1,241	708
Health Education and Improvement Wales (HEIW)	938	259	938	259
Non - Welsh Trusts	0	56	0	56
Other NHS	145	28	145	28
2019-20 Scheme Pays - Welsh Government Reimbursement	0	0	0	0
Welsh Risk Pool Claim reimbursement:-	0	0	0	0
NHS Wales Secondary Health Sector	382	99	382	99
NHS Wales Primary Sector FLS Reimbursement	0	0	0	0
NHS Wales Redress	0	0	0	0
Other	0	0	0	0
Local Authorities	431	151	431	151
Capital debtors- Tangible	187	84	187	84
Capital debtors- Intangible	0	0	0	0
Other debtors	20,085	4,771	19,746	4,814
FHoT debtor			32	50
Provision for impairment of trade receivables	(2,411)	(1,809)	(2,411)	(1,809)
Pension Prepayments				
NHS Pensions Agency	0	0	0	0
NEST	0	0	0	0
Other prepayments	30,308	12,390	30,308	12,390
Accrued income	5,017	3,747	5,017	3,747
Sub-total	548,836	414,260	548,529	414,353
Non-current				
Welsh Government	816,440	861,947	816,440	861,947
WHSSC & EASC	0	0	0	0
Welsh Health Boards	0	0	0	0
Welsh NHS Trusts	0	0	0	0
Health Education and Improvement Wales (HEIW)	0	0	0	0
Non - Welsh Trusts	0	0	0	0
Other NHS	22	0	22	0
2019-20 Scheme Pays - Welsh Government Reimbursement	0	0	0	0
Welsh Risk Pool Claim reimbursement	0	0	0	0
NHS Wales Secondary Health Sector	0	0	0	0
NHS Wales Primary Sector FLS Reimbursement	0	0	0	0
NHS Wales Redress	0	0	0	0
Other	0	0	0	0
Local Authorities	0	0	0	0
Capital debtors- Tangible	0	0	0	0
Capital debtors- Intangible	0	0	0	0
Other debtors	0	0	0	0
FHoT debtor			0	0
Provision for impairment of trade receivables	0	0	0	0
Pension Prepayments				
NHS Pensions Agency	0	0	0	0
NEST	0	0	0	0
Other prepayments	680	1,015	680	1,015
Accrued income	0	0	0	0
Sub-total	817,142	862,962	817,142	862,962
Total trade and other receivables	1,365,978	1,277,222	1,365,671	1,277,315

The great majority of trade is with other NHS bodies. As NHS bodies are funded by Welsh Government, no credit scoring of them is considered necessary.

The value of trade receivables that are past their payment date but not impaired is £8,756,000 (£7,845,000 in 2019/2020).

17.2 Receivables past their due date but not impaired

	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	£000	£000	£000	£000
	NHS Trust		Consolidated	
By up to 3 months	6,907	7,242	6,907	7,242
By 3 to 6 months	1,213	486	1,213	486
By more than 6 months	636	117	636	117
Balance at end of financial year	8,756	7,845	8,756	7,845

The impact of the pandemic on normal activity and capacity issues within the Trust have led to increases in the 3-6 month and more than 6 month categories of receivables. These are primarily due to later than usual payment of invoices relating to the NWSSP Pharmacy Rebate scheme; delayed payment of a large invoice for PPE supplied by NWSSP; and an increase in aged debts relating to Private Patient services.

17.3 Expected Credit Losses (ECL) Allowance for bad and doubtful debts

	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Balance at 1 April	(1,809)	(1,931)	(1,809)	(1,931)
Transfer to other NHS Wales body	0	0	0	0
Provision utilised (Amount written off during the year)	8	143	8	143
Provision written back during the year no longer required	0	0	0	0
(Increase)/Decrease in provision during year	(610)	(25)	(610)	(25)
ECL/Bad debts recovered during year	0	4	0	4
Balance at end of financial year	(2,411)	(1,809)	(2,411)	(1,809)

The increase in provision relates to a very small number of unpaid debts for supplies made by NWSSP for PPE to government bodies in England and Northern Ireland.

17.4 Receivables VAT

	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Trade receivables	94	250	94	250
Other	0	0	0	0
Total	94	250	94	250

18. Other financial assets

	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
	NHS Trust		Consolidated	
Current				
Shares and equity type investments				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCI	0	0	0	0
Available for sale at FV	0	0	0	0
Deposits	0	0	0	0
Loans	0	0	0	0
Derivatives	0	0	0	0
Other (Specify)				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCI	0	0	0	0
Available for sale at FV	0	0	0	0
Total	0	0	0	0
Non-Current				
Shares and equity type investments				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCI	0	0	0	0
Available for sale at FV	0	0	0	0
Deposits	0	0	0	0
Loans	0	0	0	0
Derivatives	0	0	0	0
Other (Specify)				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCI	0	0	5,613	4,606
Available for sale at FV	0	0	0	0
Total	0	0	5,613	4,606

19. Cash and cash equivalents

	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
	NHS Trust		Consolidated	
Opening Balance	18,263	20,949	19,735	22,384
Net change in year	25,000	(2,686)	25,076	(2,649)
Closing Balance	43,263	18,263	44,811	19,735
Made up of:				
Cash with Government Banking Service (GBS)	43,244	18,225	43,244	18,225
Cash with Commercial banks	0	0	1,548	1,472
Cash in hand	19	38	19	38
Total cash	43,263	18,263	44,811	19,735
Current investments	0	0	0	0
Cash and cash equivalents as in SoFP	43,263	18,263	44,811	19,735
Bank overdraft - GBS	0	0	0	0
Bank overdraft - Commercial banks	0	0	0	0
Cash & cash equivalents as in Statement of Cash Flows	43,263	18,263	44,811	19,735

A higher cash balance was in hand at 31 March 2021 than is usual. This was primarily due to the need to pay a number of large invoices in early April, and the temporary closure of the National Loans Fund to deposits.

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

Lease Liabilities £nil

PFI liabilities £nil

The movement relates to cash, no comparative information is required by IAS 7 in 2020-21.

