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Wales

# **Public Health Wales**

## **Annual Report 2020/21**

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## Chair Introduction

In concluding my Foreword for the 2019/20 Annual Report, I expressed my pride at the way in which Public Health Wales had mobilised very early on in response to COVID-19, a pandemic of the kind not seen for a century. I paid tribute to the swift response of our experts in health protection and microbiology services and to the willingness of staff across the organisation to step into new roles and adopt different ways of working. I expressed my confidence that, in the 2020/21 Annual Report, whatever the course of the pandemic and its implications, I would once again be recording my sense of pride and privilege in being the chair of this outstanding organisation, incorporating as it does staff of exceptional talent, dedication and commitment to the public health and protection of the people of Wales.

And so it proves- COVID-19 has caused heartache and seen millions of lives lost across the world, including in Wales, and it has had such a devastating effect on us all. The year has called on everyone working in Public Health Wales to really dig deep and the response has been truly remarkable; people have worked selflessly and tirelessly to provide national system leadership, and we have come into our own as the National Public Health Institute for Wales. Achievements include: producing system-level plans and guidance, providing expert epidemiological advice, surveillance data and analysis; setting up much-needed helplines for the public and professionals; constantly updating the website to provide relevant information; helping Wales keep ahead by developing an international horizon scanning system; introducing a National Engagement Survey to help understand how people have been feeling during the year; making a significant contribution to vaccine research and the introduction of the Wales COVID-19 vaccination programme. Along the way, we have become world leaders in genomic sequencing, adopted a more data science approach to using and presenting data, led change, innovation and improvement at a pace never seen before and secured transformational change; we opened laboratories in weeks, rather than months and, in 6-8 weeks, transformed laboratory turnaround times across the nation. The Screening Division kept three of the national screening programmes going throughout the year, a phenomenal achievement.

The fact that we have secured additional investment to expand our capacity for COVID-19 testing and our health protection service is also testament to the value placed on Public Health Wales' system leadership role.

And throughout the year, we have maintained good governance and secured an unqualified Audit opinion at the end of what has been the

most challenging year; this is a fitting tribute to Huw George' inspirational leadership of an expert finance team.

I am indebted to my Board colleagues for their unfailing preparedness to give far more of their time throughout the year, as the Board increased the frequency of its meetings, in response to COVID-19. The Board maintained its cohesion throughout, effectively balancing scrutiny and support during times of significant challenge. I owe particular thanks to the chairs, members, lead executives and all those who have supported the Audit and Corporate Governance Committee (ACGC) and Quality, Safety and Improvement Committee (QSIC). Both have met more frequently and have discharged a 'heavy lifting' role on behalf of the full Board. Kate Eden, as vice chair and QSIC chair, and Dyfed Edwards, as ACGC chair, have been by my side throughout the year and offered me their wise counsel; I thank them both.

Executive colleagues have demonstrated yet again their command of their leadership role and responsibilities and Tracey has led the team and the organisation with her customary energy, passion and commitment. Effective leadership is never needed more than in times of an emergency and there can be no more serious emergency than that resulting from a global pandemic. Tracey has shown strength, resilience and total sense of purpose throughout this unparalleled year and Wales' good fortune continues in having her as one of its senior public servants.

COVID-19 has yet to run its course and we continue to mobilise in response to it, whilst also reactivating services and beginning what will be a 'new' recovery, capturing all the innovations made in the last year. I am humbled and privileged to have been appointed for a second term as the chair of Public Health Wales, I look forward to commenting next year on the further development of Public Health Wales, as the National Public Health Institute for Wales, and its key role in responding to the wider societal harms resulting from CoVID-19.

The ground-breaking work of the Research and Evaluation Division and the World Health Organisation Collaborating Centre will be pivotal to this; the insights and evidence generated remind us the impact of COVID-10 on public Health are even more wide-reaching than the disease caused by the infection itself and will last far longer. I have every confidence that Public Health Wales' expert and dedicated staff will be at the heart of Wales' rebuilding and recovery.

**Jan Williams OBE**

**Chair**

**Public Health Wales**

## Chief Executive Introduction

It is my pleasure to introduce our Annual Report for 2020/21.

As the National Public Health Institute in Wales, our vision is 'Working to achieve a healthier future for Wales'. This year, 2020/21, has been an exceptional year in the context of a global SARS-COV-2 Novel Coronavirus (COVID-19) pandemic, and I am so very proud to share with you the exceptional work that all of our people have done right across the organisation, to protect the people of Wales at such a challenging time.

Within this Annual Report, we outline the changes and impact that the pandemic has had on our organisation and our work. Public Health Wales, the NHS in Wales and our local authority colleagues, have all faced unprecedented and increasing pressure in planning and providing services to meet the needs of those who are affected by the COVID-19 pandemic – and to keep up with the various phases in order to best protect and support our population. As a consequence, this year has seen our organisation mount an unprecedented health protection response to the coronavirus pandemic.

The nature of our response to COVID-19 has evolved significantly during this time and has also been delivered in the context of the United Kingdom's exit from the European Union.

Our role in response to the COVID-19 pandemic is to provide system leadership and specialist advice on public health approaches and this has required the mobilisation of the full weight of the organisation's resources as our highest priority since the end of February 2020. We have also provided analysis and expert advice to support the response to outbreaks at a local level, through expert epidemiological advice and surveillance data and analysis. We have had to adapt and deploy our people throughout the organisation in order to respond at scale and at pace which has involved new training, new experiences and new challenges for many of our staff who have acted in the most professional and committed way through the year.

The exceptional nature of our response to COVID-19 has also required us to fundamentally assess the delivery of our previously agreed plans. It has challenged us to consider not only the immediate action we need to undertake to respond to the current pandemic, but also the longer-term direct and indirect public health implications on the people of Wales. As a result, we developed a revised in-year Operational Plan that set out the priority areas and specific action that Public Health Wales will deliver over during the next year.

There have been many extraordinary achievements and a wide range of delivery activities by our people throughout the year and the following examples only begin to touch the surface. These include setting up a National Contact Centre and National Health Protection Centre to provide expert and timely specialist health protection advice for issues escalated from regional Test Trace Protect (TTP) teams and a telephone advice line for professional enquiries in Wales. The development of the Public Health Protection Response Plan that underpinned the Welsh Government's Test Trace Protect Strategy. In addition, our Communicable Disease Surveillance Centre (CDSC), and staff mobilised into it from other parts of the organisation, rapidly established timely surveillance and epidemiology data to support the COVID-19 pandemic - the scale of which has far exceeded anything previously experienced.

Our Pathogen Genomics Unit (PenGU) has been working with key partners to sequence and analyse every available SARS-CoV-2 samples from patients in Wales. We have become a global leader in COVID-19 genomics, having sequenced and shared more SARS-CoV-2 genomes than any other country in the world except the United States and England.

The Public Health Protection Response Plan recognised that measures to contain and control COVID-19, and the ill health it causes, can have significant unintended, potentially harmful impacts on people's immediate and longer-term health and well-being. It was therefore critical to understand these as early as possible, monitor their development, explore relevant evidence and solutions for Wales, and inform policy and decision-making in order to mitigate and minimise harm wherever possible.

Our World Health Organization Collaborating Centre has utilised our strong international links and partnerships to establish an International Horizon Scanning system for COVID-related issues, providing up to date policy summaries, intelligence and insights into other developments worldwide.

Our Research and Evaluation Division has worked so nimbly and flexibly over the last year, it has resulted in some significant opportunities, such as our strategic leadership role in vaccine research which led to the timely setup of vaccination studies in Wales. We also launched a Research and Evaluation cell as part of the Enhanced Response, with the team acting as a single point of contact to link with and prioritise research opportunities across the whole organisation.

The long term response to the COVID-19 pandemic requires a safe and effective vaccine to be available for all who need it, and our Vaccine Prevention Disease Programme team has provided extensive expert advice, guidance and support to the Welsh Government and our partners and we have been actively engaged in the research into COVID-19 vaccines.

In August 2020, the Minister for Health and Social Services approved a business case to increase our resilience in providing rapid turnaround times and expanded capacity for testing for COVID-19 and enable an expansion of the service offer to include rapid hospital testing as well as support for outbreaks. Similarly, in February 2021, the Minister approved a business case to expand our core health protection service in order to build resilience and additional skills for the response and for the future.

During the pandemic, some of our programmes and services have been paused and reactivated using new ways of working. The majority of our screening programmes were paused on the 19 March 2020 with the exception of our Newborn Hearing and Bloodspot Screening Programmes and our Antenatal Screening Programme. Our staff were exceptional in keeping these going throughout the pandemic. Our remaining screening programmes were reactivated incrementally from the end of June 2020 and have continued ever since. The Screening Division laboratory in Magden Park, Llantrisant has maintained their UKAS accreditation to ISO 15189:2012 and the team has continued to manage and deliver a high quality laboratory service throughout the pandemic. Delivery of the screening programmes throughout the second wave of the pandemic has been challenging but all programmes have continued thanks to the commitment of our staff and the public. Essential vaccination and immunisation services have also continued to be delivered during the COVID-19 pandemic.

On many occasions during the pandemic, we have found ourselves working beyond our mandate which has required our people to do new things, rapidly skilling themselves up to deal in previously unknown activities all because we were the only national body able to step into these areas in order to support the people of Wales and our partners – this further demonstrates the exceptional leadership, dedication and commitment that our staff have shown to protect Wales at all costs.

Since the *Health Protection (Coronavirus Restrictions) (Wales) Regulations 2020* came into force in Wales on the 7 April 2020, Public Health Wales has been working across its estate to ensure compliance and maintain the safety of staff and service users. Due to the nature of our work within Screening and Microbiology Services, additional arrangements have been established to ensure staff and service users remain safe and services can continue to operate.

We could not have achieved all we have this year, and done a handbrake turn in mobilising everyone and everything to responding to the COVID-19 pandemic, without the passion and dedication of our amazing staff and our Board. Our Chairperson and Non-executive Directors have been exceptional in their support and wisdom as we have navigated through the year, and our Executive Team, Strategic Directors and Incident Directors have been exemplary in leading the organisation and Wales through the last year – thank you all.

Finally, our people in Public Health Wales have worked above and beyond to keep the people of Wales safe for which I will be forever grateful. Our people from right across the organisation have been, and continue to be, truly remarkable in their passion, commitment and professionalism and Wales is extremely lucky to have them at this pivotal time.

**Dr Tracey Cooper**

**Chief Executive**

**Public Health Wales**



## OUR YEAR IN NUMBERS

Over 2,100 Public Health Wales staff protecting the public during the COVID-19 pandemic	Over 120 staff being recruited to support our health protection response
Over £1m investment secured to take action on obesity and to prevent diabetes.	Involved in 23 COVID-19 research activities over the last 12 months
Around 50 staff involved in the COVID-19 Daily Surveillance Cell, 7 days a week	Over 3700 samples sequenced a week during peak COVID-19 (compared with 200 pre-COVID)
Around 1m COVID-19 tests performed by our Microbiology laboratories with around the same number of non-COVID tests performed	Established 24/7 working at 3 regional laboratories
42 days – advertised and shortlisted from nearly 500 applicants, with over 300 interviewed for 160 posts to support our microbiology service	Created 6 ‘hot’ labs and 1 large new lab to support rapid COVID testing
20 internal COVID-19 vaccination sessions across three Public Health Wales locations	72 complaints and 12 serious incidents reported in 2020/21
Answered over 40,000 calls since the National Contact Centre was established	Around 1,400 staff given their first dose by the end of March 2021 (62%) with over 930 fully vaccinated (42%).
Delivered a balanced budget in 2020/21	622,000 screening invitations with 394,000 individuals screened after a number of services were paused during the first lockdown
Help Me Quit referrals via the website increased from 4,162 to 5,950 with 60% accepting support	Over 11,000 new smokers joined Help Me Quit services
Over 1,000 pieces of equipment loaned to staff to support home working	Attended the Senedd Health, Social Care & Sport Committee on 4 occasions and the Public Accounts Committee

## **Section 1:**

# **Performance Overview and Well-being of Future Generations Report**

## PERFORMANCE OVERVIEW

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## Introduction

The coronavirus pandemic has had a fundamental impact on society, including the health and well-being of populations, and the global economy. As the National Public Health Institute for Wales, we have mounted an unprecedented health protection response to the coronavirus (COVID-19) pandemic since early 2020. This has been in support of the policy direction set by the First Minister of Wales in leading Wales out of the pandemic, and delivery of the Welsh Government's Test Trace Protect Strategy. The nature of our, and the wider system's, response has evolved significantly during this time and has been delivered in the context of the United Kingdom's exit from the European Union.

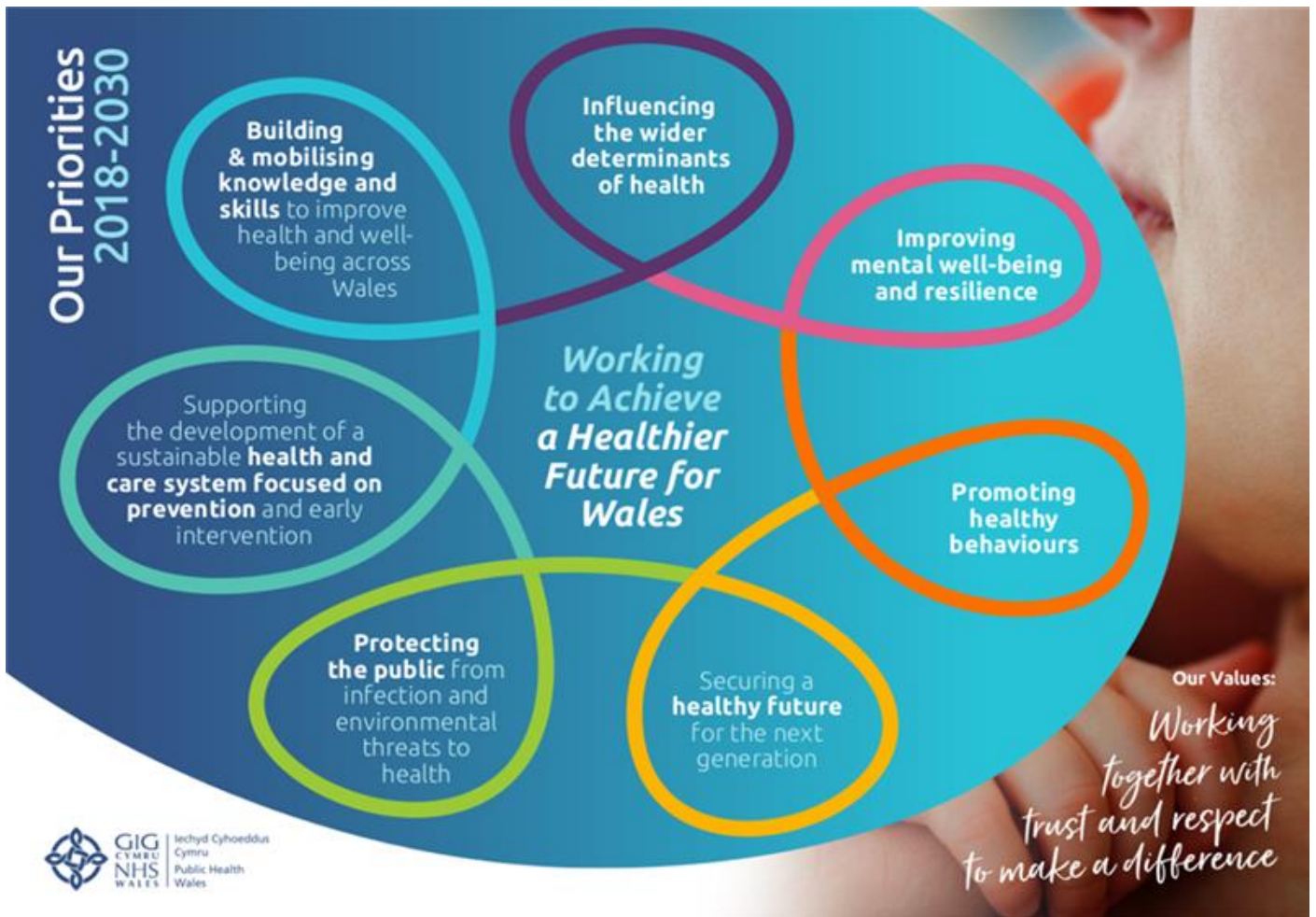
The response to the pandemic has involved the mobilisation of the full weight of the organisation's resources and has been our highest priority. Alongside this, we also commenced work around the longer-term direct and indirect public health implications on the people of Wales. This was reflected in our revised in-year Operational Plan 2020/2021, which was approved by the Board in October 2020.

Our progress to date is a result of the tremendous efforts and commitment shown by our staff, particularly over the last year as we have worked tirelessly in response to the coronavirus pandemic. We have seen staff mobilised from across the organisation to support our health protection response, which has allowed us to draw on a range of public health, improvement, leadership and management skills. We recognise the impact that this has had, both personally and professionally, and our focus is on ensuring that we continue to prioritise and support our staff's well-being, welfare and resilience.

## Developing our revised in-year plan

The exceptional nature of our response to COVID-19 has required us to fundamentally assess the delivery of our previously agreed plans. It has challenged us to consider not only the immediate action we need to undertake to respond to the current pandemic, but also the longer-term direct and indirect public health implications on the people of Wales. We have also considered other key strategic drivers that will impact on the public's health in Wales, particularly the United Kingdom's exit from the European Union at the end of 2020. In doing so, we have been guided by our long-term strategy: *Working to Achieve a Healthier Future for Wales*,

as outlined in the graphic below, and the work we commenced pre-pandemic to agree a small number of key public health outcomes to drive the future work of Public Health Wales.



The below graphic is a visual summary of our priority areas and key deliverables as set out in our revised in-year Operational Plan, with further information on the significant work undertaken across each priority area in the subsequent sections below.

## Public Health Wales' Operating Plan 2020/21 – Plan on a Page

### Organisational learning, knowledge and our COVID-19 narrative

- ❖ Development of systemic approaches to collecting and collating learning
- ❖ Development of our organisational COVID-19 Narrative

### Health Protection Response to COVID-19

- ❖ Leadership and specialist public health advice on approaches
- ❖ Coordination of contact tracing
  - ❖ Sampling & testing advice
  - ❖ Laboratory analysis of tests

### Population Health Outcomes

- ❖ Developing approaches around preventing broader harms from COVID-19
- ❖ Exploration of vulnerable people, mental wellbeing and employment

### Reactivation of Essential Services

- ❖ Development of approaches and criteria to manage and inform reactivation
- ❖ Planned reactivation of agreed public health services/functions

### Organisational Recovery

- ❖ Strategic review of our long-term strategy
- ❖ Engagement with our staff over future ways of working

### Enabling Delivery

- ❖ Using information to make effective decisions and improve performance
  - ❖ Adopt more agile ways of working and support our staff
  - ❖ Create and deliver digital solutions and effective communicate

## **Health Protection response to Covid-19**

### **Our role**

Public Health Wales' role in response to the COVID-19 pandemic is to provide system leadership and specialist advice on public health approaches and action. We are responsible for coordinating contact tracing, advising on sampling and testing, and undertake the laboratory analysis and genomic sequencing of tests. We are also responsible for health surveillance and providing expert health protection advice.

We provide analysis and expert advice to support the response to health protection incidents outbreaks at a local level, through expert epidemiological advice and surveillance data and analysis.

### **What we did**

At the beginning of the pandemic we quickly mobilised our staff into the response. Rapid training took place to equip them to undertake their new roles.

We set up a National Contact Centre to provide expert and timely specialist health protection advice for issues escalated from the regional Test Trace Protect (TTP) teams and a telephone advice line for professional enquiries in Wales. We established a National Health Protection Response Cell and subsequently remodelled to provide specialist regional response and surge incident management and outbreak control capability across Wales. This team focus activity at a regional level, supporting leadership activity, providing enhanced advice on clusters and cases and delivering a service tailored to the needs of a given geography.

The COVID-19 pandemic highlighted the need to strengthen the national health protection system to ensure it can withstand future demand to serve the population of Wales in a resilient, prevention-focused way. We received Ministerial approval for additional investment in our microbiology services (further information provided in our Microbiology services section below).

We also received Ministerial approval for additional investment of £6.147m in our health protection service (including health protection and communicable disease surveillance functions). The investment represents a significant boost in terms of strengthening the specialist health protection services in Wales. This involves recruitment to a number of key roles which will allow those staff mobilised into the response from other

parts of the organisation to return to their substantive roles and thereby enabling us to reactivate the breadth of our core public health functions during 2021/2022 and subject to any significant resurgence of the pandemic.

### **Population surveillance**

Communicable disease surveillance is the continuous monitoring of the frequency and the distribution of disease, and death, due to infections that can be transmitted from human to human or from animals, food, water or the environment to humans, and the monitoring of risk factors for those infections.

Communicable disease surveillance indicates which infections are the most important causes of illness, disability and death, so that decisions about control and prevention activities can be made. It also shows which parts of the population are most affected (e.g. children or the elderly, males or females, people living in particular areas of the country) and enables control and prevention efforts to be focused.

The need for timely surveillance and epidemiology data support to the COVID-19 pandemic has far exceeded anything previously experienced. Our Communicable Disease Surveillance Centre (CDSC) has also kept other essential surveillance schemes running, re-prioritising, reducing or enhancing as appropriate, and targeting analytical resource.

CDSC staff have led the development and roll-out of new surveillance systems and also played a key role in the development of procedures and systems to support a range of COVID-19 responses. These include rapid surveillance of mortality in hospitals, contact tracing data systems, development of Tarian (the in-house communicable disease case management system), convalescent plasma and serosurveillance studies, surveillance of Variants and Mutations of Concern and supporting a COVID-19 vaccine trial.

To achieve this, we mobilised analytical resources from other parts of the organisation in order to scale up and sustain the ever increasing demand. We have also received funding to increase the analytical resource within the CDSC as part of the health protection business case.

As part of our statutory health protection role, Public Health Wales has provided specialist advice and support to a wide variety of partners and response structures, including NHS Wales, local authorities, emergency services, the Criminal Justice system, education, social care and voluntary



services. During each phase of the pandemic response, Public Health Wales has continued to provide specialist public health advice to the Welsh Government, in particular the Chief Medical Officer, and partners.

#### **Did you know...?**

Our **Pathogen Genomics Unit (PenGU)** has been working with key partners to sequence and analyse every available SARS-CoV-2 sample from patients in Wales. We've become a global leader in COVID-19 genomics, having sequenced and shared more SARS-CoV-2 genomes than any other country in the world except the United States and England. Typically the service has been sequencing around 2,000 samples a week following initial investment by the Welsh Government. This is ground breaking work and we were so pleased to receive such positive media coverage.

"The genomic information of any living organism can tell us an awful lot about that particular pathogen or individual - for us it's the coronavirus. We can look and interrogate the virus at a very granular level to discover what its secrets may be. We can look to see if we can develop better diagnostic tests, for example, because diagnostic tests are very much based on what the sequence is. If there's a change in the sequence it could affect your ability to detect the virus effectively."

(Dr Sally Corden, Head of PenGU)

#### **Contact tracing**

Contact tracing is a tried and tested method of controlling the spread of infectious diseases. It also helps prevent and understand how the disease is passing from person to person. The National Contact Tracing Service was established as a three-tiered, multiagency approach from the beginning of June.

Public Health Wales provides national co-ordination, expert advice and support on contact tracing methods and priorities. This includes setting all Wales standards and guidance for how contact tracing should operate. By implementing a rigorous health surveillance system Public Health Wales can also identify which contacts and settings confer the highest risk of transmission, helping direct contact tracing and testing efforts. Contact tracing is being delivered regionally by health boards and local authorities working in partnership along with other public services to deploy contact tracing teams who understand their local communities and context. Contact Tracing requires large numbers of people to be involved within the local contact tracing teams. They are managed locally and coordinated regionally on a health board footprint and using a national operating framework developed by us.

## **COVID-19 vaccination programme**

The long term response to the COVID-19 pandemic requires a safe and effective vaccine to be available for all who need it. Rapid progress has been made in research of a large number of candidate COVID-19 vaccines and preparations for manufacture. Wales has participated in this research, providing leadership for the part of the Oxford AstraZenaca COVID-19 vaccine phase III trial based in Wales.

Public Health Wales has been involved in leading the national planning for the COVID-19 vaccine programme delivery in Wales since May 2020. The COVID-19 vaccination programme launched on the 8 December 2020 using the Pfizer BioNTech COVID-19 vaccine - the first COVID-19 vaccine to be authorised by a regulator based on full phase III trial efficacy and safety data anywhere in the world. The Oxford AstraZenaca vaccine was authorised for use and has been in use in the programme from 4 January 2021. Around 1.4m individuals had received one dose of vaccine by the end of March 2021, with approximately 400,000 fully vaccinated). The programme is large scale and ambitious, aiming eventually to offer COVID-19 vaccine to every person aged 16 and over in Wales.

Public Health Wales has supported the programme by providing leadership, expertise and advice to the Welsh Government's programme board and work streams, information resources for health and social care workforce, surveillance, training and a Patient Group Direction (PGD) through the Vaccine Preventable Disease Programme (VPDP) and the Communications Team providing communication, marketing and publications elements. The Observatory Evidence Service within Public Health Wales also produced rapid reviews of evidence on mass vaccination programmes. Finance colleagues have supported with budget and financial planning. The NHS Wales Informatics Service (now Digital Health and Care Wales) has developed the Welsh Immunisation System (WIS) for invitation and data management with our input.

Surveillance reporting of vaccine uptake, programme outputs and dashboards have been developed and delivered by Public Health Wales' VPDP and the Communicable Disease Surveillance Centre (CDSC). Daily situation reports are provided to programme leads, which include vaccination safety outcomes. Surveillance information is now published weekly (each Thursday) as a tab on the PHW COVID-19 dashboard:

<https://public.tableau.com/profile/public.health.wales.health.protection#!/vizhome/RapidCOVID-19virology-Public/Headlinesummary>

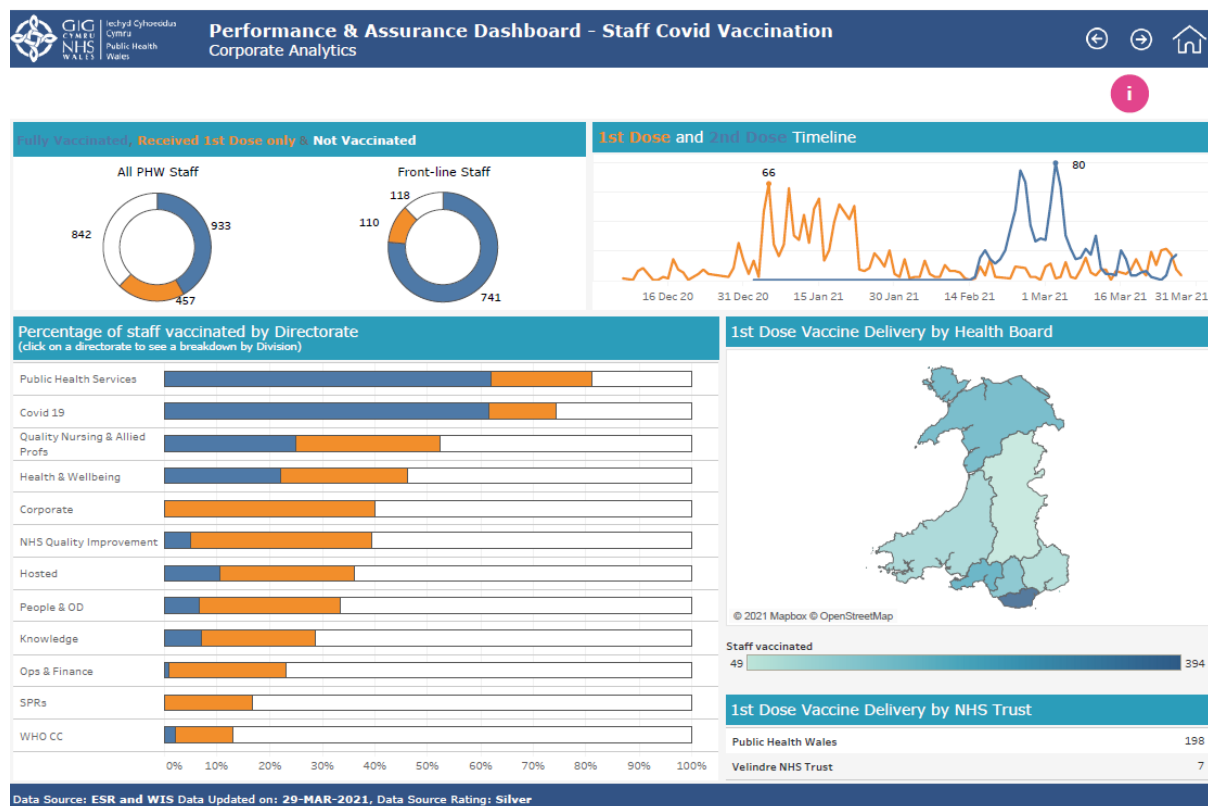
We have also developed a microsite to share key messages with the public and includes an area for professionals involved in vaccination who are not employed by the NHS and cannot access the VPDP intranet page for resources:

<https://phw.nhs.wales/topics/immunisation-and-vaccines/covid-19-vaccination-information/>

The VPDP team has produced public and professional information, surveillance reports and dashboards, training materials and guidance, and regulatory template documents including Patient Group Directions (PGDs) for health boards and trusts to use in time for vaccine launch. The responsibility for the administration and logistics for the vaccination of the population sits with health boards.

### Staff Covid-19 vaccination

We developed a staff COVID-19 vaccination dashboard to help monitor the vaccine uptake levels across the organisation, with particular emphasis on key priority groups at this early stage of roll-out. Further developments continue to be undertaken to enhance our understanding of uptake levels.



Data reported at the end of March showed that 1,390 staff members had been given their first dose (62% of our total workforce), with over 930 **19 of 263**

fully vaccinated (42%). In terms of our front-line workers, 851 had been given their first dose (88% of our front-line workers) with 741 front-line workers fully vaccinated (76%). The figures do not include all staff who had been vaccinated in England.

## Population health outcomes

The COVID-19 pandemic has had a profound effect on people across the world, as well as in Wales. Both the virus and control measures are causing wide-ranging harms such as ill health and reduced well-being, significant social and economic negative impacts and exacerbating existing health inequalities as well as disproportionately impacting specific groups such as Black, Asian and Minority Ethnic (BAME) communities. It is critical that we are able to fully understand the broader impacts of COVID-19, including the consequences of actions to control its transmission.

Such knowledge needs to underpin policy decisions and joint multi-disciplinary cross-sector efforts to prevent future harms to health, aid recovery, capture and support opportunities and contribute to a continued improvement in health and reduction in inequalities as we move forward. To support Test Trace Protect, we have been informing policy options for an optimum balance between virus control measures and the potential negative impacts of COVID-19. Through systematised intelligence and monitoring to understand the trends and learning through a variety of channels, we focused on four areas of intelligence:

- |  |
|--|
| 1. National Public Engagement Survey to understand public acceptance, compliance and broad impacts of COVID-19 measures across Wales and in specific population groups |
| 2. International Horizon Scanning to build strong links with international agencies and partners to develop insight and learning from other countries                  |
| 3. COVID-19 Health Impact Assessments (HIAs) to promote a whole of government and whole of society approach to COVID-19 recovery planning and interventions            |
| 4. Developing a dashboard of broader health trends in health and well-being  |

## Research and Evaluation

### **Case Study: National Public Engagement Survey & International Horizon Scanning to support international learning to COVID-19 during the Pandemic**

The Public Health Protection Response Plan, developed by Public Health Wales in May 2020, recognised that measures to contain and control COVID-19, and the ill health it causes, can have significant unintended, potentially harmful impacts on people's immediate and longer-term health and wellbeing. It was therefore critical to understand these as early as possible, monitor their development, explore relevant evidence and solutions for Wales, and inform policy and decision-making in order to mitigate or minimise harm wherever possible.

During the pandemic, the World Health Organization Collaborating Centre (WHO CC) on Investment for Health and Wellbeing has been undertaking research, evaluation and analysis of international evidence to help inform policy and support the wider system's ongoing response to the COVID-19 pandemic. We established a National Public Engagement Survey to better understand public acceptance and compliance with COVID-19 prevention measures, to monitor the broader impacts of the COVID-19 pandemic on physical and mental health, and to provide insight into how impacts differed between population groups and communities (e.g. age groups, deprivation levels, BAME and individuals with existing chronic health conditions). The survey results continue to inform strategic decisions in Public Health Wales, Welsh Government and our other key stakeholders.

The story of COVID-19 is one of a worldwide pandemic that requires globally coordinated and informed responses. The WHOCC has utilised our strong international links and partnerships to establish an International Horizon Scanning system for COVID-related issues – providing up to date policy summaries, intelligence and insights into other developments worldwide. We work closely with the WHO Regional Office for Europe, gaining first-hand access to the latest global and European learning related to the wider impacts of COVID-19 on people's health and wellbeing, equity, community and system resilience, society and the economy. Our International Health Team has been helping to disseminate and utilise international learning and experience from a range of European and global networks and organisations, and in collaboration with the five nations. These international systems and networks have already ensured that our thinking and responses are routinely informed by international learning and will continue to be as we manage the wider public health impacts of COVID-19 through transition and recovery stages.

The delivery of the National Public Engagement Survey and the International Horizon Scanning was made possible via a blended model of resourcing, using staff from across the WHOCC directorate and the wider organisation, and through commissioning of work to maximise the expertise available through partnerships. This model of resourcing enabled sustainable support and delivery of our work. Regular reports on all aspects of our work are shared with key stakeholders across Wales and internationally. Such reports cover our population survey, International Horizon Scanning and also a variety of bespoke topics including Health Impact Assessments, COVID-related issues connecting health and criminal justice and well-being issues arising from a changing economic outlook. Going forward our outputs will continue to examine issues including COVID-19 testing, prevention during the easing of lockdown, health system recovery, re-opening education and the impacts on employment and the economy.

Our work is an important reminder that the impacts of COVID-19 on public health are far wider than the disease caused by infection and will last far longer than the pandemic. We are delighted to have worked with colleagues across Public Health Wales and other organisations in the delivery of this work and look forward to continuing such a collaborative approach over the next 12 months.

The work of the Research and Evaluation Division acts as a central function to support research across Public Health Wales. Through our research and evaluation work programme, we also focused on generating insights and evidence needed to inform timely action, and to better understand the direct and indirect impact of COVID-19 on health in Wales. This was achieved through three priorities:

- |  |
|--|
| 1. Understanding the efficiency and effectiveness of Public Health Wales' contribution to Test Trace Protect |
| 2. Generating new knowledge on the indirect impact of COVID-19 on health and communities                     |
| 3. Supporting Public Health Wales to contribute to the international knowledge on COVID-19 through research  |

#### **Our Chair said...**

"The work of our **Research and Evaluation Division** acts as a central function to support research across Public Health Wales. Working so nimbly and flexibly over the last year has resulted in some significant opportunities. Our strategic leadership role in vaccine research led to the timely setup of vaccination studies in Wales; we launched a Research and Evaluation cell as part of the Enhanced Response, with the team acting as a single point of contact to link with and prioritise research opportunities across the whole organisation; and Public Health Wales' involvement, over the last 12 months, in 23 COVID-19 research activities, nine with Public Health Wales' funding and 14 externally funded."

"Of those 23 studies, Public Health Wales is the lead investigator in 13 and collaborators in the remaining 10. An impressive achievement in the most challenging circumstances!"

"The work of the Research and Evaluation Division demonstrates how we are discharging Public Health Wales' role as the National Public Health Institute for Wales. At the forefront of key public health research and thinking related to COVID-19, we are equipping our partners and decision makers with the information they need to shape the health of the people of Wales."

## Continuation and reactivation of essential services

Since the onset of COVID-19, Public Health Wales' overriding focus has been the national and regional response to the pandemic. As the pandemic has evolved, we have formally agreed to the prioritised re-activation, or 'scaling up', of some key public health activities and functions that had to be paused earlier in 2020.

A robust process was established for the continuing reactivation of functions, programmes and services, including the systematic identification and management of risk. Despite some significant challenges, good progress has been made overall. In particular, that all:

- ❖ essential services have been reactivated to the previously identified target level (with the exception of the National Exercise Referral Scheme). Further information is provided below
- ❖ priority services have been reactivated, although some have struggled to maintain their levels, and there has been growing external pressure to reinstate services further in some areas which has so far not been possible.

Meeting the workforce requirements of our Health Protection Response whilst further reinstating our core public health activities, improvement system leadership and our statutory functions, has remained challenging through the year. A number of significant programmes of work that we would normally be expected to provide, have been only partially reactivated or have remained wholly on hold. Throughout, we have sought to keep the Welsh Government and our other key stakeholders fully updated of the current position, and exploit opportunities for returning staff to core business where possible.

Given the continuing level of uncertainty regarding the onward course of the pandemic and a lack of clarity on what a 'new normal' operating environment will look like for public health, plans and underlying planning assumptions will continue to shift. Our ability to reactivate as an organisation will be determined by the effectiveness of the national COVID-19 vaccine programme, the progression and impact of new variants of concern, the continued behavioural compliance of the public and our ability to recruit the required additional staff into our health protection response at pace. This will require us to maintain ongoing vigilance and ensure that reactivation of staff and services is subject to ongoing review through the year.

## Screening

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

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

As the numbers of COVID-19 cases started to reduce we started to make plans to reinstate the screening programmes. We set out the conditions required to restart screening and used a risk assessed approach to prioritise the cohort of participants requiring their offer and to safely phase the programmes restart so that the screening could be offered safely to participants.

We have continued to offer the screening programmes since they were reinstated. However, numbers of participants offered screening in each clinic is reduced to ensure COVID-19 safe pathways. We have limitations in the availability of clinic locations, reductions in staff availability, limitations in primary care availability for cervical screening, constraints in health boards for colonoscopy provision and reduced uptake in Diabetic Eye Screening programme.

Delivery of the screening programmes throughout the second wave of the pandemic has been challenging but all programmes have continued with the amazing efforts of our staff and the public. The next urgent challenge is to develop our recovery plan for the programmes for 2021/2022 given that there are constraints due to COVID-19 safe processes that have had to be implemented.



### **Did you know...?**

The Screening Division laboratory in Magden Park, Llantrisant has maintained their UKAS accreditation to ISO 15189:2012. The team has continued to manage and deliver a high quality laboratory service throughout the coronavirus pandemic. The assessment recognised that the pausing and re-starting of the programmes were well managed, clearly documented and communicated. The assessment team did not identify any key weakness during their virtual visit that was a cause for concern. They also recognised a greater level of understanding of the requirements of the standards, which demonstrated continual improvement of the service.

Overall, they concluded that despite the challenges presented by COVID-19, the service continues to be delivered by competent staff in conformity with accreditation requirements.

This is a huge achievement by the team in maintaining such high standards whilst also supporting the COVID testing and doing so with such professionalism and quality.

### **Vaccination and immunisation**

Essential vaccination and immunisation services have continued to be delivered during the COVID-19 pandemic. While service delivery has had to be adapted, uptake of key children's programmes and influenza vaccine uptake continued to be monitored routinely, alongside the surveillance of vaccine preventable diseases.

#### **Childhood immunisation**

Despite the pandemic, the latest available figures for the uptake of routine childhood vaccinations remained high. For one year old children in Wales, the uptake of all routine immunisations remained above 95%, with the exception of rotavirus. The uptake of the three doses of the '6 in 1' vaccine was 95.2% and was 95% or higher in five of the seven health boards and in 15 of the 22 local authority areas. The uptake for children who received two doses of the MMR vaccine by age 5 was also maintained at 92.1% (slightly below the 95% target). In addition to the usual support and system leadership, our VPDP team continued to implement enhanced surveillance to monitor any impact of COVID-19 and national restrictions on uptake or timeliness of vaccinations in children up to 5 years of age.

#### **Flu vaccination**

Our VPDP team lead on the planning, delivery and evaluation of the national component of the NHS annual influenza programme for Wales.

Wales has achieved the highest flu vaccine uptake ever in 2020-21, with over 1 million adults and children having now received a flu vaccine this winter. The flu vaccination programme was the largest ever this year. The Welsh Government procured over 400,000 additional flu vaccines, and extended eligibility to everyone aged 50-64 years from the 1 December 2020.

Provisional data for 2020/21 showed that in those aged 65 and over, flu vaccine uptake was 76.5%, compared to 69.4% the previous year, and 51% in those under 65 at clinical risk - also higher than at the end of the 2019/20 season. The uptake of influenza immunisation in children aged 2 and 3 years old also increased from 50.7% to 56.3%, and in primary school aged children from 68.7% to 72.4%. Flu vaccine in NHS Wales staff with direct patient contact was 65.2%, up from 58.7% the previous year. Over 10,000 women across Wales have also been immunised. We also successfully delivered an Internal Flu Campaign for vaccination of Public Health Wales staff with over 63% of our frontline staff vaccinated.

### **Microbiology services**

The COVID-19 pandemic has required an unprecedented response from the Microbiology service in Public Health Wales. Whilst we have maintained our non-COVID-19 business (albeit at lower rates) we have had to rapidly introduce and expand our ability to test for SARS-CoV-2 and provide a clinical service for the management of patients with COVID-19.

At the beginning of the pandemic, the infectious diseases doctors would travel to individuals' homes, donning Personal Protective Equipment and swab individuals with symptoms. These swabs were then transported by the Health Courier Service to the University Hospital Wales microbiology laboratory for testing. As the pandemic took hold, the wider NHS Wales system implemented different swabbing options and instead, these swabs came to Public Health Wales laboratories for testing. Initially, the test was only available through the Welsh Specialist Virology Centre but with increasing availability of commercial tests, this gradually changed.

Orders were placed very early on in the pandemic but the global supply chain of both equipment and test reagents was and continues to be a significant challenge.

We developed and submitted a business case to the Welsh Government to increase our resilience in providing testing for COVID-19 and enable an expansion of the service offer to include rapid hospital testing as well as

support for outbreaks. This was approved in August 2020 and the recruitment of over 160 whole time equivalent substantive staff began immediately. The business case had the following key outputs that each had to be delivered by agreed deadlines:

- ❖ Provide a 24/7 testing service for COVID-19 at the three regional laboratories by the 31 October 2020 – this was achieved
- ❖ Establish six new 'hot labs' by the 30 November 2020 – this was achieved.

In addition, a business case to establish a new laboratory on the Imperial Park 5 site in Newport was approved and this was achieved by the establishment date of the 7 December 2020.

With the system built, we then had to calibrate and 'fine tune' how it works and how this would then improve the Turn Around Times (TAT) for COVID-19 testing. For the rapid tests delivered to support patient flow we have a target TAT of less than four hours which we have consistently achieved (typically less than 2 hours). For non-rapid swabs, we have a target TAT of 12 hours or less. At the beginning of January 2021, only 30% of samples were processed within the laboratory within 12 hours but by the end of the month this rose to 80%. Our aim is to maintain this performance and seek improvement through partnership through the close working between the microbiology service and our Improvement Cymru in the organisation who have supported the Microbiology service for the latter part of 2020/21 in identifying improvement opportunities across our COVID-19 testing processes.

### **Help Me Quit**

Launched in October 2019, the Help Me Quit (HMQ) national telephone service was designed to be flexible and client-focused, aimed at smokers unable to access community services in person. As a result of the pandemic the importance of this service offer increased as community face to face services were suspended and staff were deployed to support the pandemic response.

With HMQ designated as an essential service, working in Capital Quarter during lockdown was a strange experience for the team. Like the COVID-19 contact centre, staff experienced significant changes with limited public transport, an all but deserted city centre and office building, and near-empty roads.

The hub quickly transitioned to managing a much-changed service, other staff from the division were redeployed to HMQ to cover the increase in demand and trained to the same standard as a substantive telephone support advisor.

Relationships with service leads in each health board area were strengthened reacting to their needs in an ever changing landscape.

An active social media presence helped keep demand for HMQ services steady throughout the pandemic, with small peaks coinciding with news media reporting of COVID-19 outcomes for smokers. An encouraging number of smokers contacted the service after being recommended by a friend or colleague and October 2020 saw year-on-year growth in the number of smokers accepting support through the Contact Centre. It is a credit to the HMQ team across Wales that throughout the pandemic the average waiting time for new clients has been significantly below the 14-day target.