20. Trade and other payables at the SoFP Date	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
Current	£000	£000	£000	£000
	NHS Trust		Consolidated	
Welsh Government	120,136	7,103	120,136	7,103
WHSSC & EASC	2,011	24	2,011	24
Welsh Health Boards	148,416	113,389	148,416	113,389
Welsh NHS Trusts	2,334	1,899	2,334	1,899
Health Education and Improvement Wales (HEIW)	16	13	16	13
Other NHS	2,285	415	2,285	415
Taxation and social security payable / refunds:			0	0
Refunds of taxation by HMRC	0	0	0	0
VAT payable to HMRC	2,064	0	2,064	0
Other taxes payable to HMRC	151	7	151	7
National Insurance contributions payable to HMRC	121	6	121	6
Non-NHS trade payables - revenue	26,143	9,194	26,143	9,194
Local Authorities	360	192	360	192
Capital payables-Tangible	4,434	6,375	4,434	6,375
Capital payables- Intangible	1,785	1,299	1,785	1,299
Overdraft	0	0	0	0
FHoT payables			107	180
Rentals due under operating leases	0	0	0	0
Obligations due under finance leases and HP contracts	0	0	0	0
Imputed finance lease element of on SoFP PFI contracts	0	0	0	0
Pensions: staff	3,540	2,483	3,540	2,483
Non NHS Accruals	38,130	21,886	38,130	21,886
Deferred Income:				
Deferred income brought forward	1,985	2,543	1,985	2,543
Deferred income additions	559	1,280	559	1,280
Transfer to/from current/non current deferred income	(301)	0	(301)	0
Released to the Income Statement	(1,033)	(1,838)	(1,033)	(1,838)
Other liabilities - all other payables	0	0	0	0
PFI assets – deferred credits	0	0	0	0
PFI - Payments on account	0	0	0	0
Sub-total	353,136	166,270	353,243	166,450

The Trust aims to pay all invoices within the 30 day period directed by the Welsh Government.

20. Trade and other payables at the SoFP Date (cont)

Non-current	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Welsh Government	7,000	0	7,000	0
WHSSC & EASC	0	0	0	0
Welsh Health Boards	0	0	0	0
Welsh NHS Trusts	0	0	0	0
Health Education and Improvement Wales (HEIW)	0	0	0	0
Other NHS	0	0	0	0
Taxation and social security payable / refunds:				
Refunds of taxation by HMRC	0	0	0	0
VAT payable to HMRC	0	0	0	0
Other taxes payable to HMRC	0	0	0	0
National Insurance contributions payable to HMRC	0	0	0	0
Non-NHS trade payables - revenue	0	0	0	0
Local Authorities	0	0	0	0
Capital payables- Tangible	0	0	0	0
Capital payables- Intangible	0	0	0	0
Overdraft	0	0	0	0
FHoT payables			0	0
Rentals due under operating leases	0	0	0	0
Obligations due under finance leases and HP contracts	0	0	0	0
Imputed finance lease element of on SoFP PFI contracts	0	0	0	0
Pensions: staff	0	0	0	0
Non NHS Accruals	0	0	0	0
Deferred Income:				
Deferred income brought forward	0	0	0	0
Deferred income additions	301	0	301	0
Transfer to/from current/non current deferred income	0	0	0	0
Released to the Income Statement	0	0	0	0
Other liabilities - all other payables	0	0	0	0
PFI assets –deferred credits	0	0	0	0
Payments on account	0	0	0	0
Sub-total	7,301	0	7,301	0
Total	360,437	166,270	360,544	166,450

21. Borrowings	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
Current	£000	£000	£000	£000
	NHS Trust		Consolidated	
Bank overdraft - Government Banking Service (GBS)	0	0	0	0
Bank overdraft - Commercial bank	0	0	0	0
Loans from:				
Welsh Government	0	0	0	0
Other entities	0	0	0	0
PFI liabilities:				
Main liability	0	0	0	0
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities	8	21	8	21
Other	0	0	0	0
Total	8	21	8	21

Non-current				
Bank overdraft - GBS	0	0	0	0
Bank overdraft - Commercial bank	0	0	0	0
Loans from:				
Welsh Government	0	0	0	0
Other entities	0	0	0	0
PFI liabilities:				
Main liability	0	0	0	0
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities	0	8	0	8
Other	0	0	0	0
Total	0	8	0	8

21.2 Loan advance/strategic assistance funding

Amounts falling due:	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	£000	£000	£000	£000
In one year or less	0	0	0	0
Between one and two years	0	0	0	0
Between two and five years	0	0	0	0
In five years or more	0	0	0	0
Sub-total	0	0	0	0
Wholly repayable within five years	0	0	0	0
Wholly repayable after five years, not by instalments	0	0	0	0
Wholly or partially repayable after five years by instalments	0	0	0	0
Sub-total	0	0	0	0
Total repayable after five years by instalments	0	0	0	0

The Trust has not received a loan advance or strategic funding from the Welsh Government.

22. Other financial liabilities

	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
Current	£000	£000	£000	£000
	NHS Trust		Consolidated	
Financial Guarantees				
At amortised cost	0	0	0	0
At fair value through SoCI	0	0	0	0
Derivatives at fair value through SoCI	0	0	0	0
Other				
At amortised cost	0	0	0	0
At fair value through SoCI	0	0	0	0
Total	0	0	0	0

	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
Non-current	£000	£000	£000	£000
	NHS Trust		Consolidated	
Financial Guarantees				
At amortised cost	0	0	0	0
At fair value through SoCI	0	0	0	0
Derivatives at fair value through SoCI	0	0	0	0
Other				
At amortised cost	0	0	0	0
At fair value through SoCI	0	0	0	0
Total	0	0	0	0

23. Provisions
2020-21

	At 1 April 2020	Structured settlement cases transferred to Risk Pool	Transfers to creditors	Transfers between current and non current	Transfers (to)/from other NHS body	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2021
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current										
Clinical negligence:-										
Secondary Care	244,404	(53,022)	(17,397)	123,233	0	126,936	(80,728)	(56,815)	(183)	286,428
Primary Care	0	0	0	0	0	122	0	0	0	122
Redress Secondary Care	3,335	0	(664)	34	0	3,451	(1,611)	(1,702)	0	2,843
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	4,803	0	(134)	(1,060)	0	5,681	(1,504)	(1,358)	0	6,428
All other losses and special payments	1	0	0	0	0	5,761	(5,762)	0	0	0
Defence legal fees and other administration	4,614	0	0	1,080	0	2,854	(1,584)	(1,374)	0	5,590
Structured Settlements - WRPS	14,555	988	0	0	0	15,785	(14,873)	(1,892)	548	15,111
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	19		(6)	24	0	0	(19)	0	0	18
2019-20 Scheme Pays - Reimbursement	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	645		0	0	0	745	0	(971)		419
Total	272,376	(52,034)	(18,201)	123,311	0	161,335	(106,081)	(64,112)	365	316,959
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	272,376	(52,034)	(18,201)	123,311	0	161,335	(106,081)	(64,112)	365	316,959