In the period from 23 March 2020 to 31/1/2021:

- ❖ Referrals to the HMQ services from smokers through the web increased from 4,162 to 5,950 and 60% of these accepted support compared to 45% the previous year
- ❖ Referrals from health professionals reduced significantly from 6,884 to 2,683 reflecting the change in focus of front line staff
- ❖ The national telephone support service helped 17% of smokers reflecting the reduction in face to face service provision at the time.
- ❖ In spite of the pandemic the number of smokers joining a HMQ services remained relatively stable at 11,004 new clients compared to 11,547 the previous year.

As with many services some of the new ways of working that were adopted during the pandemic will stay in place long term so that Help Me Quit continues to meet the needs of smokers who want to quit.

## **Safeguarding**

The National Safeguarding Team (NST) works closely with the Welsh Government, health boards and NHS trusts to improve safeguarding across NHS Wales. The Team facilitates a collaborative environment to recognise common issues, develop solutions and achieve safeguarding standards to better safeguard children and adults at risk.

We have continued to provide safeguarding system leadership to stakeholders by means of an abridged NHS Wales Safeguarding Network Work Plan, regular meeting schedule and knowledge transfer via a regular 'Network Communication' bulletin designed for cascading to partner agencies as appropriate.

A prioritisation process using available data shared through the Welsh Government Safeguarding Vulnerable Children and Young People's Advisory Group and the OPC COVID Virtual Group on Abuse of Older People has informed the NST Work Plan objectives. Ongoing delivery involves active participation in strategic and national stakeholder partnerships e.g. Regional Safeguarding Boards, Health Board and Trusts Safeguarding Committees, Welsh Government Ministerial Advisory Groups (Looked After Children, vulnerable children and young people), VAWDASV and the Unified case reviews meetings.

The efficacy of this scaled down approach has been reviewed, using a risk management approach, revealing that key objectives will be delayed as a result of the team's continued input to the organisational response to COVID-19.

## Looking After Looked after Children and Young People

The COVID-19 pandemic has posed additional stressors for Looked After Children and Young People living in foster-care and residential units, especially during lockdown when they are without the support of family, friends and the school environment. The NST coordinated the drawing together of good practice and investigated areas of concern to support developments in Regulations that would support this group during the pandemic. Regularly updated advice for health professionals published on our website was closely followed with a positive response.

A senior NST Designated Doctor was involved throughout 2020 in discussions with Welsh Government, the National Adoption Service (NAS) and the Association for Fostering and Adoption Cymru (AFA Cymru) and Local Authority colleagues to ensure adoption services continued, albeit delivered in a different way.



The NAS has reported that adoption performance indicators across Wales show pre-COVID-19 targets, which is a remarkable achievement.

Other innovations include the use of phone and video consultations with Looked After Children, Young People, foster-carers, nurses and Social Workers. Some Looked After Children have preferred the digital interaction and would like to keep it going forward. The NST have been made aware of disclosures of historic child sexual abuse made possible through phone contact as opposed to the usual face to face health assessments. Going forward we plan incorporate these lessons learned post-COVID-19, looking at a blended approach of face to face and virtual interaction to meet the unique requirements of this group.

## **Organisational learning, knowledge and our COVID-19 narrative**

It is vital that we continue, as an organisation, to capture learning and innovation from the rapid delivery of our response to COVID-19. In line with our Vision for Knowledge Mobilisation (2020-25) and the work of the Knowledge Directorate, our aim is to maximise knowledge mobilisation. The pandemic has changed what we do and how we do it, which means that we have significant opportunity to capture learning and use it to shape future services and processes. It is also important that we can demonstrate a coherent narrative on our role and actions during the pandemic evidenced by our decisions, performance and management. This will be particularly important for supporting any public inquiries and future research.

During the pandemic, we introduced new services and roles and have changed our work practices. Some of our programmes and services have been paused and will need to be reactivated using new ways of working. Many different opportunities for learning have arisen and it is important that we capture this knowledge and why and how we made decisions, so that we can use it as the demands and requirements on us change.

We will continue to collect and synthesise learning gathered during the COVID-19 pandemic. We will agree methods to share learning within the organisation and, where appropriate, with external stakeholders. We will also need to capture in a repository, the information, actions and decisions made by the organisation and this will form the basis of an organisational narrative around COVID-19.

## **Enclosed settings**

In March 2020, as the first national lockdown was beginning, Public Health Wales moved to the next phase of its response to the pandemic. We recognised that some key settings and the people living in them were going to be vulnerable to the infection, these included care homes, hostels, prisons and anywhere that people lived collectively. We often describe these as enclosed settings.

We established a dedicated team to respond to the rapidly escalating number of enquiries from these settings, particularly care homes for older people. As we now know, these settings were going to experience the most significant impact from the effect of the coronavirus. The team provided a dedicated telephone line that could be accessed by care homes, 7 days a week from 8am – 10pm weekdays and 8am – 8pm at weekends.

The team received notifications of suspected or confirmed cases and in the initial stages, when testing services were being developed and expanded, worked with Health Boards to arrange for testing to take place. The most important work however, was to provide rapid advice to the setting on how to reduce the risk of the infection spreading. What we learnt very quickly was that once the infection entered a home it was very challenging to bring it under control because it spread very easily.

We produced guidance for care homes and regularly updated it as the advice changed; but evaluation of the work found that what care homes appreciated most was knowing that they could access expert advice when they needed it.

The enclosed settings team drew on staff from across Public Health Wales most of whom had not done this kind of work before. At times the work was very challenging and traumatic, listening to the stories from the care home staff when they had experienced a number of deaths and the growing level of anxiety and fear that these staff felt as the impact of the pandemic on the care homes became clear.

As the first wave ended we were able to develop a more sustainable approach working with colleagues in Environmental Health and with the Regional TTP teams which has continued.

## **Quality and improvement**

We have set out our ambition to be a high performing organisation, which continues to be our intention despite the challenges of COVID-19. During



the pandemic, we have had to reprioritise where we focus our collective efforts. However, we recognise that it is more important than ever that we continue to drive quality and improvement informed by available evidence and proven methodologies. This will ensure that we can demonstrate our services are safe, effective and are achieving outcomes and impact. We will do this through real time data, where possible, for the benefit of the public and our stakeholders.

Over the coming months, we will:

- ❖ Implement our Quality and Improvement Strategy and supporting Implementation Plan
- ❖ Deliver the 'Our Approach to Engagement' Implementation Plan
- ❖ Deliver our refreshed approach to integrated governance, which will be implemented through a plan to support the organisation to continue to evolve.

Workshops have taken place with representatives from across Directorates using a Logic Model approach. The Logic Model will inform the implementation of the Quality and Improvement Strategy and taking an integrated approach with other underpinning enabling strategies and functions.

### **Putting Things Right**

Public Health Wales has a culture that welcomes concerns (incidents, complaints and claims) as part of a way of improving the services and programmes we provide. It is accepted that we do not always get things right and sometimes fail to meet service users expectations. When this happens we are committed to doing what we can to put things right and learn, so the same thing does not happen again. Systems are therefore in place for recognising when things go wrong, investigating why problems occur and initiating changes where appropriate.

Feedback and learning is therefore important to us as it give us opportunity to improve and enhance the quality of the services and programmes we provide. Furthermore, it is important that individuals feel that they have been heard, treated with respect and receive an open, honest and timely response to their concern.

Public Health Wales continues to be proactive in its management of concerns implementing the requirements of the NHS (Concerns, Complaints and Redress Arrangements) (Wales) Regulation 2011.

“Public Health Wales recognises the value in the effective management of complaints and the subsequent organisational learning that supports the development and improvement of services, functions and programmes. We therefore welcome opportunities to learn from people’s experiences, good or bad.”

(Gay Reynolds, Quality, Nursing and Allied Health Professionals)

In 2020/21, a total of 72 formal complaints were received by Public Health Wales. Given the impact that the COVID-19 pandemic has had on the organisation, a large number of the complaints received were in relation to the pandemic. There were three main themes identified from the complaints, as outlined below. Examples of the type of complaints and lessons learned are also provided.

1. Dissatisfaction with Public Health Wales guidance given to care homes during the COVID-19 pandemic. The specific themes in relation to guidance given to care homes were:
  - ❖ Guidance on visiting.
  - ❖ Guidance on testing of staff members and residents.
  - ❖ General guidance on restrictions during the pandemic.
2. Dissatisfaction with the pause of Public Health Wales screening programmes during the COVID-19 pandemic.
3. Dissatisfaction with the methods of communication for COVID-19 surveys conducted by Public Health Wales.

Learning example 1:

*A complaint was raised with the organisation as a positive COVID-19 test result had been received within a care home setting and guidance at the time of the complaint indicated that whole home testing should have occurred within home within 24 hours of a positive case being received and this was not the case within this care home.*

*The area of key importance raised within this concern was that the guidance that had been issued in relation to testing staff members and residents within care home settings during the pandemic was not being complied with.*

*Following notification of this complaint, Public Health Wales acted by implementing systems to alert health boards that whole home testing may be required if initial tests are returned as positive, as well as*

*alerting them that whole home testing will be required, when tests come back positive.*

#### Learning example 2:

*Public Health Wales received a complaint regarding the pause of the Diabetic Eye screening programme due to the COVID-19 pandemic, and the direct impact that being unable to attend eye screening appointments would have on their health.*

*The area of key importance raised within this concern was that the Diabetic Eye screening programme, along with other screening programmes provided by Public Health Wales were paused for a period of time during the COVID-19 pandemic, and there was uncertainty around when the service would resume and the recall length when resumed.*

*As a result of this concern being notified to the organisation, two actions were taken to improve this service. These were, to develop key messages to communicate to screening participants as part of the screening service restart plan. Another action taken was to consider how best to communicate the indicative recall length to local communities, once this had been established.*

#### Learning example 3:

*A complaint was raised to the organisation by an individual who had been contacted for the purpose of taking part in a public engagement survey on the health and well-being impacts of the COVID-19 measures in Wales. Concerns were raised specifically in relation to the volume of calls received and whether medical records had been accessed for selection for the survey.*

*The area of key importance identified within this complaint was that the public engagement survey is a representative national survey of individuals aged 18 years and older in Wales and members of the adult population in Wales are randomly selected to take part and at no time to Public Health Wales have access to personal or medical information of the participants.*

*Actions that were taken by the organisation in order to improve the service were: to provide clearer information, where relevant, on the Public Health Wales website regarding the survey and the random sampling of participants. Information regarding the survey was*

*displayed on the Public Health Wales website at the time of the complaint including the telephone number used to call participants, an action was agreed to continue to provide such information for future surveys for those wishing to check the legitimacy of surveys and seek reassurance on anonymity and confidentiality.*

Concerns provide valuable feedback which we are keen to learn from and they are seen as a positive agent for change. Any concerns that identify an improvement in services and programmes are taken forward by the relevant Division and or service area.

### **Case Study: Data breach**

In September 2020, we reported a data breach to the Information Commissioner. A report was inadvertently published on a public facing website which contained personal data relating to 18,105 people who had tested positive for COVID-19 since February 2020. Although the website was public facing, it is not one generally accessed by members of the public, but by trusted partners.

In the majority of cases (16,179 people) the information consisted of people's initials, date of birth, geographical area and sex meaning that the risk they could be identified is low. However, for 1,926 people living in nursing homes or other enclosed settings such as supported housing, or residents who share the same postcode as these settings, the information also included the name of the setting. The risk of identification for these individuals therefore is higher but is still considered low. In the time that it was in the public domain, it is understood that the dashboard was viewed 56 times. This does not mean however that 56 people viewed it, it is feasible that any one person will have viewed it multiple times and so the number of people who actually viewed it is likely to be less than 56.

Immediate steps were taken to prevent a similar incident from happening again and an external, independent investigation was commissioned and concluded in October 2020 with eight recommendations. An action plan for improvement in response to the data breach was developed and is being implemented. The ICO investigated the incident and decided that regulatory action was not required in relation to the incident. They concluded that the use of both an internal and external server by Public Health Wales to house personal/special category data, were reasonable.

The ICO also noted that the data is published daily and no other infringements of this type have been reported to ICO by Public Health Wales. The ICO recommended Public Health Wales continue to see the action plan through to completion and implement the actions identified in the external investigation in full as soon as possible.

Our full statement can be accessed here: <https://phw.nhs.wales/news/public-health-wales-statement-on-data-breach1/>

## Organisational recovery

Our response to COVID-19 means that we need to assess the impact that it has had on our long-term strategy and medium / annual plans. Over the next few months, we will assess the impact of COVID-19 on our long-term strategy and priorities through a formal strategy review (look back / forward). This aims to assess whether our current strategy remains valid or needs to be revised in light of the experiences and learning from COVID-19 and horizon scanning of future opportunities or challenges. We will do this through engagement with the Board, Executive Team, staff and our stakeholders.

It will be informed by a number of key elements, including:

- ❖ emerging evidence on the short, medium and long-term health impacts on the people of Wales
- ❖ assessment of future strategic opportunities and challenges
- ❖ international evidence on the role of national public health institutes post COVID-19
- ❖ feedback from our staff, key stakeholders and the public

It is important that we work with our staff to co-design our approach and principles for the engagement that we plan to undertake, and utilise a range of methods so that we can effectively reach staff across Wales and within each part of the organisation.

*Our Conversation* commenced in March 2021 and aims to explore future ways of working with staff across the organisation. It is important that we continue to speak to colleagues about their experiences of ways of working and what the future of work within Public Health Wales might look like in the context of COVID-19.

The conversations explore the best ways of working in our past (pre COVID-19), the successes that have come about through working differently during the pandemic and identifying what we should be taking forward into our future. We feel strongly that every member of our staff should have the opportunity to contribute to these conversations and they will be pivotal in shaping how we work and what place of work looks like going forward.

The output of these conversations will be collated and presented as a proposed design during the summer and autumn. Our Board will be actively involved in the conversations and in the decisions we make following this process.

## **Our people**

Since the start of the pandemic, we have had to adapt and deploy our people throughout the organisation in order to respond at scale and at pace. As we move into the next phase of the response, it is clear the pressure on many of our staff remains unprecedented, and they will need enhanced and active support to ensure their wellbeing and safety, particularly as we head into winter, which is likely to be a challenging period of time for many of us.

While we continue our work directly in response to COVID-19, for example through the provision of testing and specialist Health Protection advice, we are also in the process of re-activating other essential and priority services such as our population-based screening programmes and recommencing work on other, longer-term organisational priorities.

As we continue to work differently we are capturing changes made to workforce policies, ways of working, roles and responsibilities to support our response to COVID-19 and this learning will inform our recovery and the future of work in Public Health Wales, aligned to our People Strategy.

## **Staff achievements and honours**

The following members of staff were made Members of the Order of the British Empire (MBE) for efforts in the COVID-19 response:

- ❖ Dr Eleri Davies, Head of Healthcare Associated Infection, Antimicrobial Resistance and Prescribing Programme (HARP), Public Health Wales
- ❖ Dr Robin Howe, Professional Lead Consultant in Microbiology, Public Health Wales
- ❖ Gail Lusardi, Nurse Consultant, Public Health Wales
- ❖ Dr Catherine Moore, Consultant Clinical Scientist, Wales Specialist Virology Centre, and Head of Molecular Service Development, Public Health Wales

Our Chair said...

"We are so very proud of all of our people in Public Health Wales and today, we're especially proud of Eleri, Robin, Gail and Catherine and the professionalism, leadership, dedication and sacrifice they have shown in the response to COVID-19. Many of our people have gone above and beyond over the last few months, and continue to do so every day, and it's wonderful to see

Eleri, Robin, Gail and Catherine being recognised as representatives of the whole organisation.”

### **Clinical Leadership Team of the Year goes to...**

Our Blood Borne Virus teams across Wales have received the British Medical Journal (BMJ) Clinical Leadership Team of the Year award 2020. The teams were recognised for their efforts in delivering treatment for Hepatitis C across Wales. The judges were impressed with the breadth and reach of the team, the delivery of care in line with prudent health care, the elimination of post code prescribing, the cost saving and cost effective nature of the delivery programme and the patient focused approach.

The judges were unanimous in their decision and stated that the achievements were “breath-taking”. The teams were also recognised for their willingness to deliver care where it was most needed using novel approaches. Public Health Wales was a key member of the team delivering a number of key functions. The national virology department provided innovative testing strategies that have greatly improved access to treatment.

Some notable achievements included the contribution of the Point of Care testing team to delivering elimination of Hepatitis C from Swansea prison, a UK first, delivery of testing on the Cardiff night bus and the development and delivery of diagnostic testing on a finger prick of blood. Public Health Wales members were also pivotal in the delivery of renal transplants from Hepatitis C positive donors to Hepatitis C negative recipients with subsequent eradication of the virus, another UK first.

### **Well-being**

We launched our second staff survey in late September which focussed on well-being. Our staff well-being is as, if not more, important than ever and we hope the results will enable us to make further improvements.

The Personal Risk Assessment tool has been rolled out to all staff in Public Health Wales. The tool aims to identify high-risk individuals in high risk settings so that action can be taken to adapt their workplace or move them into a lower risk environment, such as working from home. The risk assessment has been included as a competency on ESR and will enable further monitoring and reporting to our senior leaders.

### **Sickness absence**

We reported a 12-month rolling sickness absence percentage of 3.2% between April 2020 and March 2021.

With local lockdowns throughout much of Wales and ongoing uncertainty concerning holidays and quarantine requirements, the level of annual leave taken has reduced compared with previous years. All staff are encouraged, and will be supported by their managers, to continue to take leave at regular intervals to support their own health and well-being, especially given the intensity of work during the pandemic response. We have relaxed annual leave and time off in lieu carry over arrangements in consultation with Trade Unions and continue to monitor this.

### **Workforce resourcing**

Significant work has been undertaken during this period to identify baseline and enhanced staffing requirements to ensure a robust workforce model to support the continued delivery of the organisation's pandemic response.

Targeted recruitment and mobilisation to support the pandemic response continues to ensure that each work stream has a plan to secure the resources required, as well as reducing our dependency on agency or bank workers.

#### **Case Study: Recruitment to key roles**

We received Ministerial approval for additional investment in our health protection service (including health protection and communicable disease surveillance functions). The recurrent funding is approximately £6m. The investment is a major boost in terms of strengthening health protection services in Wales. This involves recruitment to a number of key roles which will allow those staff mobilised into the response to return to their substantive roles.

The investment funded 160 WTE substantive staff. Recruitment to these roles began in August 2020. The additional posts enabled us to:

- ❖ Provide a 24/7 testing service for COVID-19 at the three regional laboratories
- ❖ Establish 6 new 'hot labs'
- ❖ Operationalise the IP5 Laboratory 2



## Enabling delivery

Our enabling functions are the engine room of the organisation and will drive the delivery of our priority areas, through providing leadership and expertise on: good governance; financial stewardship; corporate analytics; safety and quality; effective change management and corporate planning. In responding to the pandemic, these functions have shown flexibility and adaptability as well as being able to work in a matrix way and at pace.

As the organisation moves towards the recovery and reactivation of essential services, COVID-19 presents a number of opportunities to take forward areas of work that had not been possible previously but also will change the type of organisation we are in the future. These include:

- ❖ Reviewing our long-term strategy and developing a set of agreed public health outcomes that will shape and drive our future activity
- ❖ Using timely and robust information to make effective decisions and improve performance
- ❖ Adopting more agile and innovative ways of working and supporting/developing our people
- ❖ Creating and delivering digital solutions and effectively communicating with our staff, stakeholders and the public

## New ways of working

Since the *Health Protection (Coronavirus Restrictions) (Wales) Regulations 2020* came into force in Wales on 7 April 2020, Public Health Wales has been working across its estate to ensure compliance and maintain the safety of staff and service users.

Between July and August 2020, we procured an external company to assess our estate on the suitability of measures in place to manage the transmission of COVID-19 virus. The assessment covered 28 premises and included a mixture of office buildings, laboratories and screening buildings. Actions arising from the risk assessment have been progressed and monitoring of arrangements and spot checks has continued to ensure ongoing compliance. To ensure we can manage issues on a timely basis, the revised Health and Safety Group has continued to meet on a bi-weekly basis.

As Wales has moved into various levels of restrictions, all staff that are not, as part of their role, required to be on a specific sites have been encouraged to work from home. This is to reduce the risk of spreading infection and ensure that those who do need to be in the workplace remain as safe as possible. To facilitate this, staff have been provided with office equipment and guidance has been provided to managers and employees through daily staff bulletins and internet pages which also includes guidance on home working, setting up IT equipment and using skype. Microsoft Teams, One Drive and other Office 365 packages have also been rolled out during 2020/21 across the organisation providing another communication tool for staff. Since the start of the pandemic over 1,000 pieces of equipment have been loaned to staff. This includes requests for provision of a monitor, key board, mouse, head sets and chair following review of a completed Display Screen Equipment (DSE) assessment.

#### **Steps taken for a COVID-19-safe workplace**

- ❖ Introduction of one-way systems
- ❖ Distancing of desks to ensure compliance with social distancing regulations
- ❖ Removal of equipment and personal belongings from desks
- ❖ Increased signage
- ❖ Sign in sheets and QR codes to support the NHS Test and Trace programme
- ❖ Central provision and distribution of PPE including hand sanitiser and wipes
- ❖ Signing in/out process for staff in buildings
- ❖ Occupancy monitoring in buildings and meeting rooms & monitoring of compliance with workplace operational arrangements

Due to the nature of our work within Screening and Microbiology Services additional arrangements have been established to ensure staff and service users remain safe and services can continue to operate. Examples include working with Infection, Prevention and Control to ensure the BTW Mobile Fleet is safe for service users to attend and ensuring staff have access to appropriate PPE.

## Advice and guidance provided to staff

- ❖ Risk assessments for vulnerable staff (succeeded by the All-Wales Individual Risk Assessments)
- ❖ Mental health resources including, but not limited to SilverCloud Wellness App, Care First, access to Health for Healthcare Professionals and our own supplementary listening service and coaching offer for managers
- ❖ Our internal 'Tell Us How You Are Doing' wellbeing/engagement surveys, allowing colleagues to feedback on what's working, what could be better and, importantly, their key concerns so these can be acted upon as required.

To support staff, People Support Plus has been up and running since 30 March 2020. This provides a one-stop-shop contact centre for staff queries, covering a range of topics including People and OD, Estates, Finance, Communications, Information Governance and Contact Centre Rotas. If staff have any queries regarding social distancing guidance or PPE, they can contact the People Support Plus desk or Estates and Health and Safety Team.