Non Current

Clinical negligence:-										
Secondary Care	431,038	0	0	(123,354)	0	61,390	(4,786)	(5,100)	0	359,188
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	40	0	0	(39)	0	5	0	0	0	6
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	341	0	0	1,069	0	91	0	(209)	0	1,292
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	4,019	0	0	(963)	0	943	(188)	(522)	0	3,289
Structured Settlements - WRPS	426,508	52,034	0	0	0	3,866	0	(29,736)	0	452,672
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	90		0	(24)	0	5	0	0	0	71
2019-20 Scheme Pays - Reimbursement	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	1,223		0	0	0	1,110	0	(69)		2,264
Total	863,259	52,034	0	(123,311)	0	67,410	(4,974)	(35,636)	0	818,782
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	863,259	52,034	0	(123,311)	0	67,410	(4,974)	(35,636)	0	818,782

TOTAL

Clinical negligence:-										
Secondary Care	675,442	(53,022)	(17,397)	(121)	0	188,326	(85,514)	(61,915)	(183)	645,616
Primary Care	0	0	0	0	0	122	0	0	0	122
Redress Secondary Care	3,375	0	(664)	(5)	0	3,456	(1,611)	(1,702)	0	2,849
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	5,144	0	(134)	9	0	5,772	(1,504)	(1,567)	0	7,720
All other losses and special payments	1	0	0	0	0	5,761	(5,762)	0	0	0
Defence legal fees and other administration	8,633	0	0	117	0	3,797	(1,772)	(1,896)	0	8,879
Structured Settlements - WRPS	441,063	53,022	0	0	0	19,651	(14,873)	(31,628)	548	467,783
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	109		(6)	0	0	5	(19)	0	0	89
2019-20 Scheme Pays - Reimbursement	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	1,868		0	0	0	1,855	0	(1,040)		2,683
Total	1,135,635	0	(18,201)	0	0	228,745	(111,055)	(99,748)	365	1,135,741
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	1,135,635	0	(18,201)	0	0	228,745	(111,055)	(99,748)	365	1,135,741

Expected timing of cash flows:

	In year to 31 March 2022	Between 01-Apr-22 to 31 March 2026	Thereafter	Totals
	£000	£000	£000	£000
Clinical negligence:-				
Secondary Care	286,428	269,198	89,990	645,616
Primary Care	122	0	0	122
Redress Secondary Care	2,843	6	0	2,849
Redress Primary Care	0	0	0	0
Personal injury	6,428	1,292	0	7,720
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	5,590	3,289	0	8,879
Structured Settlements - WRPS	15,111	63,205	389,467	467,783
Pensions - former directors	0	0	0	0
Pensions - other staff	18	63	8	89
2019-20 Scheme Pays - Reimbursement	0	0	0	0
Restructuring	0	0	0	0
Other	419	2,123	141	2,683
Total	316,959	339,176	479,606	1,135,741
FHoT	0	0	0	0
Consolidated Total	316,959	339,176	479,606	1,135,741

23. Provisions NHS Trust
2020-21

	At 1 April 2020	Structured settlement cases transferred to Risk Pool	Transfers to creditors	Transfers between current and non current	Transfers (to)/from other NHS body	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2021
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current										
Clinical negligence:-										
Secondary Care	0	0	0	0	0	383	(329)	0	0	54
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	0	0	0	0	0
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	0	0	0	0	0	18	0	0	0	18
All other losses and special payments	1	0	0	0	0	5,761	(5,762)	0	0	0
Defence legal fees and other administration	71	0	0	0	0	114	(9)	(86)	0	90
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	19		(6)	24	0	0	(19)	0	0	18
2019-20 Scheme Pays - Reimbursement	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	645		0	0	0	745	0	(971)		419
Total	736	0	(6)	24	0	7,021	(6,119)	(1,057)	0	599
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	736	0	(6)	24	0	7,021	(6,119)	(1,057)	0	599

Non Current										
Clinical negligence:-										
Secondary Care	0	0	0	0	0	0	0	0	0	0
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	0	0	0	0	0
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	0	0	0	0	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0	0	0	0	0
Structured Settlements - WRPS	0		0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	90		0	(24)	0	5	0	0	0	71
2019-20 Scheme Pays - Reimbursement	0		0	0	0	0	0	0		0
Restructurings	0		0	0	0	0	0	0		0
Other	1,223		0	0	0	1,110	0	(69)		2,264
Total	1,313	0	0	(24)	0	1,115	0	(69)	0	2,335
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	1,313	0	0	(24)	0	1,115	0	(69)	0	2,335

TOTAL										
Clinical negligence:-										
Secondary Care	0	0	0	0	0	383	(329)	0	0	54
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	0	0	0	0	0
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	0	0	0	0	0	18	0	0	0	18
All other losses and special payments	1	0	0	0	0	5,761	(5,762)	0	0	0
Defence legal fees and other administration	71	0	0	0	0	114	(9)	(86)	0	90
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	109		(6)	0	0	5	(19)	0	0	89
2019-20 Scheme Pays - Reimbursement	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	1,868		0	0	0	1,855	0	(1,040)		2,683
Total	2,049	0	(6)	0	0	8,136	(6,119)	(1,126)	0	2,934
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	2,049	0	(6)	0	0	8,136	(6,119)	(1,126)	0	2,934

Expected timing of cash flows:

	In year to 31 March 2022	Between 01-Apr-22 to 31 March 2026	Thereafter	Totals
	£000	£000	£000	£000
Clinical negligence:-				
Secondary Care	54	0	0	54
Primary Care	0	0	0	0
Redress Secondary Care	0	0	0	0
Redress Primary Care	0	0	0	0
Personal injury	18	0	0	18
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	90	0	0	90
Structured Settlements - WRPS	0	0	0	0
Pensions - former directors	0	0	0	0
Pensions - other staff	18	63	8	89
2019-20 Scheme Pays - Reimbursement	0	0	0	0
Restructuring	0	0	0	0
Other	419	2,123	141	2,683
Total	599	2,186	149	2,934
FHoT	0	0	0	0
Consolidated Total	599	2,186	149	2,934

23. Provisions WRP
2020-21

	At 1 April 2020	Structured settlement cases transferred to Risk Pool	Transfers to creditors	Transfers between current and non-current	Transfers (to)/from other NHS body	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2021
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current										
Clinical negligence:-										
Secondary Care	244,512	(53,022)	(17,397)	123,233	0	126,632	(80,563)	(56,815)	(183)	286,397
Primary Care	0	0	0	0	0	122	0	0	0	122
Redress Secondary Care	3,335	0	(664)	34	0	3,451	(1,611)	(1,702)	0	2,843
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	4,803	0	(134)	(1,060)	0	5,663	(1,504)	(1,358)	0	6,410
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	4,668	0	0	1,080	0	2,766	(1,694)	(1,288)	0	5,532
Structured Settlements - WRPS	14,555	988	0	0	0	15,785	(14,873)	(1,892)	548	15,111
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	271,873	(52,034)	(18,195)	123,287	0	154,419	(100,245)	(63,055)	365	316,415
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	271,873	(52,034)	(18,195)	123,287	0	154,419	(100,245)	(63,055)	365	316,415

Non Current

Clinical negligence:-										
Secondary Care	431,038	0	0	(123,354)	0	61,390	(4,786)	(5,100)	0	359,188
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	40	0	0	(39)	0	5	0	0	0	6
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	341	0	0	1,069	0	91	0	(209)	0	1,292
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	4,020	0	0	(963)	0	942	(188)	(522)	0	3,289
Structured Settlements - WRPS	426,508	52,034	0	0	0	3,866	0	(29,736)	0	452,672
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	861,947	52,034	0	(123,287)	0	66,294	(4,974)	(35,567)	0	816,447
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	861,947	52,034	0	(123,287)	0	66,294	(4,974)	(35,567)	0	816,447

TOTAL

Clinical negligence:-										
Secondary Care	675,550	(53,022)	(17,397)	(121)	0	188,022	(85,349)	(61,915)	(183)	645,585
Primary Care	0	0	0	0	0	122	0	0	0	122
Redress Secondary Care	3,375	0	(664)	(5)	0	3,456	(1,611)	(1,702)	0	2,849
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	5,144	0	(134)	9	0	5,754	(1,504)	(1,567)	0	7,702
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	8,688	0	0	117	0	3,708	(1,882)	(1,810)	0	8,821
Structured Settlements - WRPS	441,063	53,022	0	0	0	19,651	(14,873)	(31,628)	548	467,784
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	1,133,820	0	(18,195)	0	0	220,713	(105,219)	(98,622)	365	1,132,862
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	1,133,820	0	(18,195)	0	0	220,713	(105,219)	(98,622)	365	1,132,862

Expected timing of cash flows:

	In year to 31 March 2022	Between 01-Apr-22 to 31 March 2026	Thereafter	Totals
	£000	£000	£000	£000
Clinical negligence:-				
Secondary Care	286,397	269,197	89,990	645,584
Primary Care	122	0	0	122
Redress Secondary Care	2,843	6	0	2,849
Redress Primary Care	0	0	0	0
Personal injury	6,410	1,292	0	7,702
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	5,532	3,289	0	8,821
Structured Settlements - WRPS	15,111	63,205	389,468	467,784
Pensions - former directors	0	0	0	0
Pensions - other staff	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0	0	0	0
Restructuring	0	0	0	0
Other	0	0	0	0
Total	316,415	336,989	479,458	1,132,862
FHoT	0	0	0	0
Consolidated Total	316,415	336,989	479,458	1,132,862

The provisions relate to amounts over £25,000 in respect of ongoing claims against the NHS in Wales, the outcome of which will not be determined until the case has been finalised.

Timings of cashflow have been profiled to match total current liabilities. However, the total will include cases which may settle with a structured settlement, so the underlying cashflows will be over a number of years. Also, there can be delays in settlement dates anticipated for next year which will further impact the cash flow timings.

23. Provisions (continued)

2019-20

NHS Trust and Welsh Risk Pool

	At 1 April 2019	Structured settlement cases transferred to Risk Pool	Transfers to creditors	Transfers between current and non current	Transfers (to)/from other NHS body	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2020
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current										
Clinical negligence:-										
Secondary Care	260,174	(32,011)	(18,252)	(41,351)	0	233,169	(74,236)	(82,810)	(279)	244,404
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	1,941	0	0	(7)	0	4,099	(1,880)	(818)	0	3,335
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	2,240	0	0	(31)	0	5,408	(2,049)	(765)	0	4,803
All other losses and special payments	1	0	0	0	0	1	0	(1)	0	1
Defence legal fees and other administration	4,641	0	0	(430)	0	3,645	(1,608)	(1,634)	0	4,614
Structured Settlements - WRPS	13,819	627	0	0	0	14,693	(13,972)	(710)	98	14,555
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	19		(6)	26	0	0	(20)	0	0	19
2019-20 Scheme Pays - Reimbursement	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	908		0	0	0	537	0	(800)		645
Total	283,743	(31,384)	(18,258)	(41,793)	0	261,552	(93,765)	(87,538)	(181)	272,376
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	283,743	(31,384)	(18,258)	(41,793)	0	261,552	(93,765)	(87,538)	(181)	272,376
Non Current										
Clinical negligence:-										
Secondary Care	386,660	0	0	41,163	0	63,700	(7,693)	(52,792)	0	431,038
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	1,138	(29)	(1,069)	0	40
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	300	0	0	31	0	24	0	(14)	0	341
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	2,992	0	0	625	0	1,209	(262)	(545)	0	4,019
Structured Settlements - WRPS	408,696	31,384	0	0	0	4,326	0	(17,898)	0	426,508
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	102		0	(26)	0	14	0	0	0	90
2019-20 Scheme Pays - Reimbursement	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	661		0	0	0	562	0	0		1,223
Total	799,411	31,384	0	41,793	0	70,973	(7,984)	(72,318)	0	863,259
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	799,411	31,384	0	41,793	0	70,973	(7,984)	(72,318)	0	863,259
TOTAL										
Clinical negligence:-										
Secondary Care	646,834	(32,011)	(18,252)	(188)	0	296,869	(81,929)	(135,602)	(279)	675,442
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	1,941	0	0	(7)	0	5,237	(1,909)	(1,887)	0	3,375
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	2,540	0	0	0	0	5,432	(2,049)	(779)	0	5,144
All other losses and special payments	1	0	0	0	0	1	0	(1)	0	1
Defence legal fees and other administration	7,633	0	0	195	0	4,854	(1,870)	(2,179)	0	8,633
Structured Settlements - WRPS	422,515	32,011	0	0	0	19,019	(13,972)	(18,608)	98	441,063
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	121		(6)	0	0	14	(20)	0	0	109
2019-20 Scheme Pays - Reimbursement	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	1,569		0	0	0	1,099	0	(800)		1,868
Total	1,083,154	0	(18,258)	0	0	332,525	(101,749)	(159,856)	(181)	1,135,635
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	1,083,154	0	(18,258)	0	0	332,525	(101,749)	(159,856)	(181)	1,135,635