## Managing risk

Managing risk is fundamental to running a successful and high performing organisation. It should be at the heart of decision-making processes and resource allocation at both an operational and strategic level. It should seek to identify opportunities to innovate and invest, alongside the need to mitigate risks.

The management of risk has been at the centre of our response to the COVID-19 pandemic – both in relation to the organisation, our people and our activities and also our advice that we have provided as a system leader for a global pandemic.

In addition, over recent months, a series of activities have taken place to ensure that our strategic risks are continually reviewed and remaining current and appropriate to the challenging environment the organisation is operating within. Work continues to be undertaken to embed risk management at all levels of the organisation. This has enabled the organisation to measure key strategic risk performance, establish its risk profile and instigate thematic analysis through the use of the Strategic Risk Register, Corporate Risk Register and local risk registers.

Each priority area also identified potential risks and dependencies to their successful delivery. These were developed as part of the planning process

and demonstrate a number of common themes, which map to the strategic risks, including:

- ❖ Resources (people and finances), staff wellbeing and recruitment
- ❖ Business continuity and data access/quality
- ❖ Partners and stakeholders

We will continue to develop and strengthen our risk management arrangements at both a strategic and operational level. In April 2021, further work is planned to revisit the strategic risks with our Executive Team and Board and this will be a regular feature throughout the year.

Further detail about how we manage risk can be found in the Corporate Governance Statement.

## Decision making and governance

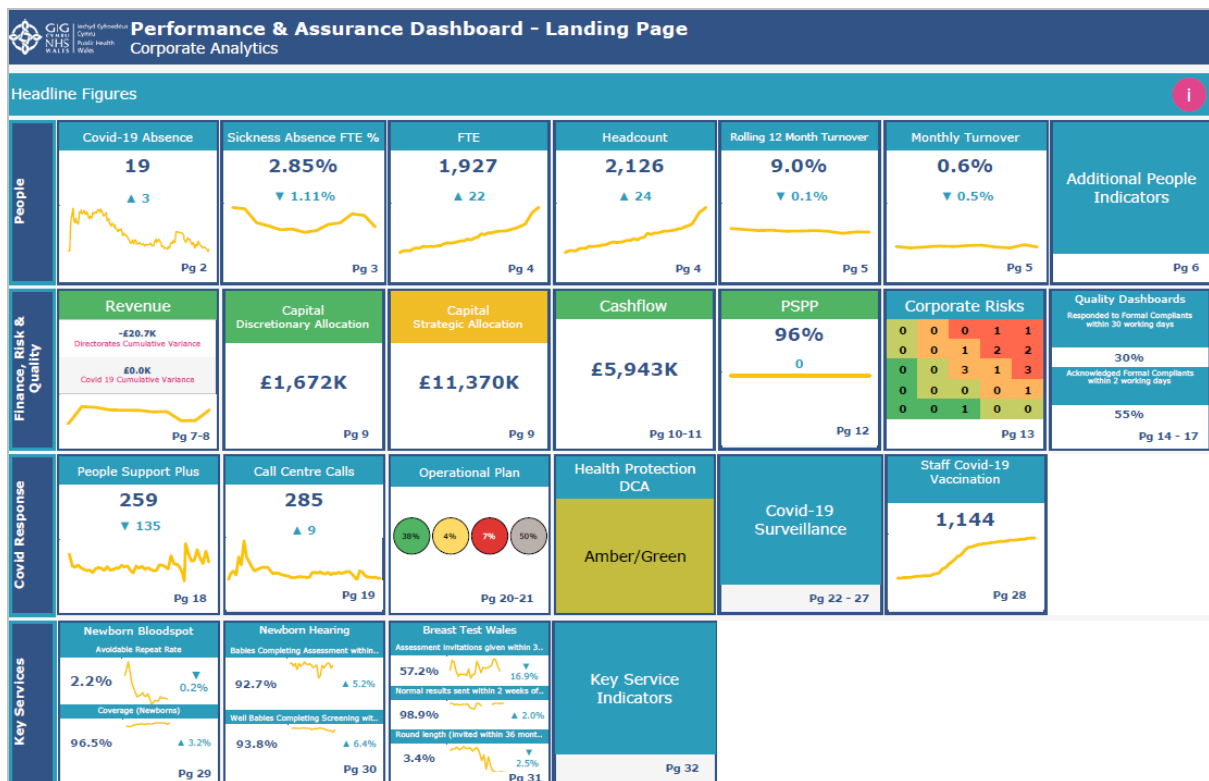
We want to ensure that decision making across the organisation adapts as we continue to progress through the pandemic and is consistent, proportionate, clear, timely, quality and data driven and taken at the appropriate level. We will build on the progress we have made so far to embed securing value, benefits realisation, quality and improvement and taking a strategic approach to risk as cornerstones within the decision-making framework.

We've set out how decisions regarding our response to COVID-19 and our recovery are made below. In line with the Public Health Wales Emergency Response Plan, we revised our governance structure that is in place for decisions regarding our organisational response to COVID-19.



Throughout the last twelve months, the Board has continued to review its governance arrangements and has made a number of changes to its way of working. We have continued to maintain our governance standards and the variations to standing orders throughout the pandemic.

The Board has met monthly since the 26 March 2020, whilst Board Committees have seen a number of changes (see below). The Board continued to receive frequent communications for both information and assurance in between Board meetings and our newly developed Performance and Assurance dashboard and supporting report, which brings together key information relating to COVID-19 response, finance, workforce, risk and key performance indicators on a monthly basis.



Our Quality Safety and Improvement Board Committee and our Audit and Corporate Governance Board Committee remained active with both being held every eight weeks (on alternate months). The Knowledge, Research and Information Committee and People and Organisational Development Committee were suspended. The Strategic Directors continued to oversee our response to the pandemic, together with the four Incident Directors (increased from three).

Prior to COVID-19, our Business Executive Team (BET) met on a monthly basis but were paused during April and May 2020. Since June 2020, the

formal BET meeting was reconvened with the increasing focus on receiving assurance from our GOLD group (see below) in relation to the response to the incident, focusing on the wider population health impact and interventions, the internal organisational recovery and reactivation of non COVID-19 services and the well-being of staff.

The GOLD group was set up in accordance with our Emergency Response Plan. The GOLD group takes overall responsibility for the management of an incident and establishes a strategic framework within which other levels of response will work. The GOLD group continued to meet weekly, with Incident Management Team meetings a minimum of three times a week. The weekly Delivery Confidence Assessment against our Test Trace Protect Stage 2 Implementation Plan was regularly reviewed at GOLD and shared with the Board and included the change control procedure and risk logs. We also established a Population Health Group reporting to GOLD. The Population Health Group developed an approach to understand and prevent the broader harms relating to COVID-19 and other key drivers of policy health and inequalities in Wales.

The ongoing organisational mobilisation in response to COVID-19, coupled with other priority areas, made it timely to review the arrangements again at our Board meeting in March 2021, prior to the start of the 2021/22 financial year. The variations to the Board and Committee schedule are outlined in our published Board papers, and include changes to the frequency of Board and Committee meetings. The agreed variations were effective from 1 April 2021, with a review to take place in July 2021.

Further information on our governance arrangements and decision making can be found in the Corporate Governance Statement.

## **Communications**

We have undertaken extensive communications and engagement activity from the outset of the pandemic and continue to do so. We have advised on behavioural insights and evaluation and have proactively shared key information to support the Welsh Government's strategy through stakeholder networks, social media and traditional media.

At the same time, our Communications Team have played a critical role in leading and coordinating communications in support of the outbreaks and clusters which emerged following the easing of restrictions in the summer of 2020. We have executed this work in line with the *All Wales Communicable Disease Control Plan* and have undertaken workshops

across the four Local Resilience Forum Media Cells to ensure each of the Test Trace Protect areas has a clear understanding of roles and responsibilities in the context of outbreak control. As part of this we have facilitated increased capability at regional levels enabling local teams to take up communications leadership on local outbreaks.

Since September 2020, we have worked in close collaboration with colleagues in the Welsh Government and UK Government on the planning and delivery of communications in support of the COVID-19 vaccination rollout. In preparation for the COVID-19 vaccination rollout we launched a dedicated microsite for the public and for health care professionals to provide up to date information about the vaccine.

We established a dedicated COVID-19 website, which is designed to carry up-to-date public messages, as well as guidance for health and social care workers.

At the beginning of the pandemic, we launched a well-being campaign to help mitigate the negative impacts of COVID-19 on people in Wales. Our 'How Are You Doing?' campaign was developed with expertise from our behavioural science unit and was designed to provide evidence-based support and advice to address mental, physical and social wellbeing. This campaign was run again for a six-week period from the onset of the 'firebreak' in Wales (October 2020) with a particular emphasis on mental health.

## **Delivering in partnership**

We have played a key role in supporting the public, the Welsh Government, NHS organisations, local authorities, emergency services, the Criminal Justice system, education, social care and voluntary services throughout our response to the coronavirus pandemic.

We continue to provide system leadership through the provision of specialist and expert public health advice, information, intelligence and support. This involves working with a range of partners within the UK and internationally, including:

- ❖ Providing public health advice to the Welsh Government to support the development of policy
- ❖ Delivering key public health functions and services (e.g. health protection and microbiology outbreak response and management)

- ❖ Supporting health boards, local authorities and the Welsh Government in implementing the Test Trace Protect Strategy
- ❖ Developing and disseminating surveillance and intelligence to the wider system (e.g. COVID-19 surveillance reports)
- ❖ Undertaking research, evaluation and international evidence analysis to inform policy and support Wales' ongoing response (e.g. national public engagement survey and international horizon scanning)

Other notable examples of support to the Welsh Government include the:

- ❖ Active participation, and chairing where appropriate, of multiple technical, advisory and operational groups
- ❖ Provision of specialist advice on infection prevention control and personal protective equipment, including supplementary guidance for health care and social care professionals
- ❖ Provision of public health guidance to residential care homes as described earlier
- ❖ Provision of Guidance to Environmental Health Officers in relation to prevention actions in care home and enclosed settings
- ❖ Development of specific advice on the development of critical worker testing to inform Welsh Government policy
- ❖ Provision of advice to inform and consider international learning from COVID-19 and the broader indirect harm that is impacting on population health and well-being.

In October 2020, a Memorandum of Understanding (MoU) between the Welsh Government and the World Health Organization (WHO) was signed which was supported by our WHO Collaborating Centre team. The MoU sets out a common agreement of the need for investment in health and well-being, the essential conditions for achieving the highest possible level of health, sustainable development and prosperity for all people in Wales. This also includes identifying and overcoming the common challenges facing society prior to and after the effects of COVID-19. The development of this MoU is a world first. Our strong relationships with WHO mean we are already working jointly with them, and through them with other countries, to understand the most effective and equitable ways forward for health and well-being following the pandemic.



### **Case Study: Working in partnership to deliver COVID-19 testing**

In the early stages of the Pandemic it was necessary to build a structure to provide COVID-19 PCR testing for the population of Wales. Health Boards were building small Community Testing Units for their staff. However, testing essential services such as police, teachers, social care workers, were all required to enable key workers to get back to work safely.

A combination of staff from across Welsh Government, Public Health Wales, NHS Shared Services, Health Boards, Department of Health and their support organisations, local authorities, SCG members, LRFs etc, all came together in different ways to establish a number of mass testing sites. To enable this we:

- ❖ Commissioned the mass testing site at Cardiff City Stadium, making the site operational within 6 days of the facilities being located on site
- ❖ Developed an operating model and safety procedures from scratch
- ❖ Sampled people on site 7 days a week. Cardiff City Football Club looked after everyone, opening the site early and closing late, providing stewarding, refreshments, and accommodation to store materials
- ❖ Developed patient booking system for the mass testing sites, which were tailored for each LRF and SCG partner. Each site needed their own courier service established in order to get samples to PHW Labs.
- ❖ Sourced, packed-up and delivered pre-packed sampling kits
- ❖ Set up an Electronic Test Request System where the patient would have their test recorded as part of the Welsh Clinical Portal. At the same time a new automated results delivery service via SMS text was established
- ❖ Developed a reporting system that would show lab turnaround times, results reporting, and a monitoring of the total incidence of COVID-19

We worked with Health Board colleagues to commission additional testing sites and share learning. The testing process required regular review and monitoring to ensure that all appropriate infection control requirements were adhered to.

## **Conclusion and forward look**

We have set out ambitious plans for the delivery of key public health work over the next 12 months. These are set out in our Operational Plan 2021/22 which was submitted to the Welsh Government at the end of March 2021. Our plan not only focuses on the direct and immediate requirements to continue to effectively respond to the coronavirus pandemic, but also considers the wider impacts of COVID-19, the reactivation of our services and our organisational recovery.

However, we recognise in developing this plan that we will be operating in a challenging and unpredictable environment. As a result, we will need to regularly review the feasibility of the plan, informed by the ongoing

evolution of the pandemic, our ability to recruit additional staff into our health protection response and our ability to reactivate our core public health functions.

We will also assess the impact of COVID-19 on our long-term strategy and priorities through a formal strategy review which will take into account future opportunities and challenges. We will continue to mobilise our staff back to their substantive roles and reactivate our functions, subject to the course of the pandemic.

Our focus set out over the next 12 months will to be built upon the ongoing commitment, professionalism and tireless efforts of all staff who have worked to tackle the unprecedented public health challenges faced by Wales. Their efforts will allow us to continue to meet these challenges head-on.

## Well-being of Future Generations Report

Throughout Public Health Wales' prioritisation of our health protection response to the COVID-19 pandemic, we have ensured the Well-being of Future Generations Act (WFG Act) has remained at the centre of how we work. Despite the challenges of several of our working groups which support our response to the Act being unable to meet in 2020-21, we have continued to make progress, with the Health and Sustainability Hub supporting our organisation's role as a public body in the Act, as summarised below.

### Health and Sustainability Hub work in 2020-21 'Green Opportunities' e-brief

We have published two quarterly editions of our new '*Green Opportunities*' e-brief which captures learning and identifies best practice to support the implementation of the WFG Act through a green recovery from COVID-19, given the challenges and inequalities which the pandemic has further exposed. These editions have focused on the themes of biodiversity, sustainable energy and improving air quality.



### 'Green Advocates' internal staff network on sustainable development

We have created an internal staff network on sustainable development, '*Green Advocates*'. These informal quarterly lunchtime sessions aim to enable discussion, learning and action at team and individual level, including whilst many of our staff continue to be mobilised to the health protection response and work from home. Discussion topics include the impact of COVID-19 on working and living sustainably.

## **'SIFT' (Sustainability Improvements for Teams) Healthy Environment Planner**

Working with Cynnal Cymru-Sustain Wales, we have developed the 'SIFT' Healthy Environment Planner, which is a two-hour virtual workshop to enable workplace teams (and individual team members) to identify and reduce their environmental impacts. The tool focuses on three main themes: decarbonisation, biodiversity and resource efficiency (zero waste), and will be available to share with public bodies in Wales in 2021-22.



## **Sustainable Development Toolkit**

We have produced this toolkit through our participation in the JAHEE (Joint Action on Health Equity Europe) programme to support global organisations to implement the United Nations' Sustainable Development Goals. In setting the background, the toolkit advocates for a 'health in all policies' approach and considers the impact of COVID-19 on the global goals. Sustainable case studies are highlighted across the recognised five levels for sustainable change (country, system, organisation, team and individual levels), and a range of practical and graphical resources are featured, including products from the Office of the Future Generations Commissioner for Wales and Public Health Wales. The toolkit will be published in 2021-22.



## **'Be the Change' for Wales' well-being goals: e-guide on home and agile-working**

Reflecting on the Wales Health Impact Assessment Support Unit's analysis of home and agile-working during COVID-19 and beyond, we have produced the eighth e-guide in our 'Be the Change' series of sustainable steps (alongside sources of support and case studies) which teams and individuals in any organisation can action whilst working from home or agilely to contribute to Wales' well-being goals. The e-guide, which will be published in 2021-22, covers five areas for sustainability: home workspace, I.T., mental well-being, lunch, and commuting/travel.



Further information on Health impact assessment of home and agile-working can be found here:

<https://whiasu.publichealthnetwork.cymru/en/hia-reports/>

## **'Be the Change' Well-being Goals Challenge**

We have further added to 'Be the Change' with the 'Well-being Goals Challenge', which encourages and supports teams and individuals in any

organisation to model a choice of six sustainable behaviours, inside and outside of the working day, to 'live' the global goals and Wales' well-being goals. The menu of behaviours is: slow fashion, plant-based diet, towards zero waste, healthy travel, ethical consumer, and supporting wildlife. The Challenge will be published in the Sustainable Development Toolkit.



Further information on our Health and Sustainability Hub and resources can be found here: <https://phwwhocc.co.uk/teams/health-and-sustainability-hub/>

### **Climate change, Brexit and COVID-19**

In addition, work is underway to understand the combined impacts of climate change, Brexit and the COVID-19 pandemic on population health and well-being in Wales. This will build on learning from our work in these areas over recent years, and will support an integrated approach to assessing, understanding and responding to these challenges.

### **Welsh Parliament's Public Accounts Committee**

Public Health Wales participated in the Public Accounts Committee's inquiry on the 'barriers to the successful implementation of the WFG Act', submitting written evidence and providing oral evidence. In our submission, we highlighted that we viewed the Act as pivotal to improving population health and well-being, and tackling health inequalities, and that the Act has provided us with the framework for adopting a more transformational approach to the way we work. Further information is available here: <https://senedd.wales/committees/public-accounts-committee/>

### **Update on our Buildings, Energy and Waste work stream**

COVID-19 had a significant impact on the plans of the Buildings, Energy and Waste work stream during 2020-21, with the internal Environmental Sustainability Group being unable to convene during this period due to

staff mobilisation to the health protection response. Similar to other public bodies, Public Health Wales has had to adapt to new flexible ways of working, with a large proportion of our staff working from home. The expedited introduction of Microsoft 365 has enabled staff to stay connected and communicate effectively within and outside the organisation. Homeworking in light of COVID-19 is also challenging for calculating our organisational carbon footprint as whilst we are experiencing a large reduction in travel, factors including energy use and waste have transferred from the office to the home workplace.

As a result of these changes, the Buildings, Energy and Waste work stream is working with the Estates, Facilities and Safety Division to ensure buildings are used in a safe, sustainable, efficient and effective way, which will be a key part of our Estates Strategy. Since the start of the pandemic, the Estates, Facilities and Safety Division has supported staff to work more flexibly through the provision of ICT equipment to home workers. Going forward, as the organisation adapts to the challenges and opportunities presented by COVID-19, the Estates, Facilities and Safety Division is exploring ways for staff to return to workplaces in a safe and managed way. In March 2021, 'Our Conversation' engagement work commenced to understand how staff would like to work in the future, and this will inform the development of our approaches over the next 12 months.

Elements of work have continued to contribute to Wales' well-being goals and the Welsh Government's aim for a net zero carbon public sector in Wales by 2030.

The Estates, Facilities and Safety Division continued the project of installing LED lighting across a further four of its properties. Plans are underway to upgrade to LED lighting at another two properties in north Wales during 2021-22, with additional properties to be considered as the Estates Strategy develops.

Following successful trials of electric vehicles over the past two years, the Estates, Facilities and Safety Division is working with the Screening Division to upgrade part of its fleet to 'EVs' during 2021-22. The Divisions will also be looking to install electric vehicle charging stations at strategic locations across Wales, to not only support service delivery but also enable staff who own 'EVs' to charge them whilst in the workplace.

The Estates, Facilities and Safety Division also began a new contract for the provision of a confidential waste collection service at six sites with

Elite Paper Solutions - a social enterprise working with disabled and disadvantaged people across south and west Wales. Their mission is to assist organisations reduce their carbon footprint through effective recycling of waste, whilst also offering local employment opportunities. The contract also enables the organisation to purchase recycled paper at a reduced rate, and introduces a circular economy approach to paper reuse across these premises. Going forward, we will be looking to add further sites across Wales to the contract.



# Section 2: Accountability Report

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## Annex 1 –Public Health Wales Directors’ Report 2020/21

In accordance with the Financial Reporting Manual (FRM), the Directors’ Report must include the following, unless disclosed elsewhere in the Annual Report and Accounts (ARA) in which case a cross-reference is provided:

Requirement	Cross-Reference
<p><b>1.</b> The names of the Chair and Chief Executive, and the names of any individuals who were directors of the entity at any point in the financial year and up to the date the ARA was approved.</p>	<p>See <a href="#">Annex 1</a> in the Annual Governance Statement.</p>
<p><b>2.</b> The composition of the management board (including advisory and non-Executive members) having authority or responsibility for directing or controlling the major activities of the entity during the year.</p>	<p>See <a href="#">Annex 1</a> in the Annual Governance Statement.</p>
<p><b>3.</b> The names of the directors forming an audit committee or committees.</p>	<p>See <a href="#">Annex 1</a> in the Annual Governance Statement.</p>
<p><b>4.</b> Details of company directorships and other significant interests held by members of the management board, which may conflict with their management responsibilities. Where a Register of Interests is available online, a web link may be provided instead of a detailed disclosure in the annual report.</p>	<p>See the <a href="#">Register of Interests 2020/21</a>.</p>
<p><b>5.</b> Information on personal data related incidents where these have been formally reported to the Information Commissioner’s Office. Reporting of personal data related incidents including “serious untoward incidents” involving data loss or confidentiality breaches and details of how the risks to information are managed and controlled.</p>	<p>See Data Breaches section (<a href="#">section 9.9</a>) of this the Annual Governance Statement.</p>
<p><b>6.</b> Information on environmental, social and community issues.</p>	<p>See <a href="#">section 9.6</a> of this the Annual Governance Statement.</p>
<p><b>7.</b> As a public sector information holder, Public Health Wales has complied with the cost allocation and charging requirements set out in HM Treasury guidance.</p>	

## **Annex 2 - Statement of Chief Executive's Responsibilities as Accountable Officer**

The Welsh Ministers have directed that the Chief Executive should be the Accountable Officer to the Local Health Board / 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:**

Chief Executive

**Dr Tracey Cooper**

Date: 10 June 2021

### **Annex 3 - 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 LHB / NHS Trust and of the income and expenditure of the LHB /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 judgements and estimates which are responsible and prudent
- ❖ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the account.