24 Contingencies

24.1 Contingent liabilities

Provision has not been made in these accounts for the following amounts:

	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
	NHS Trust		Consolidated	
Legal claims for alleged medical or employer negligence;				
Secondary care	1,346,180	1,097,725	1,346,180	1,097,725
Primary Care	275	71	275	71
Secondary care - Redress	1,173	1,174	1,173	1,174
Primary Care - Redress	0	0	0	0
Doubtful debts	0	0	0	0
Equal pay cases	0	0	0	0
Defence costs	0	0	0	0
Other: Damage to third party equipment	0	1,020	0	1,020
Total value of disputed claims	1,347,628	1,099,990	1,347,628	1,099,990
Amount recovered under insurance arrangements in the event of these claims being successful	(1,347,156)	(1,099,883)	(1,347,156)	(1,099,883)
Net contingent liability	472	107	472	107

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.

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.

Contingent liabilities includes claims relating to alleged clinical negligence, personal injury and permanent injury benefits under the NHS Injury Benefits Scheme. The above figures include contingent liabilities for all Health Bodies in Wales.

Pensions tax annual allowance - Scheme Pays arrangements 2019/2020

In accordance with a Ministerial Direction issued on 18 December 2019, the Welsh Government have taken action to support circumstances where pension 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 2019/2020 tax year, face a 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 Velindre University NHS Trust, 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 fully funded 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.

24.2. Remote contingent liabilities

	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
	NHS Trust		Consolidated	
Guarantees	0	0	0	0
Indemnities	60,981	38,006	60,981	38,006
Letters of comfort	0	0	0	0
Total	60,981	38,006	60,981	38,006

24.3 Contingent assets

	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
	NHS Trust		Consolidated	
Damage to Equipment	0	2,821	0	2,821
	0	0	0	0
	0	0	0	0
Total	0	2,821	0	2,821

The contingent asset noted in 2019/2020 related to NWIS. Following legal advice, NWIS sought agreement to settle the situation in a way that avoided a long legal process between two public sector bodies and was an appropriate reasonable resolution. Consequently, the corresponding contingent asset and liability items presented with the 2019/2020 accounts have been removed.

25. Capital commitments

Commitments under capital expenditure contracts at the statement of financial position sheet date were:

	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	NHS Trust		Consolidated	
	£000	£000	£000	£000
Property, plant and equipment	1,565	6,406	1,565	6,406
Intangible assets	6,656	2,842	6,656	2,842
Total	8,221	9,248	8,221	9,248

26. Losses and special payments

Losses and special payments are charged to the Income statement in accordance with IFRS but are recorded 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 year to 31 March 2021	
	Number	£
Clinical negligence	256	68,286,851
Personal injury	76	2,328,395
All other losses and special payments	247	9,632,858
Total	579	80,248,104

Analysis of cases:

Case Reference	Number	Case Type	Amounts paid out in year £	Cumulative amount £
Cases where cumulative amount exceeds £300,000				
Velindre University NHS Trust	1	Clinical Negligence	97,446	303,446
Velindre University NHS Trust	1	1 x stock write-off	5,714,816	5,714,816
WRP - Secondary Care				
Aneurin Bevan UHB	1	Clinical Negligence	1,067,805	1,067,805
Betsi Cadwaladr UHB	7	Clinical Negligence	13,763,561	15,283,566
Cardiff and Vale UHB	7	6 x Clinical Negligence, 1 x Damage to property	11,015,440	11,015,440
Cwm Taf Morgannwg UHB	4	Clinical Negligence	11,096,789	11,096,789
Hywel Dda UHB	7	Clinical Negligence	18,975,369	21,508,788
Swansea Bay UHB	2	Clinical Negligence	2,201,146	2,201,146
Public Health Wales NHS Trust	1	Clinical Negligence	334,477	334,477
Welsh Ambulance NHS Trust	1	Personal Injury	330,935	4,470,529
Sub-total	32		64,597,784	72,996,802
All other cases	547		15,650,320	77,259,052
Total cases	579		80,248,104	150,255,854

26.2 Velindre NHS Trust excluding WRP Losses and special payments

Losses and special payments are charged to the Income statement in accordance with IFRS but are recorded 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 year to 31 March 2021	
	Number	£
Clinical negligence	4	329,003
Personal injury	0	0
All other losses and special payments	5	5,760,583
Total	9	6,089,586

Analysis of cases:

Case Reference	Number	Case Type	Amounts paid out in year	Cumulative amount
			£	£
Cases where cumulative amount exceeds £300,000				
	1	Clinical Negligence	97,446	303,446
	1	Stock write-off	5,714,816	5,714,816

Sub-total	2	5,812,262	6,018,262
All other cases	7	277,324	399,375
Total cases	9	6,089,586	6,417,637

The stock write off shown above was in respect of over provisioning of beds / mattresses to support NHS Wales' field hospital response to the COVID 19 pandemic. The purchases were made by NWSSP on behalf of some NHS Wales Health Boards in response to their anticipated requirements. Consideration has been given to whether a market for these items exists elsewhere within the public sector in Wales, including whether they could potentially be provided for zero consideration to other areas of health & social care in 2021/2022.

26.3 WRP Losses and special payments

Losses and special payments are charged to the Income statement in accordance with IFRS but are recorded 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 year to 31 March 2021	
	Number	£
Clinical negligence	252	67,957,848
Personal injury	76	2,328,395
All other losses and special payments	242	3,872,275
Total	570	74,158,518

Analysis of cases:

Case Reference	Number	Case Type	Amounts paid out in year £	Cumulative amount £
Cases where cumulative amount exceeds £300,000				
Secondary Care				
Aneurin Bevan UHB	1	Clinical Negligence	1,067,805	1,067,805
Betsi Cadwaladr UHB	7	Clinical Negligence	13,763,561	15,283,566
Cardiff and Vale UHB	7	6 x Clinical Negligence, 1 x Damage to property	11,015,440	11,015,440
Cwm Taf Morgannwg UHB	4	Clinical Negligence	11,096,789	11,096,789
Hywel Dda UHB	7	Clinical Negligence	18,975,369	21,508,788
Swansea Bay UHB	2	Clinical Negligence	2,201,146	2,201,146
Public Health Wales NHS Trust	1	Clinical Negligence	334,477	334,477
Welsh Ambulance NHS Trust	1	Personal Injury	330,935	4,470,529
Sub-total	30		58,785,522	66,978,540
All other cases	540		15,372,996	76,859,677
Total cases	570		74,158,518	143,838,217

27. Finance leases

27.1 Finance leases obligations (as lessee)

Velindre University NHS Trust leases certain items of plant and equipment, which are mainly printers, under finance leases. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The fair value of Velindre University NHS Trust's lease obligations is approximately equal to their carrying amount. Velindre University NHS Trust's obligation under finance leases are secured by the lessors' rights over the leased assets disclosed in note 13.

Amounts payable under finance leases:

LAND	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Minimum lease payments				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0
Minimum lease payments	0	0	0	0
Included in:				
Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
Total	0	0	0	0
Present value of minimum lease payments				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Total present value of minimum lease payments	0	0	0	0
Included in:				
Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
Total	0	0	0	0

27.1 Finance leases obligations (as lessee) continued

Amounts payable under finance leases:

BUILDINGS

	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
	NHS Trust		Consolidated	
Minimum lease payments				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0
Minimum lease payments	0	0	0	0
Included in: Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
Total	0	0	0	0
Present value of minimum lease payments				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Total present value of minimum lease payments	0	0	0	0
Included in: Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
Total	0	0	0	0

OTHER

	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
	NHS Trust		Consolidated	
Minimum lease payments				
Within one year	8	21	8	21
Between one and five years	0	9	0	9
After five years	0	0	0	0
Less finance charges allocated to future periods	0	(1)	0	(1)
Minimum lease payments	8	29	8	29
Included in: Current borrowings	8	21	8	21
Non-current borrowings	0	8	0	8
Total	8	29	8	29
Present value of minimum lease payments				
Within one year	8	21	8	21
Between one and five years	0	9	0	9
After five years	0	(1)	0	(1)
Total present value of minimum lease payments	8	29	8	29
Included in: Current borrowings	8	21	8	21
Non-current borrowings	0	8	0	8
Total	8	29	8	29

27.2 Finance lease receivables (as lessor)

The Trust has no finance lease receivables.

Amounts receivable under finance leases:

	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
	NHS Trust		Consolidated	
Gross investment in leases				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0
Present value of minimum lease payments	0	0	0	0
Included in:				
Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
Total	0	0	0	0
Present value of minimum lease payments				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0
Total present value of minimum lease payments	0	0	0	0
Included in:				
Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
Total	0	0	0	0

27.3 Finance Lease Commitment

The Trust does not have any commitments becoming operational in a future period.

28. Private finance transactions

Private Finance Initiatives (PFI) / Public Private Partnerships (PPP)

The Trust has no PFI or PPP Schemes.

29. Financial Risk Management

IFRS 7, Derivatives and Other Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities.

NHS Trusts are not exposed to the degree of financial risk faced by business entities. Financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies. NHS Trusts have limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing NHS Trusts in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. The Trust treasury activity is subject to review by the Trust's internal auditors.

Liquidity risk

The Trust's net operating costs are incurred under annual service agreements with various Health bodies, which are financed from resources voted annually by parliament. NHS Trusts also largely finance their capital expenditure from funds made available from the Welsh Government under agreed borrowing limits. NHS Trusts are not, therefore, exposed to significant liquidity risks.

Interest-rate risks

The great majority of NHS Trust's financial assets and financial liabilities carry nil or fixed rates of interest. NHS Trusts are not, therefore, exposed to significant interest-rate risk.

Foreign currency risk

NHS Trusts have no or negligible foreign currency income or expenditure and therefore are not exposed to significant foreign currency risk.

Credit Risk

Because the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures are in receivables from customers as disclosed in the trade and other receivables note.

General

The powers of the Trust to invest and borrow are limited. The Board has determined that in order to maximise income from cash balances held, any balance of cash which is not required will be invested. The Trust does not borrow from the private sector. All other financial instruments are held for the sole purpose of managing the cash flow of the Trust on a day to day basis or arise from the operating activities of the Trust. The management of risks around these financial instruments therefore relates primarily to the Trust's overall arrangements for managing risks to their financial position, rather than the Trust's treasury management procedures.

30. Movements in working capital

	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
	NHS Trust		Consolidated	
Movements in working capital				
(Increase) / decrease in inventories	(82,430)	(4,174)	(82,430)	(4,174)
(Increase) / decrease in trade and other receivables - non-current	45,820	(64,316)	45,820	(64,316)
(Increase) / decrease in trade and other receivables - current	(134,576)	(30,044)	(134,176)	(30,507)
Increase / (decrease) in trade and other payables - non-current	7,301	0	7,301	0
Increase / (decrease) in trade and other payables - current	186,866	43,287	186,793	43,351
Total	22,981	(55,247)	23,308	(55,646)
Adjustment for accrual movements in fixed assets - creditors	1,455	2,193	1,455	2,194
Adjustment for accrual movements in fixed assets - debtors	103	84	103	84
Other adjustments	740	316	885	519
Total	25,279	(52,654)	25,751	(52,849)

31. Other cash flow adjustments

	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
	NHS Trust		Consolidated	
Other cash flow adjustments				
Depreciation	11,740	11,677	11,740	11,677
Amortisation	5,815	5,509	5,815	5,509
(Gains)/Loss on Disposal	0	0	0	0
Impairments and reversals	0	0	0	0
Release of PFI deferred credits	0	0	0	0
NWSSP Covid assets issued debited to expenditure but non-cash	0	0	0	0
NWSSP Covid assets received credited to revenue but non-cash	0	0	0	0
Donated assets received credited to revenue but non-cash	(50)	(18)	(50)	(18)
Government Grant assets received credited to revenue but non-cash	(1,134)	0	(1,134)	0
Non-cash movements in provisions	111,161	154,230	111,161	154,230
Total	127,532	171,398	127,532	171,398

32. Events after reporting period

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on the date they were certified by the Auditor General for Wales.

The NHS Wales Informatics Service (NWIS) which has been hosted by the Trust since 1 April 2010 ceased to be hosted by the Trust on 1 April 2021, and became a new Special Health Authority, Digital Health & Care Wales. Assets and liabilities held at 31 March 2021 and reported in these accounts will be reviewed and split accordingly between both organisations once audited accounts have been finalised. Welsh Government have requested that this exercise be completed with final values confirmed by 30 September 2021. The Trust's 2021/2022 accounts will include reference to any material movements as a result of the transfer.