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

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

#### **By Order of the Board**

#### **Signed:**

Chair: <b>Jan Williams OBE</b>	Jan Williams OBE	10 June 2021
Chief Executive: <b>Dr Tracey Cooper</b>	Dr Tracey Cooper	10 June 2021
Director of Finance: <b>Huw George</b>	Huw George	10 June 2021



**GIG**  
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WALES

Iechyd Cyhoeddus  
Cymru  
Public Health  
Wales

## **Annual Governance Statement 2020/21**

### **Purpose and Summary of Document:**

Public Health Wales is required to provide an Annual Governance Statement as part of the Accountability Report, which is part of the Annual Report and Accounts 2020/21. The information provided in this Statement has been compiled using assurance information and documentation collated throughout the financial year. The Welsh Government issued guidance in the Manual for Accounts. The Financial Reporting Manual (FRoM), issued by Her Majesty's Treasury, has also been used to help shape the final Statement.

The Audit and Corporate Governance Committee considered the draft for submission at its meeting on 5 May 2021.

This final version was presented to the Committee on 7 June 2021 for recommendation to the Board for approval on 10 June 2021. The Board approved this Statement for submission to Welsh Government at a Board meeting on 10 June 2021.

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## 1. Scope of Responsibility

As the national Public Health Institute in Wales, our vision is '*Working to achieve a healthier future for Wales*'. This Annual Governance Statement reflects the third full year of our Long Term Strategy that was approved in 2017/2018. This year, 2020/21, has been an exceptional year in the context of a global SARS-COV-2 Novel Coronavirus (COVID-19) pandemic, and within this report, we will outline the impact the pandemic has had on our organisation and our work. Public Health Wales, and the NHS in Wales, faced unprecedented and increasing pressure in planning and providing services to meet the needs of those who are affected by the COVID-19 pandemic.

The Board has responsibility for setting the strategic direction, the governance framework, organisational tone, and culture, steering the risk appetite, and overseeing strategic risks, developing strong relationships with key stakeholders and partners and the successful delivery of Public Health Wales' Long Term Strategy. As Chief Executive of Public Health Wales, I have responsibility for ensuring that effective and robust governance arrangements are in place, a sound system of internal control that supports the achievement of the organisation's Long Term Strategy exists and the safeguarding of public funds and the organisation's assets. These are carried out in accordance with my Accountable Officer responsibilities allocated by the Director General for Health and Social Services in the Welsh Government.

The required response to the pandemic has resulted in the organisation needing to significantly scale up core health protection and diagnostic functions to a level that has never been undertaken before. The decision was taken in February 2020 to re-align the organisation's priorities to focus singularly on the coordination, advice, support, and response to COVID-19. In addition to the functions that we discharge, and the exceptional commitment and work of our staff, our staff have also been personally and professionally affected by the social measures in relation to the 'lockdown' period from the end of March 2020, the 'local lockdowns' in the Autumn 2020, and a second national 'lockdown' as a result of the second wave from December 2020.

On 13 March 2020, the Minister for Health and Social Services announced a directive to suspend non-urgent outpatient appointments and non-urgent surgical admissions and procedures in order to redirect staff and resources to support the response to Novel Coronavirus (COVID-19). In line with this directive, and following a risk assessment on the ability and safety of delivering screening programmes, Public Health Wales temporarily paused



some of the population based screening programmes, with the support of the Welsh Government.

The Antenatal Screening Wales, Newborn Bloodspot Screening and Newborn Hearing Screening programmes remained in operation, due to the short window of intervention that can prevent impactful complications for newborns, and formed a routine part of our antenatal and postnatal care.

A key focus within the year has been supporting our people to work within such an environment. This has meant that many of our people across the organisation have been up skilled in new activities and have had to work very differently both internally, and with our partners and stakeholders externally. It has therefore been necessary to revise our strategic priorities and aspects of how we discharge our governance and operational framework. We have regularly provided governance reports to the Board, to ensure effective and transparent decision-making. *(Further details on the variations to our governance arrangements can be found in [section 2.2.](#))*

To demonstrate this, we are recording how the effects of COVID-19 have influenced any changes to normal decision-making processes. Where relevant these, and other actions taken, have been explained within this Annual Governance Statement.

I have personal overall responsibility for the management and staffing of the organisation. I am required to assure myself, and therefore the Board, that the organisation's Executive management arrangements are fit for purpose, and enable effective leadership. The following statement demonstrates the mechanisms and methods used to enable me to gain that assurance.

## 2. Governance Framework

We have continued to evolve and mature our governance arrangements across the organisation, within the context of the challenges during this year of the pandemic.

The Board functions as a corporate decision-making body, with Executive Directors and Non-Executive Directors being full and equal members and sharing corporate responsibility for all the decisions of the Board. Other Directors within the Executive team are also in attendance at Board meetings, as is the Board Secretary and Head of the Board Business Unit and other staff as required.

In particular, the Board has responsibility for setting the strategic direction, the governance framework, organisational tone and culture, steering the risk appetite and overseeing strategic risks, developing strong relationships with key stakeholders and partners and the successful delivery of Public Health Wales' Long Term Strategy. In addition, Executive Directors have Board-level responsibility for effectively discharging our functions. The Board is supported by the Board Secretary and Head of the Board Business Unit.

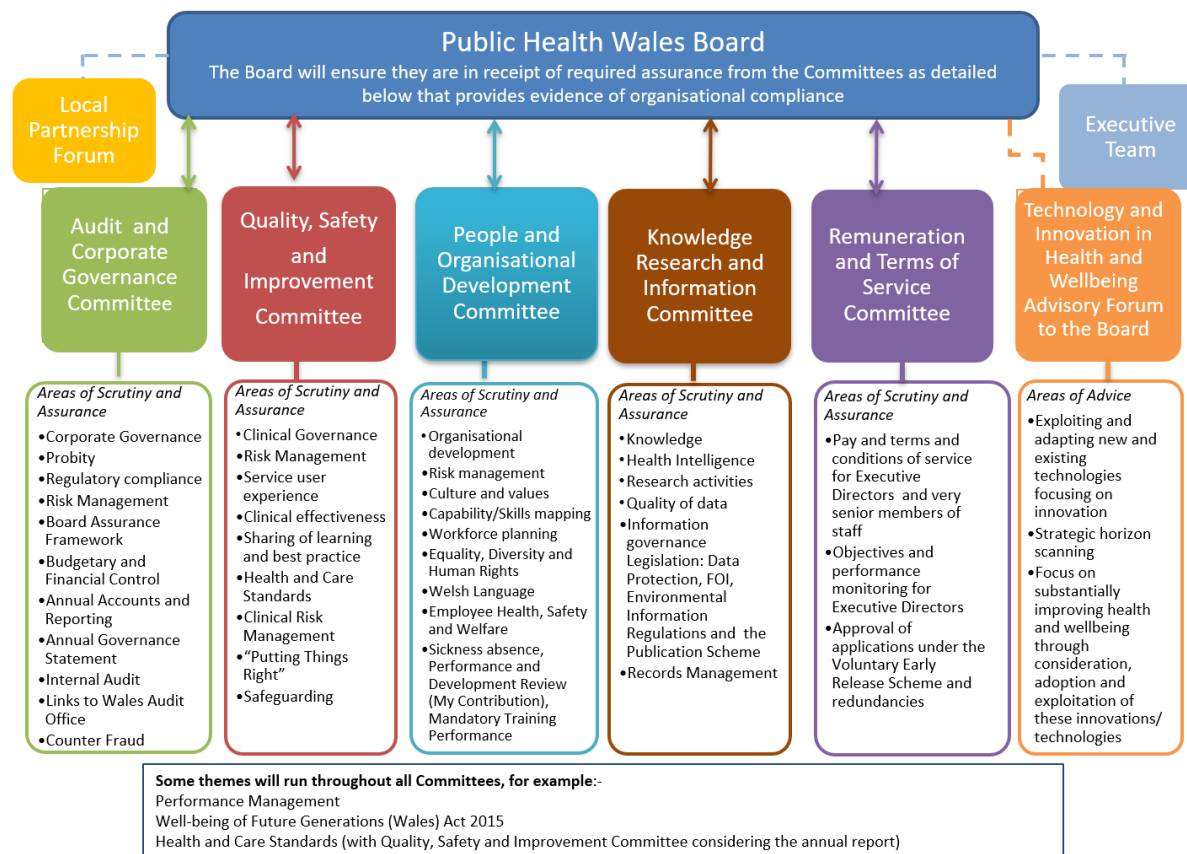
The exceptional nature of our response to COVID-19 has required us to fundamentally assess the delivery of our previously agreed plans. As a result, at the outset of the year the pre-approved Strategic Plan (Integrated Medium Term Plan) had to be suspended (with the exception of antenatal and newborn screening programmes) in order to mobilise all of our staff to scale up and sustain our Health protection response to the pandemic. Consequently, for the first six months the only plan in operation was a series of rapid operationally detailed plans for our Health Protection response, together with the gradual reactivation of a number of our screening programmes from June. With the increase in emphasis on the need to also increase our activities on the broader harms resulting from COVID-19, in October, we approved a revised in-year Operational Plan that sets out the priority areas and specific actions that Public Health Wales will deliver over the next 18 months. (*Further details of the Operational Plan can be found in [section 8.](#)*)

The Board has adapted, but continued, its programme of development and learning, reflecting constantly on its effectiveness, both as a full Board and working through its Committees. (*Further details on the Board and Committee Effectiveness can be found in [section 2.3.5.](#)*)

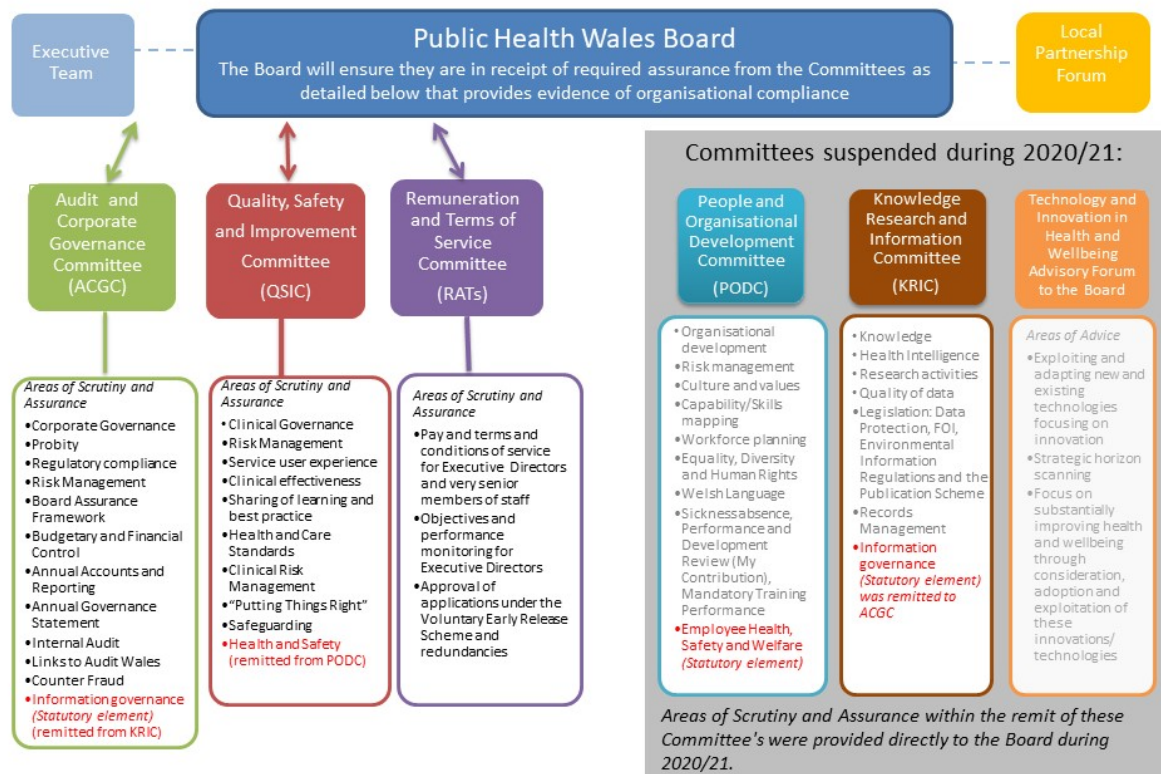
The current Board and Committee structure was approved in August 2018, and was operational from 1 April 2019. During 2020/21, we have made a number of adaptations to our Committee operations. (*Further details of the Committee structure can be found in [section 2.6.](#)*)

During the year a number of adaptations to the governance structure and framework have been made to further strengthen the corporate infrastructure within the context of the pandemic, to ensure appropriate oversight and focus on quality, risk management and governance. *(Further details can be found in corresponding sections later in this report)*

**Figure 1: Board and Committee structure approved by Board in July 2018 and operational from 1 April 2019**



This year, the structure above has been adapted to the following:



The [Structured Assessment 2020](#) report, an annual audit undertaken by Audit Wales, recognised the continued *strong culture of governance*, with the report making no recommendations for action. The Assessment also recognises the *strong, effective governance arrangements* put in place for the first half of the year.

## 2.1 Impact of COVID-19

COVID-19 was declared a pandemic by the World Health Organization (WHO) on the 13 March 2020. Public Health Wales has been actively managing COVID-19 as an incident since late January 2020, with the Gold Command structure meeting for the first time on the 25 February 2020.

On the 28 February 2020, the Board approved the rapid mobilisation of staff across the organisation in support of the COVID-19 response. With the exception of maintaining Microbiology and Health Protection services, antenatal and newborn screening programmes, communications, and infrastructure, responding to COVID-19 became the sole priority for the organisation until further notice.

Mobilising the organisation to both fulfil the leadership and support requirements of Public Health Wales' roles and responsibilities, as well as supporting the Welsh Government, wider health and social care system and local authority partners, has been, and continues to be, a significant undertaking. The form and focus for the entire organisation changed significantly with the vast majority of staff being diverted into the delivery of COVID-19 essential activities.

In support of the wider health and social care system and local authority partners, significant effort and resources have been committed to ensuring the required services and expertise have been provided during each phase of the pandemic. This has included services that Public Health Wales is directly responsible for, as well as providing system leadership advice and support.

As the national Public Health Institute, we also have a significant role to provide expert public health advice to Welsh Ministers and to the Welsh Government. Being actively involved in daily four nations engagement with the other public health agencies in the United Kingdom has also been a routine activity for the response to COVID-19.

### **Compliance with Health Protection (Coronavirus Restrictions) (Wales) Regulations 2020**

Since the *Health Protection (Coronavirus Restrictions) (Wales) Regulations 2020* came into force in Wales on 7 April 2020, Public Health Wales has been working across its estate to ensure compliance and critically, to maintain the safety of staff and service users.

Guidance has been issued to work places that states provided '*reasonable steps*' have been taken an employer would be compliant with the Regulations. It should also be noted that the guidance also states '*while that is an objective test that is intended to be applied consistently, it is not an absolute rule that has to be applied all of the time in all circumstances. In addition it is not a measure that will apply in the same way in all circumstances.*'

The Estates and Health and Safety Team, in conjunction with Infection Prevention and Control Leads and Health and Safety Managers, has continued to put in place measures in line with guidance to ensure the safety of our staff and service users. Details of these actions that have been undertaken over the last 12 months were included in a report to Board '[Public Health Wales COVID-19 Safe Working Environments](#)' in February 2021, providing assurance on the measures undertaken to date to ensure the safety of our staff working both within our Estates and remotely.

## Organisational Learning

Undertaking continued international horizon scanning and connecting with other National Public Health Institutes worldwide in order to apply learning and sharing within Wales has been a key activity for us during the year.

At the end of 2019, a *Vision for Knowledge Mobilisation 2020-2025* was produced. It set out to maximise knowledge mobilisation, ensuring that decisions, both our own and those of our stakeholders, are informed by the most appropriate knowledge; that activities or initiatives, both innovative and established, are evaluated and that learning from this evaluation is efficiently shared and acted upon. We have made significant progress through in embedding research, evaluation, and evidence with the establishment of the Knowledge Directorate. In the context of the pandemic, it is even more important that our knowledge and experience of COVID-19 is captured, disseminated, and used.

During the pandemic, we have introduced new services, undertaken new or additional roles and changed our working practices. Some of our programmes and services have been paused and will need to be reactivated using new ways of working. The magnitude of the change means that many different opportunities for learning have arisen, and it is important that we capture this knowledge and use it as the demands and requirements on us change.

We also found ourselves working beyond our mandate in the first part of the year including supporting the NHS to set up sampling centres, running a sampling centre and supporting the Welsh Government to establish an online testing platform prior to the adoption of the UK Government portal. These were challenging activities that we found ourselves undertaking to support the Welsh Government in the absence of any other organisation actively undertaking them. On occasion, this also resulted in the misinterpretation of our role and responsibility as a National Public Health Institute.

The Operational Plan approved by the Board in October 2020, outlines the organisational processes to support the systematic collection, synthesis and dissemination of learning gathered during the COVID-19 pandemic. This includes methods to share learning within the organisation and, where appropriate, with external stakeholders. The scope of the plan also includes the capture of information and decisions made by the organisation that will provide an archive and organisational narrative in relation to COVID-19.

## 2.2 Governance Structure

Because of the pandemic, changes have been made to both the Executive and Board governance structures. These changes are summarised below.

## 2.2.1 Board Governance

During the last twelve months, the Board has reviewed its governance arrangements and has made a number of changes to its way of working.

We acknowledged that in these unprecedented times, there were limitations on Boards and Committees being able to physically meet, where this is not necessary and can be achieved by other means.

The Board acknowledged that, as it was unlikely to meet in person for the foreseeable future and would meet through electronic/telephony means. As a result of this, members of the public were unable to attend or observe.

Until February 2020, we live streamed all public Board meetings via social media. This was paused as a result of COVID-19 and the move to remote working and social restrictions. We were pleased to reinstate the livestreaming of Board meetings as of 28 July 2020, and are planning to livestream our committee meetings during 2021/22.

The Board has met monthly since the 26 March 2020, whilst Board Committees have seen the following changes during 2020/21:

Committee	Changes
Audit and Corporate Governance Committee (ACGC)	<ul style="list-style-type: none"><li>❖ Remained active, met eight weekly (increased from five meetings per year)</li><li>❖ Information Governance considered in this committee while KRIC was suspended.</li></ul>
Quality, Safety and Improvement Committee (QSIC)	<ul style="list-style-type: none"><li>❖ Remained active, met eight weekly (increased from four meetings per year)</li><li>❖ Health and Safety considered in this Committee while PODC was suspended.</li></ul>
Knowledge, Research and Information Committee (KRIC)	Committee was suspended for all of 2020/21; the next review is due in July 2021.
People and Organisational Development Committee (PODC)	Committee was suspended for all of 2020/21 and has been reactivated from 1 April 2021.  A People Advisory Group was established in October 2020 to provide support to the Board whilst the Committee was suspended. See <a href="#">Section 2.6</a> for further information.
Remuneration and Terms of Service Committee	Remained active, met as and when required.

## Variation to ways of working

In order to remain flexible whilst ensuring appropriate transparency and robustness of decision-making, the Board agreed a number of variations to its ways of working. A summary of these changes are set out below:

<p>March 2020</p>	<p>The Board agreed that in order to facilitate as much transparency and openness as possible at this extraordinary time, it undertook to:</p> <ul style="list-style-type: none"> <li>❖ Publish agendas as far in advance as possible – ideally seven days</li> <li>❖ Publish reports as far in advance as possible – recognising that some may be tabled and therefore published after the event</li> <li>❖ Increase the use of verbal reporting which will be captured in the meeting minutes</li> <li>❖ Publish a draft set of minutes from the meeting for public view as soon as possible</li> <li>❖ Publish a clear link to website pages and social media accounts signposting to further information.</li> </ul> <p>The Board also agreed to hold regular Board Briefings to ensure Board members were sufficiently informed and up to date.</p>
<p>April 2020</p>	<p>At its meeting in April 2020, the Board approved that, for the period of the coronavirus pandemic, the Board should reduce the agenda and focus on essential business only.</p> <p>The Board also agreed a series of 'ways of working', its approach to communication and adopted the All-Wales governance principles developed in response to the pandemic.</p>
<p>July 2020</p>	<p>The Board continued to consider people / staff workforce matters whilst the People and Organisational Development is suspended.</p> <p>Following review of the Board and Committee positions, it was agreed that:</p> <ul style="list-style-type: none"> <li>❖ The Board would continue to meet monthly, with a shorter focused agenda</li> <li>❖ The Knowledge, Research and Information and People and Organisational Development Committees remain suspended until January 2021 (pending review later in the Autumn)</li> <li>❖ The Audit and Corporate Governance and Quality, Safety and Improvement Committees continue to meet every eight weeks with the additional roles</li> </ul>



	<p>remitted from the suspended committees (health and safety and information governance).</p> <p>We resumed livestreaming of Board meetings in July 2020.</p>
October 2020	<p>A mid-year review resulted in the following recommendations approved by the Board:</p> <ul style="list-style-type: none"> <li>❖ The Board continued to meet monthly, with a shorter, focused agenda on alternate months, until March 2021</li> <li>❖ The Knowledge, Research and Information Committee remains suspended until April 2021 (pending review later in the New Year)</li> <li>❖ The Audit and Corporate Governance and Quality, Safety and Improvement Committees continue to meet every eight weeks, with the additional roles remitted from the suspended committees (information governance and health and safety respectively)</li> <li>❖ The People and Organisational Development Committee remains suspended until April 2021 (pending review later in the New Year)</li> <li>❖ Given the continued scale of change and impact of COVID-19 on our workforce, it was agreed to establish a People Advisory Group (PAG) to support the Board on specific people-based matters. This will be time limited and will cease to meet once the full Board Committee reactivates.</li> </ul>
February 2021	<p>COVID-19 mobilisation remained the highest priority for the organisation and other priorities, including the focus on the broader harms, meant that the Board needed to balance its oversight of COVID-19 delivery against a focus on other aspects of the Operational Plan and key strategic development work, including a refresh of the Long Term Strategy 2018-2030.</p> <p>Above all, the Board needs to ensure the following:</p> <ul style="list-style-type: none"> <li>❖ That the <i>right touch governance</i> principles remain in place for 2021/22, to facilitate effective Board leadership, oversight and assurance</li> <li>❖ That the Executive team had the appropriate time and space to continue meeting the health protection response, whilst also focussing on other key areas of work, as set out in the Operational Plan 2020-22. These include the further transformation of health protection services, a major focus on the broader harms resulting from COVID-19, and that have</li> </ul>

- exacerbated long-standing health inequalities, and the reactivation of agreed services; and
- ❖ That the full Board has the time and space to return to the strategy development work that had been a key feature, prior to 2020.