At the end of April 2021, Welsh Government agreed to supply PPE and ventilation equipment to India to support their crisis Covid-19 response. Assets with a value of £0.521m included within the inventories total at 31 March 2021 have been supplied.

33. Related Party transactions

The Trust is a body corporate established by order of the Welsh Minister for Health and Social Services.

The Welsh Government is regarded as a related party. During the year, the Trust has 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:

	Expenditure to related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Welsh Government	20,830	431,385	120,136	1,294,711
WHSSC	0	47,483	2,011	7
Aneurin Bevan UHB	10,458	54,546	25,848	3,137
Betsi Cadwaladr UHB	20,492	35,668	20,647	2,121
Cardiff and Vale UHB	17,846	56,849	28,310	5,127
Cwm Taf Morgannwg UHB	18,443	39,125	32,036	796
Hywel Dda UHB	24,784	20,512	14,350	885
Powys THB	764	4,286	503	479
Swansea Bay UHB	8,604	28,350	26,738	1,877
Public Health Wales NHS Trust	1,200	6,251	778	1,017
Welsh Ambulance Service NHS Trust	2,009	2,650	1,207	224
Health Education & Improvement Wales	30	39,038	16	938
Welsh Risk Pool	0	0	0	382
Welsh Local Authorities	2,262	307	360	431
Cardiff University	2,070	233	286	53
Swansea University	72	322	36	56
Cardiff Metropolitan University (UWIC)	15	0	1	0
Bangor University	32	0	26	0
University of Wales Trinity St Davids	85	64	15	16
University of South Wales	303	7	84	1
Wrexham Glyndwr University	10	12	9	1
Aberystwyth University	1	0	0	0
Doopoll Ltd	6	0	6	0
RAW Electrical Solutions Ltd	4	0	1	0
City Hospice	650	273	233	21
	130,970	767,361	273,637	1,312,280

In addition, the Trust has had a number of material transactions with other Government departments and other central and local Government bodies. The majority of these transactions have been with universities as disclosed above; other transactions include payments to English, Scottish and Irish NHS organisations amounting to £7,409,000 (2019/2020 £2,217,062); of this total £1,442,000 related to an English Trust that provides a lease car salary sacrifice scheme to Trust employees, and approximately £2,900,000 to external data contracts held by NWSSP.

The Trust Board is the corporate trustee of Velindre University NHS Trust Charitable Funds. During the year the Trust received £2,501,000 (2019/2020 £2,143,000) from Velindre University NHS Trust Charitable Funds.

Welsh Government receipts exclude £9,485,000 that relates to Public Dividend Capital (PDC) received during 2020/2021 (2019/2020 £4,522,000).

Transactions with Doopoll Ltd, RAW Electrical Solutions Ltd and City Hospice have been disclosed due to senior Trust managers declaring an interest in these parties and the transactions are deemed to be of material value to those companies.

34. Third party assets

The Trust held £nil cash at bank and in hand at 31 March 2021 (31 March 2020, £nil) which relates to monies held by the Trust on behalf of patients. Cash held in Patient's Investment Accounts amounted to £nil at 31 March 2021 (31 March 2020, £nil).

35. Pooled budgets

Velindre University NHS Trust has no pooled budgets.

36. Operating Segments

IFRS 8 requires organisations to report information about each of its operating segments.

36. Operating Segments

	VELINDRE		NWIS		NWSSP		WRP		TOTAL		FHOT		ELIMINATIONS		CONSOLIDATED	
	2020-21	2019-20 Reclassified	2020-21	2019-20	2020-21	2019-20 Reclassified	2020-21	2019-20	2020-21	2019-20 Reclassified	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20 Reclassified
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Operating Revenue																
Segmental Income	148,746	148,916	101,929	88,461	470,735	162,088	126,811	172,521	848,223	571,986	2,683	2,799	(2,501)	(2,143)	848,405	572,642
	148,746	148,916	101,929	88,461	470,735	162,088	126,811	172,521	848,223	571,986	2,683	2,799	(2,501)	(2,143)	848,405	572,642
Operating Expenses	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Local Health Boards	218	299	3,416	3,978	6,227	3,650	0	0	9,861	7,927	0	0	0	0	9,861	7,927
Welsh NHS Trusts	0	0	732	152	21	70	0	0	753	222	0	0	0	0	753	222
Health Education and Improvement Wales	0	0	19	0	0	0	0	0	19	0	0	0	0	19	0	
Goods and services from other NHS bodies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
WHSSC & EASC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Local Authorities	0	0	174	75	0	0	0	0	174	75	0	0	0	0	174	75
Purchase of healthcare from non-NHS bodies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Welsh Government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other NHS Trusts	0	0	0	0	506	495	0	0	506	495	0	0	0	0	506	495
Directors' costs	1,353	1,280	0	0	0	0	0	0	1,353	1,280	0	0	0	0	1,353	1,280
Operational staff costs	69,894	65,832	35,989	31,338	72,073	56,514	0	0	177,956	153,684	0	0	0	0	177,956	153,684
Non operational trainee staff costs	0	0	0	0	62,340	27,441	0	0	62,340	27,441	0	0	0	0	62,340	27,441
Single lead employer staff trainee costs	0	280	0	0	247	0	0	0	247	280	0	0	0	0	247	280
Collaborative bank staff costs	0	0	0	0	176	0	0	0	176	0	0	0	0	176	0	
Supplies and services - clinical	61,940	62,112	(319)	18	68,584	521	0	0	130,205	62,651	0	0	0	0	130,205	62,651
Supplies and services - general	1,693	790	148	203	59,927	48,008	0	0	61,768	49,001	0	0	0	0	61,768	49,001
Consultancy Services	700	697	4,337	2,067	935	836	0	0	5,972	3,600	0	0	0	0	5,972	3,600
Establishment	2,304	2,523	6,279	7,218	6,544	6,073	0	0	15,127	15,814	0	0	0	0	15,127	15,814
Transport	1,058	967	10	23	1,640	1,339	0	0	2,708	2,329	0	0	0	0	2,708	2,329
Premises	6,659	7,297	42,647	35,555	15,914	9,863	0	0	65,220	52,715	0	0	0	0	65,220	52,715
Costs of generating funds	0	0	0	0	0	0	0	0	0	0	267	518	(177)	(233)	90	285
Charitable activities	0	0	0	0	0	0	0	0	0	0	2,471	2,175	(2,288)	(1,810)	183	365
Governance Costs	0	0	0	0	0	0	0	0	0	0	36	100	(36)	(100)	0	0
Impairments and Reversals of Receivables	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	5,943	6,041	3,504	3,638	2,292	1,999	0	0	11,739	11,678	0	0	0	0	11,739	11,678
Amortisation	411	420	5,019	4,748	385	339	0	0	5,815	5,507	0	0	0	0	5,815	5,507
Impairments and reversals of property, plant and equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Impairments and reversals of intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Impairments and reversals of financial assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Impairments and reversals of non current assets held for sale	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Audit fees	216	209	0	0	0	0	0	0	216	209	12	0	0	0	228	209
Other auditors' remuneration	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Losses, special payments and irrecoverable debts	(4,413)	(446)	0	0	6,143	102	126,446	172,702	128,176	172,358	0	0	0	0	128,176	172,358
Research and development	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
COVID items issued free of charge to NHS Wales organisations	(570)	0	0	0	50,167	0	0	0	49,597	0	0	0	0	0	49,597	0
COVID items issued free of charge to other organisations	0	0	0	0	100,247	0	0	0	100,247	0	0	0	0	0	100,247	0
Other operating expenses	1,275	689	(26)	(552)	15,236	4,832	0	0	16,486	4,969	0	0	0	0	16,486	4,969
Total	148,681	148,990	101,929	88,461	469,604	162,082	126,446	172,702	846,661	572,235	2,786	2,793	(2,501)	(2,143)	846,946	572,885
Investment Revenue	0	109	0	0	0	0	0	0	0	109	133	150	0	0	133	259
Other Gains and Losses	30	(2)	0	0	(5)	4	0	0	25	2	0	0	0	0	25	2
Finance Costs	0	(2)	0	0	0	0	(365)	181	(365)	179	0	0	0	0	(365)	179
SURPLUS / (DEFICIT)	95	31	0	0	1,126	10	0	0	1,222	41	30	156	0	0	1,252	197