Following ongoing review, feedback and discussion the table below sets out the arrangements from 1 April 2021:

<b>Board</b>	<ul style="list-style-type: none"> <li>❖ Reinstatement of bi-monthly meetings (May, July, Sept, Nov, Jan, March)</li> <li>❖ Scheduling of Board meetings from 10am to 2pm, to include open and closed sessions.</li> </ul>
<b>Board Development</b>	<ul style="list-style-type: none"> <li>❖ Reinstatement of bi-monthly Board development sessions reinstated (April, June, Aug, Oct, Dec, Feb) – focussing on key strategic issues</li> <li>❖ Scheduling of Board development sessions whilst virtual working continues. This would be reviewed following the resumption of physical meetings.</li> </ul>
<b>Board Briefings</b>	<ul style="list-style-type: none"> <li>❖ Substitution of written Board Briefing Notes for mid-monthly briefing sessions (where required)</li> <li>❖ Continuation of relevant updates, together with Advice Notes, and other key briefing materials as required.</li> </ul>
<b>Audit and Corporate Governance Committee</b>	Reinstatement of five meetings per annum.
<b>Quality, Safety and Improvement Committee</b>	Retention of approximately eight weekly meeting cycle.
<b>People and Organisational Development Committee /</b>	Resumption of the full People and Organisational Development Committee from April 2021, on a quarterly basis, with a focussed,

	<b>People Advisory Group</b>	risk based agenda, but with full delegated powers in line with the Terms of Reference. This enables the People Advisory Group to stand down.
	<b>Knowledge, Research and Information Committee</b>	Likely resumption in the Autumn of 2021.

## Variations to Standing Orders and Standing Financial Instructions

The following is a summary of the Variations to Standing Orders during 2020/21:

March 2020	<p>On the 26 March 2020, the Board approved a number of variations to the Standing Orders in light of COVID-19 and its implications to fulfil the Standing Orders.</p> <p>In summary, the approved changes were:</p> <ul style="list-style-type: none"> <li>❖ a change to the programme of Board Committees with People and Organisational Development Committee and Knowledge, Research and Information Committee both suspended for the foreseeable future</li> <li>❖ the redirection of Information Governance matters to the Audit and Corporate Governance Committee and Health and Safety matters to the Quality, Safety and Improvement Committee</li> <li>❖ a change of approval process for People and HR related policies</li> <li>❖ suspension of the Boards annual plan for the foreseeable future</li> <li>❖ the Annual General Meeting was unlikely to be run by the end of July 2020</li> <li>❖ Board papers were unlikely to be available in their entirety seven days in advance of meetings</li> <li>❖ Board meetings could not be conducted in public.</li> </ul> <p>On the basis that the Board was unlikely to meet in person for the foreseeable future, it was agreed it would meet through electronic/telephony means. As a result, members of the public would be unable to attend or observe and Board meetings were not live streamed from March to June 2020.</p>
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<p>April 2020</p>	<p>On the 30 April 2020, the Board approved temporary variations to the financial authority limits within the Standing Financial Instructions (SFI).</p> <p>In summary, the changes approved were:</p> <ul style="list-style-type: none"> <li>❖ Delegate to the Chief Executive the ability to commit financial resources up to £1m (increased from £500k)</li> <li>❖ Suspend the SFI Procurement thresholds (in relation to COVID-19 activity) as outlined but retain the relevant procurement processes (such as requisitioning, ordering etc.)</li> <li>❖ Suspend the requirement to seek approval from the Audit and Corporate Governance Committee for contracts, goods or services requiring a Single Tender Action/Single Quotation Actions.</li> </ul> <p>During the same meeting on the 30 April, the Board ratified a Chairs Action to:</p> <ul style="list-style-type: none"> <li>❖ Approve the financial limit of the Deputy Chief Executive Officer and Executive Director of Finance and Operations to be increased to the CEO Delegated financial limit and Department of Revenue (DoR) designated limits for the Deputy Director of Finance and Operations.</li> </ul>
<p>July 2020</p>	<p>On the 28 July 2020, the Board approved an updated version of the Standing Orders to reflect the changes approved by the Board in March 2020, and changes outlined in the Welsh Health Circular (WHC) dated 9 July 2020 (<a href="#">WHC 2020/011</a>).</p> <p>This revised version of Standing Orders was in place until 31 March 2021. In summary, the Board approved:</p> <ul style="list-style-type: none"> <li>❖ Amended wording in revised standing orders, that changes to the standing orders will be agreed at Board and communicated to Audit Committee (ACGC)</li> <li>❖ Amended wording in revised standing orders, to include reference to the National Health Service (Temporary Disapplication of Tenure of Office) (Wales) (Coronavirus) Regulations 2020 which allows longer periods of tenure where the end of the current term is within the period effected by temporary suspension of all public appointments in March 2020</li> <li>❖ Amendment to the Annual General Meeting (AGM) date as outlined in the WHC (<a href="#">WHC 2020/011</a>) that the AGM must be held by 30 November 2020</li> <li>❖ Reflection of the intention to publish papers as soon as possible.</li> </ul>

	Amended wording in revised standing orders that in the absence of the Chair and Vice Chair, to stipulate that the Chair of ACGC be the 3rd chair.
March 2021	<p>On 25 March 2021, the Board reviewed the temporary revisions to Standing Orders made previously (25 March 2020), to determine if any of these temporary variations needed to remain, and if any other variations that are required.</p> <p>In summary, the Board agreed to:</p> <ul style="list-style-type: none"> <li>❖ Remove temporary variation as the Temporary Regulation has now expired: Regulation three of the National Health Service (Temporary Disapplication of Tenure of Office) (Wales) (Coronavirus) Regulations 2020.</li> <li>❖ Revert to previous practice for Audit and Corporate Governance Committee to consider proposed variations to Standing Orders and recommend to the Board.</li> <li>❖ Remove temporary date and revert to the usual date of the 31 July date for the AGM.</li> <li>❖ Retain wording from temporary variation noting that Board members shall be sent an Agenda and a complete set of supporting papers at least seven calendar days before a formal Board meeting, where possible.</li> </ul>

For ease of reference, the changes made in during 2020/21 are available to view in the following papers:

- ❖ [Board Governance changes, 26 March 2020](#)
- ❖ [Board Governance changes, 30 April 2020](#)
- ❖ [Financial Authority Arrangements, 30 April 2020](#)
- ❖ [Chairs Action \(financial authority arrangements\) – 30 April 2020](#)
- ❖ [Board Governance changes, 30 July 2020](#)
- ❖ [Board Governance changes, 29 October 2020](#)
- ❖ [Board and Committee Governance 2021/22, 25 February 2021](#)

### **Deviations from Standing Orders**

Because of the public health risks of the pandemic, the UK Government and the Welsh Government stopped public gatherings of more than two people. It was therefore not possible to comply with the Public Bodies (Admissions to meeting) Act 1960 to allow the public to attend meetings of our Board and Committees from mid-March 2020.

From July 2020, livestreaming (via the website) of Board meetings resumed to allow the public to access Board meetings.

## 2.2.2 Executive Governance

The response to COVID-19 has required coordination and resources in addition to those provided by normal operational capacity. COVID-19 became the single organisational priority. On the 25 February 2020, the Gold command structure was stood up and the organisation mobilised to respond to COVID-19 as its single priority. The Gold Group is responsible for managing the incident that is COVID-19.

The Business Executive Team (BET) stopped meeting in its previous format on the basis that the whole organisational resource was diverted to the management of the incident.

As such, the Gold Group became the function by which the incident was led with the Chief Executive and three Strategic Directors (all of whom are Executive Board members) and are supported by three Incident Directors).

Other Executive Team members attended Gold for the purpose of leading designated programmes of work. Additional Executive weekly update meetings continued.

The Gold Group initially met on a twice weekly until 26 May 2020, when it moved to weekly meetings. The Gold Group was responsible for providing strategic oversight and direction of the Public Health Wales response to COVID-19 roles and responsibilities in accordance with the Public Health Wales Emergency Response Plan. The Gold Group took overall responsibility for the management of the incident and established the strategic direction for the organisational response to the pandemic. In early May, the Gold Group's terms of reference were reviewed and amended to become the Gold Executive Group, recognising that with the exception of powers reserved for the Board and its Committees (as outlined in the Scheme of Delegation), the Board delegates authority for operational delivery and to make operational decisions to its Chief Executive. The Chief Executive established and recognised the Gold Executive Group (in temporary replacement of the Business Executive Team) as the structure to which responsibility had been shared for this delegated authority. Members of the Executive Team who were not originally members of the Gold Group became full members.

Later in May 2020, a programme management approach was established to support the delivery of organisational health protection response priorities and a weekly Delivery Confidence Assessment report (DCA) introduced.

The BET meeting structure was reactivated on the 9 June 2020, and as before, acted as the structure to which the Chief Executive shared delegated responsibility. The BET focus was all of the statutory functions of

the organisation with special regard to the impact of COVID-19 on population health and our associated interventions. Gold Command remained in place to oversee the health protection response to the pandemic itself.

The re-established BET meeting structure is chaired by the Chief Executive and its role includes:

- ❖ Receiving assurance reports from the Gold Group about the management of the pandemic and delivery of the Implementation Plan
- ❖ Considering the Organisational Recovery Programme, working to define and develop a 'new (organisational) normal'
- ❖ Considering proposals and progress reports on re-starting of core services in the context of a 'new normal' Public Health Wales operating framework
- ❖ Receiving assurance – performance reporting and risk management, statutory functions, staff wellbeing, Board Work Plan and Board Committee requirements
- ❖ Receiving assurance that Public Health Wales is fulfilling its statutory functions.

The Gold Group returned to having sole focus as the command and control structure for the pandemic. The Gold Group, chaired by the Strategic Director and reports to the Business Executive team. The Incident Management Team (IMT) reports to the Gold Group and is chaired by the Incident Director.

The operational and governance arrangements for many elements of the response have been successfully delivered through previously established structures. However, for some elements, especially those established specifically for the COVID-19 response require our systems to evolve over the course of the response and to adapt and develop as the situation changes.

Following investment from the Welsh Government, Public Health Wales is further developing an Integrated Health Protection Service, and transforming Health Protection and Microbiology for Wales. The proposals for the future governance structure of the Integrated Health Protection Service is being considered and developed by the Gold and BET Groups in early 2021/22. These will be concluded when the newly appointed National Director for Health Protection and Screening Services joins the organisation on the 1 June 2021.

## **2.3 Improvements to the Governance Framework**

During the year, work has been ongoing to further strengthen the governance framework for the organisation and test its robustness. This included the following main areas.

### **2.3.1 Right Touch Governance Approach**

The Board adopted a 'Right Touch Governance' approach to its governance arrangements during 2020/21. The purpose of this approach is to adapt the construct of Board and Committee meeting agendas to remain flexible and apply a risk based approach to the selection of agenda items. The Board also acknowledges the importance of the use of means other than formal papers to help ensure the Board remained agile. This included the use of presentations where appropriate and circulation of materials and information outside meetings.

The [Structured Assessment 2020 report](#), an annual audit by Audit Wales, recognises the continued strong culture of governance, with the report making no recommendations for action. The Assessment also recognises the strong, effective governance arrangements put in place for the first half of the year.

The Internal Audit service for NHS Wales undertook advisory reviews in all NHS organisations in Wales. The reviews focussed on financial and wider governance arrangements put in place at the beginning of the COVID-19 pandemic. The Public Health Wales report recommends three (low risk) priority considerations and others for further development. All recommendations were accepted and an action plan developed. Both reports have been considered by the Audit and Corporate Governance Committee. The review of the recommendations can be viewed [here](#) (report provided to ACGC on 5 May 2021).

### **2.3.2 Development of the Performance Assurance Dashboard**

Prior to COVID-19, we recognised that access to high quality, timely and robust performance information was essential in providing assurance to our Executive Team and Board on our ongoing delivery of public health services and statutory responsibilities, as well as the COVID-19 response. Public Health Wales has developed an innovative Performance Assurance Dashboard (PAD) that moves away from reporting through static, written Integrated Performance Report to an interactive dashboard and supporting report.



The dashboard provides an update on the latest available performance across the organisation to aid effective and efficient decision making. The Performance and Assurance Report replaces our existing Integrated Performance Report and pulls together key information from the interactive dashboard.

The current PAD provides the Board and Executive Team with performance information on a range of data sets including:

- ❖ Information on the COVID-19 response
- ❖ Financial performance
- ❖ Workforce performance and COVID-19 related absence
- ❖ Operational performance
- ❖ Quality and Putting Things Right.

The dashboard, and supporting narrative, gives the Executive Team and Board timely and robust performance information to provide assurance to our scheduled activities as well as the enhanced response to the COVID-19 pandemic. An executive summary highlights the key areas identified from the latest available data to help stimulate discussion and inform decision-making.

In developing the Dashboard, we have worked to recognise quality standards. Each of the data sources used to create one of our interactive dashboards is assessed and given a rating (Gold, Silver, Bronze). This is detailed at the bottom of each individual part of the dashboard, along with the specific data source and when the information was extracted.

The dashboards are developed to recognise Alteryx and Tableau (our business intelligence tools) standards. This relates to not only how we have visualised the information provided but also in terms of the data flows that sit behind each dashboard. The PAD cannot be accessed by non-NHS computers but a PDF copy is published with Board papers for the public to access.

### **2.3.3 Review of the Board Committee Terms of Reference**

The Committee terms of reference have been reviewed this year and minor changes will be submitted to the Board for consideration in May 2021.

As both the People and Organisational Development Committee and the Knowledge, Research and Information Committee have been suspended this year due to the COVID-19 pandemic, the terms of reference for these Committees have not been reviewed at this point.

### 2.3.4 Performance and Effectiveness Cycle

The Board is developing a model to pull together all elements of the review of performance and effectiveness into an annual cycle. The following elements of the cycle have been in place this year:

#### a) External and Internal Assurances to the Board

During the year we have undertaken, or engaged in, a number of assessments that provide internal and external sources of assurances to support the Board in undertaking its annual effectiveness assessment, the main reviews that relate to the Board are outlined below:

- ❖ Audit Wales has completed the [Structured Assessment Review in 2020/21](#), focusing on corporate arrangements, including the governance arrangements, for ensuring that resources are used efficiently, effectively and economically. The overall conclusion of this assessment was that the Trust is generally well led and well governed and the Board continues to operate effectively, and seek opportunities to improve.
- ❖ Internal Audit completed an [advisory review](#) of the organisational Governance arrangements during the COVID-19 pandemic, and concluded that the temporary governance arrangements operated effectively during the peak. The Trust complied with the guidance and the principles issued by Welsh Government and had adopted similar principles prior to the guidance being issued.
- ❖ We have completed an assessment against the Corporate Governance in Central Government Departments: **Code of Good Practice 2017**. We used the “Comply” or “Explain” approach in relation to the Code of Good Practice. This was presented to the Audit and Corporate Governance Committee in [March 2021](#) who took **assurance** of our compliance with the Corporate Governance in Central Government Departments – Code of Practice 2017. *(Further information is provided in [section 9.10](#) of this report.)*

#### b) Board Committee Effectiveness

There is a programme in place to ensure Board Committees review the following activity for each Committee:

- ❖ Terms of Reference and Operating Arrangements
- ❖ Committee Effectiveness Questionnaire
- ❖ Annual Committees Report on Activity to the Board
- ❖ Committee review of effectiveness

- ❖ Feedback session at the end of every meetings.

In March 2021, an online questionnaire was completed by members of the Audit and Corporate Governance and the Quality, Safety and Improvement Committees. The questions were based primarily on the Audit Committee Handbook (2012) suggested self-assessment questions and Audit Office good practice guidance and were adapted for the Committees. The results of the respective questionnaires were provided to each Committee for discussion and to agree any learning and associated actions. Relevant learning from the overall review of effectiveness will be fed into the Board performance review in 2021/22: a summary of the Committees' considerations and outcomes of this review will be reported to the Board in quarter 1 of 2021 as part of the wider Board effectiveness review.

As both the People and Organisational Development Committee and the Knowledge, Research and Information were suspended this year; the effectiveness review was not undertaken for these Committees.

### **c) Board Performance and Effectiveness**

A Board review of performance and effectiveness will take place in Quarter 1 of 2021/22, and will incorporate learning from the Committee reviews outlined in b) above.

After each Board meeting, feedback is sought from Board members and attendees. As of February 2021, feedback has been requested via an online survey to standardise the approach. Results are collated and reviewed to identify further actions and improvements.

### **d) Chair's Appraisal with the Minister for Health and Social Services**

The Chair of the Board undertakes an Annual appraisal with the Minister, including the setting of objectives, a mid-year review, and year-end appraisal of the year's performance.

### **e) Public Health Wales Chair's review led by the Vice Chair**

Between November and December 2020, an internal review was undertaken of the Chair's performance. This process was established in 2019, is repeated annually, and led by the Vice Chair. It provides an opportunity for the effective appraisal of the Chair at Board and Executive level and is in addition to the review held by the Minister for Health and Social Services.

#### **f) Chief Executive Appraisal**

The Chief Executive undertakes an Annual appraisal with the Chair of the Board, including setting objectives at the beginning of the year, a mid-year review and year-end appraisal of the year's performance. The Chief Executive also has an end-of-year review with the Chair and the Director General for Health and Social Services and NHS Wales Chief Executive, consistent with the Accountable Officer designation.

#### **g) Non-Executive Director appraisal with the Board Chair and Executive team appraisals with the Chief Executive**

The Chair of the Board undertakes a bi-annual review of the performance and personal development of Non-Executive Directors. The Chief Executive does the same with the Executive team. The process of appraisal for both groups includes objective setting, a mid-year review, and an end of year review. The Chair also meets with each Executive Director to discuss their Board member role on an annual basis.

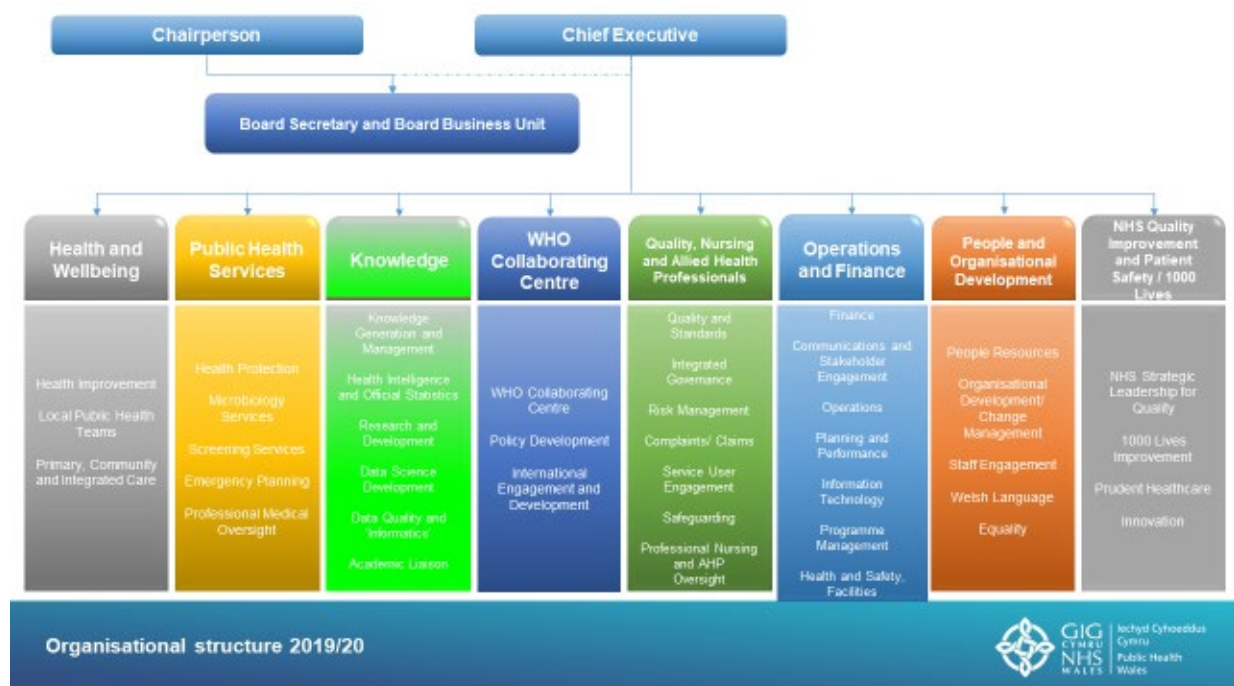
#### **h) Board Secretary and Head of the Board Business Unit appraisal**

The Chief Executive and Board Chair undertake an appraisal with the Board Secretary and Head of the Board Business Unit and includes objective setting, a mid-year review and an end of year review.

### 2.3.5 Executive Team and Directorate Structure

The Executive team comprises of the Chief Executive and Directors (some of whom are Executive Directors) and has responsibility for the leadership and operational management of the organisation. Figure 3 shows the Executive Team and Directorate Structure in operation during 2020/21.

**Figure 3: Executive Team and Directorate Structure in operation from 1 April 2019**



Financial performance, quality and risk management, workforce information and delivery against the organisation’s strategic and operational plans are scrutinised at meetings of the Board, Board Committees, and Executive Team meetings and at various operational team meetings across the organisation.

The form of Executive Team meetings changed in March 2020 as a result of the COVID-19 pandemic. *(Further details of these arrangements are outlined in [section 2.1](#) (Impact of COVID-19)).*

### 2.3.6 Board Development and Briefing sessions

In March 2020, the Board agreed to amend its ways of working, and increased the frequency of its formal Board meetings. As such, Board development sessions were replaced by these formal Board sessions, and informal briefings where required.

The Board decided in February 2021 to reinstate its previous governance arrangements, which includes the reinstatement of Board Development sessions as of April 2021.