37. Other Information

37.1. 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 Trust 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
		Reclassified
STATEMENT OF COMPREHENSIVE INCOME	£000	£000
FOR THE YEAR ENDED 31 MARCH 2021		
Revenue from patient care activities	9,725	7,715
Operating expenses	9,725	7,715
3. Analysis of gross operating costs		
3. Revenue from patient care activities		
Welsh Government	2,972	2,657
Welsh Government - Hosted Bodies	6,753	5,058
5.1 Operating expenses		
Directors' costs	66	76
Operational staff costs	7,532	7,630
Non operational trainee staff costs	2,114	-
Single lead employer staff trainee cost	8	9
Collaborative bank staff cost	6	-

The increase predominantly relates to pension contributions for trainees newly employed in 2020-2021 by NWSSP on behalf of other NHS Wales organisations, under the All Wales Single Lead Employer scheme.

2019-2020 costs have been reclassified to show the costs for the trainees that were directly employed by Velindre Cancer Centre in that year.

37. Other Information (continued)

37.2 Other (continued)

Welsh Government Covid 19 Funding	NWIS 2020-21 £000	NWSSP 2020-21 £000	Velindre 2020-21 £000	Total 2020-21 £000
Capital				
Capital Funding Field Hospitals	-	-	-	-
Capital Funding Equipment & Works	2,136	1,081	1,845	5,062
Capital Funding other (Specify)	-	674	-	674
Welsh Government Covid 19 Capital Funding	2,136	1,755	1,845	5,736
Revenue				
Sustainability Funding	151	6,411	3,886	10,448
C-19 Pay Costs Q1 (Future Quarters covered by SF)	76	1,614	257	1,947
Field Hospital (Set Up Costs, Decommissioning & Consequential losses)	-	-	-	-
PPE (including All Wales Equipment via NWSSP)	-	152,918	-	152,918
TTP- Testing & Sampling - Pay & Non Pay	-	1,222	-	1,222
TTP - NHS & LA Tracing - Pay & Non Pay	3,061	-	-	3,061
Vaccination - Extended Flu Programme	-	-	-	-
Vaccination - COVID-19	1,000	626	200	1,826
Annual Leave Accrual - Increase due to Covid	-	-	-	-
Staff Bonus Payment	709	1,928	1,498	4,135
Urgent & Emergency Care	-	-	-	-
Support for Adult Social Care Providers	-	-	-	-
Hospices	-	-	9,300	9,300
Independent Health Sector	-	-	-	-
Mental Health	-	-	-	-
Other Primary Care	300	-	-	300
Other	3,592	18	450	4,060
Welsh Government Covid 19 Revenue Funding	8,889	164,737	15,591	189,217

Trust Wide

A bonus payment for NHS staff was announced by the Welsh Health Minister in March 2021. This is estimated at £4.135m for the Trust as a whole, and will be paid to staff in early 2021/2022.

Velindre

Velindre also received £9.3m of pass through funding from Welsh Government for the Hospices which has been netted off within the accounts to ensure Trust income and expenditure was not overstated.

NWIS

In addition to the above Welsh Government Covid 19 funding, NWIS internally funded additional revenue expenditure of £248K in relation to Test, Trace, Protect and £296K in relation to vaccinations.

NWSSP

In addition to the above Welsh Government Covid 19 funding, NWSSP has provided supplies of PPE to DHSC, Northern Ireland and Scotland with a total value of £37.450m which has been invoiced for at cost.

37. Other Information (continued)

37.3 Implementation 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 not have a significant impact and this will be worked through for disclosure in our 2021-2022 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

NHS TRUSTS

1. Welsh Ministers direct that an account shall be prepared for the financial year ended 31 March 2010 and subsequent financial years in respect of the NHS Wales Trusts in the form specified in paragraphs [2] to [7] below.

BASIS OF PREPARATION

2. The account of the NHS Wales Trusts shall comply with:

(a) the accounting guidance of the Government Financial Reporting Manual (FReM), which is in force for the financial year for which the accounts are being prepared, as detailed in the NHS Wales Trust Manual for Accounts;

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

FORM AND CONTENT

3. The account of the Trust for the year ended 31 March 2010 and subsequent years shall comprise a foreword, an income statement, 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 to the NHS Wales Manual for Accounts, including such notes as are necessary to ensure a proper understanding of the accounts.

4. For the financial year ended 31 March 2010 and subsequent years, the account of the Trust 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.

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 : 17.06.2010

1 Please see regulation 3 of the 2009 No 1558(W.153); NATIONAL HEALTH SERVICE, WALES; The National Health Service Trusts (Transfer of Staff, Property Rights and Liabilities) (Wales)