## 2.4 Key Issues Considered by the Board

During the year, the Board has considered a number of key issues and taken action where appropriate, these are listed below

### 2.4.1 COVID-19 Updates

The Board considered regular updates on the evolving position in terms of the pandemic, including situation briefings, an update on the global and UK position, national partnership working with health boards, local authorities, the Welsh Government, Public Health Wales' contribution at a UK Level, details of variants and the work undertaken to manage and respond to this, updates on vaccinations and the role of Public Health Wales within this programme.

The Board also considered specific reports on the following elements of the COVID-19 response:

- ❖ Contact tracing
- ❖ Surveillance
- ❖ Genomics (the study of genomes, to track changes in the virus and then use a range of approaches to analyse these changes)
- ❖ Sampling and Testing
- ❖ Public Health Wales' role in COVID-19 Vaccination.

### 2.4.2 Operational Plan

In October 2020, the Board considered and approved the Operational Plan 2020-22, noting the key areas contained within the plan including:

- ❖ Health Protection Response
- ❖ Population Health Outcomes
- ❖ Organisational Learning and Knowledge
- ❖ Reactivation of Essential Services
- ❖ Organisational Recovery
- ❖ Enabling Delivery.

The dynamic nature of the plan was considered by the Board and it was agreed to consider further revisions at the appropriate time. An updated plan was considered by the Board in March 2021. *(Further details on the Operational Plan can be found in [section 8.](#))*

### **2.4.3 Organisational Recovery including reactivation of services**

The Board considered a series of reports providing assurance on the organisational recovery and reactivation of services.

The main focus for organisational recovery included:

- ❖ Our People
- ❖ Our Environment and our services
- ❖ Ensuring the safety of staff and the wider population.

The Board also took assurance from reports outlining the approach to the reactivation of the five national screening programmes, which had been developed with the Business Executive Team (BET) and Welsh Government. This also referenced the personal risk assessment process for staff, and the review of office and wider estate accommodation to ensure the safety of both staff and service users.

### **2.4.4 Impact of Leaving the European Union**

The Board considered regular updates to provide assurance on the arrangements in place in advance of the exit of the European Union (EU) on 31 December 2020.

### **2.4.5 Integrated Performance Report**

The Board continued to receive regular updates on the Integrated Performance Report, the new Performance Assurance Dashboard was integrated into performance reporting during 2020/21.

### **2.4.6 Workforce Updates – Our People**

The Board considered updates to provide assurance on the following matters:

- ❖ Employee wellbeing and engagement
- ❖ Workforce Information / recruitment
- ❖ Partnership working
- ❖ Resilience.



#### **2.4.7 Gender Pay Gap Report 2019/20**

The Board considered and approved the [Gender Pay Gap](#) report for 2019/20; including the actions taken to date and the plans proposed to improve the position.

#### **2.4.8 Strategic Equality Plan**

The Board approved the Strategic Equality Plan, which had been developed in 2019/20, and updated to reflect the updated position and impact of the global pandemic.

#### **2.4.9 Approval of the Risk Management Policy**

The Board considered and approved updates to the Risk Management Policy, noting it had been reviewed and recommended for approval by the Audit and Corporate Governance Committee.

#### **2.4.10 Approval of Annual Reports**

The Board approved the following Annual Reports:

- ❖ Annual Quality Statement 2019/20
- ❖ Annual Performance Report 2019/20
- ❖ Welsh Language Annual Report 2019/20
- ❖ Annual Equality report 2019/20
- ❖ Annual Workforce Equality Report 2019/20
- ❖ Accountability Report and Financial Statements 2019/20.

#### **2.4.11 Board and Committee Governance Arrangements and Amendments to Standing Orders**

The Board considered regular updates on the governance arrangements, and reports seeking the necessary amendments to Standing Orders and Standing Financial Instructions as appropriate. *(Further details on this can be found in [section 2.2](#), Governance Structures)*

#### **2.4.12 Private Board Sessions**

The Board held a Private Board session at the end of every public session in 2020/21 to consider business of a confidential nature, considering aspects of significant issues including:

- ❖ COVID-19 updates – supplementary to the open session by providing sensitive information in private session including emerging outbreak issues, financial and supply chain information; the development of IP5 and contractual approval
- ❖ Health protection reports (non-COVID-19) – sensitive information about non COVID-19 health protection matters
- ❖ Data breach - prior to publication of report
- ❖ Health Protection Business Case - to allow consideration by Board members prior to submission to Welsh Government.
- ❖ Strategic risk Four (Cyber Security) - due to the sensitive nature of the risk
- ❖ Financial Positions and Supply chain updates - due to commercially sensitive information
- ❖ Consideration of the Public Health Protection Response Plan - whilst it was in development.

## **2.5 Board and Executive Team Membership**

The Board is constituted to comply with the *Public Health Wales National Health Service Trust (Membership and Procedure) Regulations 2009 (as amended)*. In addition to responsibilities and accountabilities set out in terms and conditions of appointment, Board members also fulfil a number of Champion roles where they act as ambassadors (see Annex 1). As previously indicated the Board is constituted with Non-Executive and Executive Directors.

In addition to the Executive Directors appointed in accordance with the *Regulations*, individuals have also been appointed to other Director positions. They, together, with Executive Directors, are members of the Executive Team. They have a standing invitation to Board meetings where they can contribute to discussions, although do not have voting rights.

### **2.5.1 Departure and appointment of Non-Executive Directors**

Professor Stephen Palmer continued as Non-Executive Director on an interim basis to cover the vacant position (Public Health portfolio). This interim arrangement remained in place until 30 September 2020. Professor Sian Griffiths was appointed as Non-Executive Director (Public Health portfolio) as a full time position on 1 September 2020.

Professor Diane Crone was appointed as Non-Executive Director (University) as a full time position on 1 September 2020. The position had been vacant since 31 March 2020. Whilst the post was not formally filled during this period, we recognise that a lot of our work was suspended due to the pandemic, we also ensured that where Board colleagues have university based experience, that they continued to contribute with the Higher Education in mind.

Mohammed Mehmet was appointed as Non-Executive Director (Local Authority) as a part time position (0.5 FTE) on 21 September 2020, this job share vacancy had been vacant since 3 December 2019.

Alison Ward, Non-Executive Director (Local Authority) (0.5 FTE) stood down from her position on 31 March 2021.

From 1 April 2021, Mohammed Mehmet will cover the vacancy left by Alison Ward's departure, and fulfil the Local Authority Non-Executive Director on a full basis.

## **2.5.2 Board Succession Planning**

Succession planning has been actively considered during the year and following the review of Board skills, skills required for the future and appointment terms, the recruitment campaign as referred to above was launched.

We have a clear timetable of appointment terms and actively monitor this on an ongoing basis to ensure the Board has the appropriate skills and appointments in place as required to meet the needs of the strategic direction of the organisation as well as comply with our Standing Orders and Regulations.

## **2.5.3 Senior Staff Appointments and Departures**

The current Executive Team structure has been in place since 1 April 2019. The following changes have occurred in post holders during the year:

### **Executive Director of Health and Well-being**

Jyoti Atri was appointed as Interim Executive Director of Health and Well-being from 25 February 2019 for an initial six-month period pending recruitment of a permanent Executive Director for this position. Following an unsuccessful recruitment campaign to the Director post, Jyoti Atri has continued to fulfil this role on an interim basis.

### **Transition Director of Knowledge**

Sian Bolton was appointed Transition Director of Knowledge in April 2019.

Following an unsuccessful recruitment campaign to the Director post, Sian Bolton has continued to fulfil this role on an interim basis. The permanent Director role was re-advertised in early 2021 and the outcome will be confirmed in May 2021.

### **Director of People and Organisational Development**

Phil Bushby was in post as Director of People and Organisational Development until 17 August 2020, when he was seconded to Health Education and Improvement Wales (HEIW). He subsequently left Public Health Wales on the 3 January 2021.

Neil Lewis was appointed Acting Director of People and Organisational Development on 17 August 2020, pending the recruitment of a permanent replacement for the Director of People and Organisational Development. The role was advertised at the end of March 2021 and the interviews took

take place in April 2021. As of 31 April 2021, Neil Lewis has been appointed to the substantive post of Director of People and Organisational Development .

### **Executive Director Public Health Services and Medical Director**

Quentin Sandifer retired as Executive Director Public Health Services and Medical Director on 11 December 2020.

Andrew Jones was appointed Interim Executive Director of Public Health from 1 December 2020, pending the recruitment of a permanent replacement.

Eleri Davies was appointed Interim Medical Director from 1 December 2020, pending the recruitment of a permanent replacement.

The interviews for the newly developed National Director of Health Protection and Screening Services/Medical Director took place on the 21 January and Dr Fu-Meng Khaw has been appointed to the role and will take up the post on the 1 June 2021.

#### **2.5.4 Staff Representation at Board and Committee Meetings**

Staff side representatives are invited to all Board, Board Development and relevant Committee meetings throughout the year. They are encouraged to play a full and active role in Board discussions; the Board recognises the important role of in contributing to our organisation.

We have continued to engage with all Unions and representatives on the Staff Partnership Forum to encourage effective staff representation at Board and Board Committee meetings throughout the year.

#### **2.5.5 Board Diversity and Inclusion**

The Board recognises the importance of ensuring a diverse range of backgrounds, skills and experiences to add value to the Board discussions and decisions.

For the 2020/2021 period, the Board had a gender balance of 61.5% (8) female, 38.5% (5) male, 15.4% (2) members were from a Black and Ethnic Minority background, 0% declared a disability.

One Board member is a fluent Welsh speaker and a further two are advanced learners.

The Board is very committed to enhancing diversity and ensuring an appropriate range of skills and experiences to fulfil its role and has a range of initiatives in development for 2021/22.

## 2.6 Board Committees

During 2020/21, three of the five standing Board Committees were in operation, chaired by Non-Executive Directors. The Committee have key roles in relation to the system of governance and assurance, decision-making, scrutiny, development discussions, assessment of current risks, and performance monitoring. *(Further information on Impact of COVID-19 and the Governance Arrangements for 2020/21 can be found in [Section 2.1.](#))*

During 2020/2021, the People and Organisational Development Committee and the Knowledge, Research and Information Committee were suspended. To ensure the appropriate scrutiny and assurance of areas within these Committees remit, People and staff based matters were reported directly to the Board during this time whilst other statutory elements within these Committee's terms of reference were redirected to other Committees.

To ensure compliance with Standing Orders, the Board agreed to remit the following statutory elements of the Committee's terms of reference to other Committees:

- ❖ **Health and Safety matters** – usually within the remit of the People and Organisational Development Committee, was remitted to the Quality, Safety and Improvement Committee. As outlined in section 2.6.2, The Quality, Safety and Improvement Committee considered quarterly monitoring reports on Health and Safety matters during 2020/21, ensuring appropriate assurance to the Board.
- ❖ **Information Governance** – usually within the remit of the Knowledge, Research, and Information Committee, was remitted to the Audit and Corporate Governance Committee. As outlined in section 2.6.1, The Audit and Corporate Governance Committee considered quarterly monitoring reports on Information Governance matters during 2020/21, ensuring appropriate assurance to the Board.

With the exception of the Remuneration and Terms of Service Committee, papers and minutes for each meeting are published on our [website](#). Private sessions of the Committees are held as required to receive and discuss sensitive or protected information.

The Committee Chairs report to the Board through a composite Chair's report, providing an overview of items considered by the Committee and highlighting any cross-committee issues / themes or items needing to be brought to the Board's attention.

Each Committee produces an annual report, which provides a summary of business undertaken during the year. The Committee Annual Reports

provide the Board with assurance that they are working effectively and contribute to the overall assessment of Board effectiveness. They also provide an additional opportunity to raise any areas that require the Board's attention.

We have not established a Charitable Funds Committee, as we do not have our own charity. We do have access to a fund administered by Velindre NHS Trust and the Deputy Chief Executive/Executive Director of Operations and Finance has delegated authority to manage this fund.

The following paragraphs provide highlights of reports received by Committees throughout the year. These highlights provide evidence of the governance framework working in practice.

### **2.6.1 Audit and Corporate Governance Committee**

During 2020/21, the Committee met six times and was quorate on all occasions. The Committee provides advice and assurance to the Board on the systems of internal control, governance, and efficient and effective use of resources by overseeing and monitoring a programme of internal and external audit.

This Committee also took over the scrutiny and assurance of information governance aspects whilst the Knowledge, Research and Information Committee was suspended.

#### **Governance**

The Committee provides an essential element of the overall governance framework for the organisation and has operated within its Terms of Reference and in accordance with the Standing Orders. The Committee discussed the risk management and assurance arrangements in place for the organisation.

The Committee considered the following items.

- ❖ Report providing assurance of the organisations compliance against the **Corporate Governance in Central Governance Departments: Code of Practice 2017**
- ❖ Regularly reviewed the **COVID-19 Committee Governance Arrangements** and its role during the pandemic, and the frequency of meetings required to provide appropriate assurance to the Board in a timely manner
- ❖ Any variations made by the Board in relation to the **Committee governance arrangements** and **Standing Orders** in light of COVID-19 to ensure the Committee was fulfilling its role and purpose







- ❖ a presentation outlining a proposal for an **Integrated Governance Model** and agreed to propose an organisational Integrated Governance Model to the Board.

## Internal Audit

During the year, the Committee received and discussed a number of reports produced by Internal Audit. These are listed in Figure 3 below, together with the assurance rating provided.

**Figure 3: Internal Audit Reports Assurance ratings 2020/21**

Report	Level of assurance provided			
	No assurance 	Limited assurance 	Reasonable assurance 	Substantial assurance 
Welsh Risk Pool Claims				x
Data quality and integrity within performance reports				x
Financial systems				x
Annual Quality Statement (AQS)				x
Anonymised personal data				x
Sustainability reporting				x
IT Business continuity			x	
Management of alerts – follow up			x	
My Contribution – follow up			x	
Additional Hours & Overtime		x		

Internal Audit also produced the following advisory reports:

- ❖ Governance during the Covid-19 pandemic
- ❖ Covid-19 Governance – follow up
- ❖ Review of the NHS Wales NHS Collaborative (hosted body).

NHS Wales Shared Services Partnership carried out a number of functions on behalf of Public Health Wales including the Internal Audit function, procurement support, people and organisational development activities and legal advice.

In 2019/20, two limited assurance reports were received by the Committee: 'Management of Alerts' and 'My Contribution'. The Committee monitored outstanding actions relating to these audit during 2020/21, and receive the subsequent follow up Audits, which were both reasonable assurances.

In 2020/21 there was one limited assurance report – the Additional Hours and Overtime Internal Audit Report. This will be reported to and monitored by the Audit and Corporate Governance Committee in 2021/22, including assurance of the implementation of relevant actions.

All internal audit reports, including the two limited reports from 2019/20 can be viewed on our website within the [Audit and Corporate Governance Committee section](#).

The Audit and Corporate Governance Committee received reports from the internal audit function, which provided it with assurance that these functions were efficient and cost effective. We also have representation on the NHS Wales Shared Services Partnership Committee where any issues, which have been identified, are shared and fed back to the Committee. The Committee also receive reports relating to Procurement services to assure the Committee that it was operating in line with the requirements of the Standing Financial Instructions.

The Committee received the **Internal Audit Governance Arrangements during the COVID-19 Pandemic Advisory Review 2020/21**, which highlighted that the governance arrangements of the organisation were operating effectively during this period

### **External Audit / Audit Wales (AW)**

- ❖ AW provided the Committee with regular progress reports on any external audits and monitored progress against recommendations.
- ❖ **AW Structured Assessment**  
Members of the Committee agreed that AW [Structured Assessment](#) report was a clear demonstration of the positive work undertaken to ensure strong governance arrangements within the organisation, and an endorsement of the strong leadership by the Chief Executive and Chair.
- ❖ **AW Counter Fraud (Public Health Wales) Report and Management Response**  
The Committee considered the report from AW, which had considered the effectiveness of counter fraud arrangements within Public Health Wales and identified areas of improvement.
- ❖ **AW Annual Report 2020**

The Committee received the AW Annual Report for 2020 summarising the audit work undertaken during 2020, and noted that it was a positive report.

## Regular Reports

The Committee received the following regular items:

- ❖ Procurement report and Losses and Special Payments to assure the Committee that these were taken in line with the requirements of the Standing Financial Instructions (SFIs).
- ❖ Quarterly Counter Fraud Progress Reports.
- ❖ In addition to the Quarterly update on Counter Fraud, the Committee also received the following Counter Fraud Reports:
  - Counter Fraud Self Review Tool 2018-19
  - Counter Fraud Work Plan 2019/20
- ❖ Bi-annual updates providing assurance on the implementation of the Declarations of Interest, Gifts, Hospitality and Sponsorship Policy and Procedure.
- ❖ Quarterly reports providing assurance on the management of information governance matters within the organisation.
- ❖ Bi-annual reports taking assurance on the process for recording and monitoring the organisation's compliance with Welsh Health Circulars were being managed effectively.
- ❖ Bi-annual reports taking assurance on implementation of the Declarations of Interest, Gifts, Hospitality and Sponsorship Policy and Procedure.
- ❖ Bi-annual reports taking assurance on the status of policies and other written control documents within the remit of the Committee and took assurance of the prioritisation and progress being made to review policies and procedures.

The Committee took assurance from a report on the progress against actions identified following a rapid review of information and data flows into Welsh Government (in relation to COVID-19). This matter was remitted from the Board to the Committee.

## Risk Management

The Committee regularly received the:

- ❖ **Strategic Risk Register (SRR)** for oversight of those elements of the SRR which apply to the risks falling under the remit of the Committee
- ❖ **Corporate Risk Register** to enable them to gain assurance that operational risks were being appropriately managed.

## Deep Dives

The Committee considered the following deep dives:

- ❖ **Cyber Security**, and took assurance on the management of Cyber Security within the organisation
- ❖ **Risk**, covering operational delivery of risk management within the organisation, identifying areas for ongoing development
- ❖ **Information Governance** – and took assurance on the management of information governance within the organisation.

## **Policies and Procedures**

The Committee approved the following Policies and Procedures:

- ❖ Financial Procedure – Accounts Receivable
- ❖ Risk Management Procedure
- ❖ Recovery of Salary Overpayments and Underpayments Procedure; and
- ❖ Fixed Asset Financial Control Procedure.

The Committee also approved the **Risk Management Policy** for submission to Board for approval.

## **Committee Governance**

The Committee Work Plan ensures that the Committee discharges its responsibilities in a planned manner. It assists with agenda planning and is updated during the year to ensure that the Committee considers any additional items arising during the year.

In order to monitor progress and any necessary follow up action, the Committee has an Action Log that captures all agreed actions. This provides an essential element of assurance to the Committee and from the Committee to the Board.

The Committee reported to the Board through a composite Chair's report, providing an overview of items considered by the Committee and highlighting any cross- committee issues / themes or items needing to be brought to the Board's attention. The Composite Chair's report and confirmed minutes are published with the Board papers.

## 2.6.2 Quality, Safety and Improvement Committee

The Quality, Safety and Improvement Committee met five times during 2020/21 and was quorate on all five occasions.

The Quality, Safety and Improvement Committee assists the Board in discharging its functions in meeting its responsibilities with regard to quality and safety. The Committee is responsible for seeking assurances on all aspects of quality of services and clinical care, governance systems including risk for clinical, corporate and regulatory standards for quality and safety.

Due to the response to COVID-19, the decision was taken by the Board to cancel non-essential meetings in March 2020. The Quality, Safety and Improvement Committee continued to operate in a virtual format with a reduced agenda, balancing the need to reduce pressure on staff during this time of responding to the pandemic.

During the time that the People and Organisational Development Committees was suspended, the Board remitted the consideration of Health and Safety matters to the Quality, Safety and Improvement Committee to ensure compliance with Standing Orders.

In May 2020, the Committee increased the frequency of meetings during this period to one meeting every eight weeks (where it was possible to do so) to allow for appropriate and timely activity.

The Committee meeting agendas were reviewed to ensure a focus on compliance, covering statutory and core requirements and that appropriate governance arrangements were in place to provide appropriate assurance to the Board. In particular, the agendas were focused on the Annual Quality Statement, Complaints, Serious Incidents and Putting Things Right. Crucially, the Committee also had an assurance role linked to COVID-19 on the safety of service users and the potential for unintended harm from the impact on service provision. Also, supporting the Board in the context of the Health Protection Response to managing the pandemic.

The Committee undertook further scrutiny of the following areas during 2020/21:

- ❖ **Screening Programme Reactivation** - The Committee received an update on the Screening Programmes at each of its meetings this year, and retained an oversight of the service during the suspension of certain screening programmes through to the reactivation of programmes.
- ❖ **COVID-19 updates** - The Committee was updated on how the organisation was ensuring workforce requirements in relation to Health

and Safety were being addressed, including safe remote working and the independent review of the estates undertaken to ensure compliance with COVID-19 regulations. The Committee also considers relevant aspects of the COVID-19 updates relevant to quality and safety within its remit.

- ❖ Took assurance on the actions taken in response to the impacts of **COVID-19 on immunisation programmes** in Wales.
- ❖ Considered and approved the Public Health Wales' **internal flu campaign plan 2020/2021**, noting the Welsh Government's expectation was that 75% of frontline staff be vaccinated.
- ❖ A report outlining how **service user experience** had been captured throughout the COVID-19 response.
- ❖ **Quality and Clinical Audit Plan 2020/21**, which reflected the planned Quality and Clinical Audit activity across the organisation and areas of public health practice.
- ❖ **Management of Alerts Internal Audit report** which had received a limited assurance rating, an overview of the management actions in place to address the recommendations was also considered.
- ❖ **Annual Quality and Clinical Audit Plan 2019/20**, recognising the limitation of information due to the interruption of COVID-19 on core business.
- ❖ In May 2020, the Committee noted a status update on the key **Standard Operating Procedures (SOPs)** that were actively being used across all divisions within Public Health Services (Microbiology, Health Protection and Screening) during the period of 'enhanced Response' to the COVID-19 pandemic.
- ❖ A report providing an overview of examples of **learning within the Enclosed Setting Cell (ESC)** during the COVID-19 pandemic, with a view to making timely improvements for the ongoing implementation of the Public Health Wales Response Plan.
- ❖ An update **Health and Social Care (Quality and Engagement) (Wales) Act 2020**, and the implications for Public Health Wales.
- ❖ The outcome of the annual review completed by Divisions/Directorates for the **Health and Care Standards 2019/20**, and noted the improvements made to the process.

- ❖ A report detailing **Quality and Clinical Governance – Work streams Quality Indicators**. It was noted that there were varying levels of maturity in the development of the measures with further work needed in some areas to refine and further develop this work.
- ❖ The Committee was kept informed as to the implementation and timescales associated with the **Once for Wales Concerns Management** system.
- ❖ The Committee approved the implementation plan for '**Our Approach to Engagement**'.
- ❖ The Committee approved the revised **Infection, Prevention and Control Group terms of reference**, as a sub group of the Committee.
- ❖ Updates on the **Quality Governance Recommendations**, noting that all NHS Health Boards and Trusts had been asked in 2019 to assess themselves against the recommendations and provide plans for future review of the necessary action to be undertaken. The Committee took assurance that the action plan was being progressed and had clear monitoring and scrutiny arrangements.
- ❖ **Breast Test Wales Healthcare Improvement Wales (HIW) Report** and action plan and noting that the review had taken place prior to COVID-19, and was a comprehensive review of the assessment clinics mainly through a questionnaire and service user feedback.
- ❖ A detailed update on the large **failsafe review undertaken by Cervical Screening Wales**, noting the findings and outcome of the review, and took assurance from the failsafe review.
- ❖ In May 2020, the Committee identified an emerging issue warranting further consideration within the **Putting Things Right report** for Quarter four of 2019/20. It was noted that there were 19 incidents registered within **Enclosed Settings**, and queried the process, and how quickly these incidents were addressed. In September, the Committee received further detail on the complaints within Enclosed Settings and took assurance that these complaints had been properly recorded and subjected to an appropriate level of investigation and response, subject to three still being open.
- ❖ All **serious incidents** reported within Public Health Wales were reviewed by the Committee. For each serious incident, the Committee queried what lessons had been learnt and reviewed the action plan, which detailed the improvements made consequently. *(Further information on serious incidents are provided in [section 9.3](#) of this report).*

## Regular Reports

The Committee also received the following regular reports:

- ❖ **Putting Things Right Report** - an analysis of incidents, complaints, claims and compliments to identify trends, themes and lessons learnt. At its meeting in February, the Committee considered a presentation on the Draft Quality Assurance Dashboard which would develop the level of assurance and information provided to the Committee in the future once fully developed.
- ❖ An update on **claims** was received in private sessions of the Committee - due to the sensitivity and data contained within the reports.
- ❖ **Alerts Management Quarterly Report**
- ❖ **Health and Safety Quarterly Report**
- ❖ The Committee also received bi-annual reports on the **status of policies and other written control documents within the remit of the Committee** and took assurance of the prioritisation and progress being made to review policies and procedures.

## Annual Reports

The Committee also received the Putting Things Right Annual Report 2019/20 and the Corporate Safeguarding Annual Report period 2019/20.

The Committee received the **Annual Quality Statement 2019/20**, recommending it to the Board for approval.

## Risk Management

The Committee regularly received the relevant extract of **Strategic Risk Register** (SRR) at meetings in addition to the **Corporate Risk Register**.

## Committee Governance

The Committee regularly reviewed its role during the pandemic, and the frequency of meetings required to provide appropriate assurance to the Board in a timely manner. The Committee reviewed any variations made by the Board in relation to the Committee governance arrangements in light of COVID-19 to ensure the Committee was fulfilling its role and purpose.

The Committee Work Plan ensures that the Committee discharges its responsibilities in a planned manner. It assists with agenda planning and is updated during the year to ensure that the Committee considers any additional items which may arise during the year.

In order to monitor progress and any necessary follow up action, the Committee has an Action Log that captures all agreed actions. This provides



an essential element of assurance to the Committee and from the Committee to the Board.

The Committee reported to the Board through a composite Chair's report, providing an overview of items considered by the Committee and highlighting any cross-committee issues / themes or items needing to be brought to the Board's attention. The Composite Chair's report and confirmed minutes are published with the Board papers.

### **2.6.3 People and Organisational Development Committee**

This Committee was suspended during 2020/21 in response to the pandemic. Statutory matters within the remit of the Committee (Health and Safety) were considered by the Quality, Safety and Improvement Committee during this time. *(Further details on the in Quality, Safety and Improvement Committee can be found [section 2.6.2](#)).*

### **2.6.4 Knowledge, Research and Information Board Committee**

This Committee was suspended during 2020/21 in response to the pandemic. Statutory matters within the remit of the Committee (Information Governance) were considered by the Audit and Corporate Governance Committee during this time. *(Further details on the Audit and Corporate Governance committee can be found in [section 2.6.1](#)).*

### **2.6.5 Remuneration and Terms of Service Committee**

The Remuneration and Terms of Service Committee met five times during 2020/21 and was quorate on all five occasions.

The role of the Committee is to approve, and provide assurance to the Board on matters relating to the appointment, termination, remuneration and terms of service for the Chief Executive, Executive Directors and other senior staff within the framework set by the Welsh Government in accordance with the scheme of delegation.

The Committee also approved proposals regarding termination arrangements, including those under the Voluntary Early Release Scheme, ensuring the proper calculation and scrutiny of termination payments in accordance with the relevant Welsh Government guidance.

In order to monitor progress and any necessary follow up action, the Committee has an Action Log that captures all agreed actions.

The Remuneration Report provides relevant information regarding the matters considered by the Committee during 2020/21.

### **2.6.6 People Advisory Group**

At the Board meeting in October 2020, the Board agreed to establish a People Advisory Group to support the work of the full Board by providing timely advice and assurance on staff health and well-being, resilience and recruitment.

The Group's role is outlined in its terms of reference to provide advice and assurance to assist the Board in discharging its functions, in the context of COVID-19, in relation to staff health and well-being; workforce resilience and staff recruitment (particularly in relation to the Health Protection response and Microbiology).

The People Advisory Group had have two members of the Executive team and two Non-Executive Directors, supported by the Board Secretary.

The People Advisory Group met on two occasions and was quorate on each occasion.

At each meeting, the Group received a report presenting a summary of work completed, underway and planned to support:

- ❖ **Staff Wellbeing and Engagement**- including update on employee wellbeing and support activities within Public Health Wales, together with our immediate focus linked to the organisational recovery plan
- ❖ **Recruitment updates** – particularly in relation to the health protection response and microbiology (sampling/testing capacity targets)
- ❖ **Staff Resilience** - considering resilience as an outcome of both wellbeing/engagement and resourcing, and considering the key measures taken to support staff.

The Committee reported to the Board through a Chair's report, providing an overview of items considered by the Committee and highlighting any cross- committee issues / themes or items needing to be brought to the Board's attention.

At its meeting on 25 February 2021, the Board approved the re-establishment of the People and Organisational Development Committee from 1 April 2021. The Committee will resume the role to provide assurance to the Board in relation to workforce matters within its terms of reference, including those listed above covered by the People Advisory Group. The Advisory Group will no longer be in operation for the 2021/22 period.

### **2.6.7 Board and Committee meetings held during 2020/21**

Figure 4 outlines the dates of Board and Committee meetings held during 2020/21. All of our Board and Committee meetings were quorate during this period.

Escalation arrangements are in place to ensure that, in the event of a committee not being quorate, any matters of significant concern are brought to the attention of the Chair of the Board.

**Figure 4: Board and Committee Meetings 2020/21**

<b>Board meetings:</b>												
30 Apr* *	28 May*	25 Jun*	30 July	19 Aug **	24 Sep	29 Oct	6 Nov **	26 Nov	17 Dec	28 Jan	25 Feb	25 Mar
<b>Remuneration and Terms of Service:</b>												
30 July		18 Sept			24 Nov		28 Jan		17 Mar			
<b>Quality, Safety and Improvement:</b>												
19 May		13 July			7 Sept		17 Nov		9 Feb			
<b>Audit and Corporate Governance:</b>												
18 May		23 Jun		13 Aug		15 Oct		19 Jan		18 Mar		
<b>People Advisory Group:</b>												
13 Nov						26 Jan						
<b>Knowledge, Research and Information</b>												
Nil												
<b>People and Organisational Development</b>												
Nil												

\*Meeting was an open meeting of the Board, however due to COVID-19, it was not possible to hold the meeting in public from mid-March 2020. Live streaming of Board meetings resumed in July 2020.

\*\* Private only session

### **3. The Purpose of the System of Internal Control**

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

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

We use a Strategic Risk Register (SRR) system and process to monitor, seek assurance and ensure shortfalls are addressed through the scrutiny of the Board and its committees.

Key controls are defined as those controls and systems in place to assist in securing the delivery of the Board's strategic objectives. Examples of key controls include:

- ❖ Schemes of delegation
- ❖ Policies and procedures
- ❖ Performance data
- ❖ Financial management information
- ❖ Quality and Safety processes.

The effectiveness of the system of internal control is assessed by our internal and external auditors.

#### **3.1 Capacity to Handle Risk**

As part of the planning process and development of the Long Term Strategy, which included full engagement with stakeholders, seven strategic risks were identified (an eighth strategic risk around data quality management was also identified and added to the SRR in December 2019). In March 2019, the Board approved the strategic risks that faced the organisation for 2019/20, these were further reviewed in July 2020 when a risk relating directly to COVID-19 was added.

The Board approved the Risk Management Policy and the supporting Risk Management Procedure in November 2020, which includes the requirement for an Annual Statement of Risk Appetite. The Statement for Risk Appetite was included in the [Annual Plan for 2019/20](#).

Figure 5 outlines the key strategic risks together with the assessed risk scores (once existing risk control measures have been taken into account) as of 31 March 2021.

**Figure 5: Public Health Wales Key Strategic Risks 2020/21**

<b>Strategic Risk</b> <b>There is a risk that Public Health Wales will ....</b>	<b>Risk Score*</b> <b>Max Score 20</b>
Be unable to fulfil its strategic objectives because it does not have the correct numbers of people with the right skills, attitudes and behaviours.	16
Cause significant harm to patients, service users or staff members. This will be caused by misdiagnosis or incorrect identification of serious health conditions, timeliness of service provision, the provision of inappropriate clinical advice or the failure of staff to follow correct procedures.	20
Fail to deliver a sustainable, high quality and effective infection and screening services. This will be caused by a lack of sufficient workforce capacity; over-reliance on existing systems/procedures, lack of sufficient change capacity and an estate and infrastructure which is not fit for purpose.	20
Suffer a major IT security breach resulting in a failure to service delivery and/or loss of personal data.	20
There is an increased risk as a result of COVID-19 that Public Health Wales will fail to provide the level of system leadership needed to deliver the population health gains articulated in the long term strategy. This insufficient capacity/ resource within the organisation, policy and prioritisation decisions of external agencies and wider social, economic and environmental factors.	25
Fail to secure and align resources to deliver its statutory functions including its response to the COVID-19 pandemic. This will be caused by funding cuts or inability to make required savings, secure funding (replaced generate income) or move resources within the organisation.	15
Fail to deliver and effectively present accurate, relevant data/ statistics and/ or evidence based research/ evaluation to dynamically and actively inform and maximise the impact of public health action especially relating to our response to COVID-19. This will be caused by a lack of workforce capacity with the relevant skills and knowledge to rapidly respond to changing and increasing demands of COVID-19 and technological advances in data science; staff having an over-	16

reliance on existing systems/procedures and a lack of sufficient change capacity.	
Fail to effectively discharge its statutory responsibilities in protecting the public during the COVID-19 pandemic and ensure the organisation has an effective plan for recovery as the pandemic recedes*.	20
Fail to sufficiently consider, exploit and adopt new and existing technologies. This will be caused by the inability to keep up to date with relevant new and emergent technologies, their potential application and having insufficient skills to develop the case for investment.	9

\*Public Health Wales utilises a 5x5 matrix to calculate the risk score. This method is widely used within the NHS. Likelihood and Impact of the risk occurring are assessed on a scale of one to five, and then the two scores are multiplied to arrive at the final risk score (between one and 25 with one being the lowest). Further information can be found in the Public Health Wales [Risk Management Procedure](#).

The Board received updates on each risk and the respective actions at Board meetings throughout the year in the form of the Strategic Risk Register that forms part of the wider Board Assurance Framework (BAF). It approved any amendments to the BAF, including the extension of individual action due dates.

There are now in excess of 100 Risk Handlers trained across the organisation whose role is to support directors and other Risk Owners, and training is offered to all senior managers who are expected to take on the responsibilities of risk owners. Guidance documents, nominated Risk Handlers, and a submission form available on the web-based incident reporting and risk management software, Datix, all provide staff with support for reporting risks across the organisation. This makes the identification, reporting and management of risks more streamlined and effective.

At an operational level, Executive/Divisional directors are responsible for regularly reviewing their Directorate/Divisional Risk Registers, and for ensuring that effective controls and action plans are in place and monitoring progress. Directorate Risk Registers receive scrutiny at the Senior Leadership Team meetings on a rotational basis every month.

The Executive Team reviews the Corporate Risk Register at its regular business meeting, and the SRR is also reviewed regularly in readiness for consideration at formal Board meetings.

The SRR is published on our [website](#) with the Board papers for Board meetings.

In January 2020, we received a reasonable assurance report from internal audit following an audit of the risk management system. The audit report forms part of our ongoing review of our risk management system ensuring opportunity for continuous improvement.

As the COVID-19 emergency developed and Public Health Wales moved into its enhanced emergency response level, the organisation moved swiftly to identify both strategic and operational risks and ten new operational risks were added to the Corporate Risk Register. Seven of these are currently under active management by Executive risk owners with the remaining three having been de-escalated. These risks are primarily around delivering an effective response to the emergency, temporarily stopping existing activities and the welfare and availability of our workforce.

Much discussion has been had at Board level on strategic risks, but with the evolving situation these have been kept under constant review. The Board last undertook a formal review of the Strategic risks in July 2020 and have scheduled the next formal review for April 2021.

Another strand of risk management that evolved during the early stages of the COVID-19 emergency was the development of the Public Health Protection Response Plan. A comprehensive threat assessment was carried out and as a result one strategic and 10 operational risks were identified.

The Board and Executive recognise that the risks that existed pre-COVID-19 still threaten the organisation and these are given appropriate management treatment, bearing in mind the need to prioritise activities and put appropriate resource into managing those risks that present the greatest threat.



## 4. Quality Governance Arrangements

The following arrangements are in place for assessing the quality of Public Health Wales' work.

### 4.1 Quality, Nursing and Allied Health Professionals Directorate

From the 1 April 2019, the Quality, Nursing and Allied Health Professionals (AHP) Directorate took on responsibility for integrated governance, bringing together a number of existing governance functions sitting within the Directorate. This includes clinical, information and corporate governance. The team works closely with the Board Secretary and Head of the Board Business Unit who has responsibility to support the Board and executive governance elements for the organisation. The directorate has commenced a repurposing exercise during 2019/20, to reflect these new changes and is responsible for the following functions:

- ❖ Quality/Clinical and Health and Care Standards
- ❖ Risk Management and Information Governance
- ❖ Putting Things Right (incidents, complaints and claims)
- ❖ Integrated governance
- ❖ Quality and Improvement Strategy
- ❖ 'Our Approach to Engagement' including Service User Engagement.
- ❖ Information Governance
- ❖ SIRO role and Data Protection Officer
- ❖ Legal advice coordination
- ❖ Infection, Prevention and Control (internal-facing)
- ❖ Safeguarding (internal facing)
- ❖ National Safeguarding Team (external-facing)
- ❖ Leadership and support to the all Wales NHS agenda for Equality and Human Rights (external facing)
- ❖ Professional standards and oversight for Nursing/Midwifery, Health Care Scientists, AHP's and Healthcare support workers
- ❖ Defence Employer Recognition Scheme.

The Executive Director for Quality, Nursing and Allied Health Professionals (AHP) has the responsibility to lead, drive and continuously improve our systems, processes and arrangements for quality and elements of governance across the organisation. Also accountable for the professional oversight arrangements for nurses and midwives, Health Care Scientists, AHP's and Health Care Support Workers. The Executive Director is a member of the Executive Team, which is collectively accountable for the operational management of the organisation and the delivery of the corporate objectives.

The Executive Director for Quality, Nursing and Allied Health Professionals has shared responsibility with the Executive Director of Public Health Services/Medical Director for clinical governance arrangements across the organisation.

There are a number of existing corporate groups which support the work of the Quality, Safety and Improvement Committee, assisting the Board in discharging its functions in meeting its responsibilities with regard to quality and safety. These include:

- ❖ Service User Experience and Learning Panel
- ❖ Safeguarding Group
- ❖ Infection, Prevention and Control Group
- ❖ Information Governance Working Group
- ❖ Nursing and Midwifery Senedd
- ❖ Flu and COVID-19 internal vaccination campaign.

*(Further information on the Committees can be found in [section 2.6](#) of this report.)*

In previous years, an Annual Quality Statement (AQS) has been produced for the public and provides information about the work, function and progress of Public Health Wales. In recognition of the challenges faced by NHS Wales during 2020/21, the guidance in the Manual for Accounts has been amended (by Welsh Government) to seek to streamline annual reporting in Wales and reduce duplication of content whilst ensuring all regulatory requirements are met. For 2020/21, there was no requirement to prepare a separate Annual Quality Statement.

As an organisation, it was agreed that quality elements from the Annual Quality Statement would be embedded within the performance overview and through the Annual Report.

We also acknowledge that the quality agenda is interdependent with our corporate governance, information governance and risk management arrangements and over the coming year we will be focusing more on how we develop our integrated governance systems, processes and culture within the organisation.

The development of an Integrated Governance Model supports the High Performing Board work which had commenced in 2019/20. The Executive Director for Quality, Nursing and Allied Health Professionals (QNAPS) and the Assistant Director - Integrated Governance has worked closely with the Board Secretary and Head of Board Business Unit and other lead Executives for other key governance areas to achieve this. Governance is everyone's business and successful implementation of an Integrated Governance

Model can only be achieved through collaboration and partnership with all areas of the organisation.

Following consultation with the Business Executive Team on 6 January 2021, and the Audit and Corporate Governance Committee on 19 January 2021, the proposed model was approved by the Board on 25 February 2021. Work is ongoing to test its application through pilot work and make recommendation back to the Board based on those pilots.

As part of our development work in integrated governance, we will be reviewing the current arrangements and mechanisms, which exist, to see how we can strengthen, improve and better integrate our approach in supporting the quality agenda going forward.

## **4.2 Information Governance**

We have well established arrangements for information governance to ensure that information is managed in line with relevant information governance law, regulations and Information Commissioner's Office guidance. The Knowledge, Research and Information Committee assumed responsibility on behalf of the Board for receiving assurances that the Information Governance system was operating effectively and having oversight of information governance issues. However, during the current pandemic, that Committee was stood down and responsibility for oversight was transferred to the Audit and Corporate Governance Committee.

The Caldicott Guardian is the responsible person for protecting the confidentiality of patient and service-user information and enabling appropriate information sharing. The Interim Executive Director of Public Health Services/Medical Director performs this role.

The Senior Information Risk Officer (SIRO) is the Executive Director for Quality, Nursing and Allied Health Professionals. The role of the SIRO is that of the advocate for information risk on the Board. The SIRO is responsible for setting up an accountability framework within the organisation to achieve a consistent and comprehensive approach to information risk assessment. A deputy SIRO has now been identified and this role is fulfilled by the Assistant Director of Integrated Governance.

The Chief Risk Officer is also the Head of Information Governance and holds the formal position of Data Protection Officer as required by the UK General Data Protection Regulation (UK-GDPR). This role has responsibility for implementing the management system that delivers our Information Governance requirements, and for ensuring compliance with all relevant legislation and regulation.

Due to the All-Wales remit of Public Health Wales, along with the diverse services it provides, it is acknowledged that the Guardian requires the support of appropriate delegates to enable the duties of the role, as set out above, to be fulfilled. Caldicott delegates have been identified and are required, along with the Caldicott Guardian and SIRO, to undertake the agreed Caldicott Guardian/SIRO training on an annual basis, as a requirement of the role.

In relation to COVID-19 pandemic, the Test, Trace and Protect programme required appropriate Information Governance requirements to ensure that not only would Welsh public bodies be able to demonstrate compliance with legislation, but critically the people of Wales would have assurance that their data was being handled appropriately and retain confidence in the programme. In consultation with the Information Commissioner, Public Health Wales led the development of a Joint Data Controller Agreement involving all NHS organisations and all 22 Local Authorities in Wales. Executive level sign off was achieved in all organisations in June 2020 and Public Health Wales still plays a leading role in the governance of this arrangement today.

We have made great strides towards compliance with the requirements of the UK-GDPR as tailored by the Data Protection Act 2018.

In 2021 the organisation received a 'Substantial Assurance' rating from an internal audit on the handling of our s251 process (use of patient identifiable information without consent).

## 5. Health and Care Standards

The Health and Care Standards are core standards for the NHS in Wales and provide a consistent framework to support the NHS. Their application is mandatory for all providers of health services, in all settings, in NHS Wales. The Health and Care Standards describe “the high-level outcome required to contribute to quality and safety underpinned by governance, leadership and accountability” to support the NHS in Wales in improving the quality and safety of services and supports the principle of continuous improvement.

Due to the impact of the COVID-19 pandemic and the ongoing organisational Health Protection response, Directorates have not been operating as per normal arrangements during this period, instead teams and staff have been mobilised to support the response. This has resulted in significant opportunities for matrix working and the Operational Plan which was developed during 2020/21 (approved by the Board in October 2020), captures the way the organisation has organised itself during this time.

Therefore, given the Health and Care Standards assessment forms part of the overall assessment of organisational governance arrangements, it was important to use an approach, which reflected the way the organisation has been organised during the reporting period 2020/21.

The completion of the Health and Care Standard were assessed and framed around the six priority areas, outlined within the Operational Plan approved in October 2020, which are:

- ❖ Organisational Learning, Knowledge
- ❖ Health Protection Response
- ❖ Population Health Outcomes
- ❖ Reactivation of Essential Services
- ❖ Organisational Recovery
- ❖ Enabling Delivery.

This approach offered a broader view of the organisational response and approach to quality assurance; cognisant to the recommendations outlined in last year’s health and care standard self-assessment, to offer a broader view of the organisational response and approach to quality assurance.

The representatives from each of the six Priority Areas completed the self-assessment of their priority areas against the high level themes of the Health and Care Standards, using an agreed template. As part of this process they were required to review the work undertaken within their area of responsibility, to determine areas of good practice and to identify where improvements could be made, using the maturity matrix to score.

Evidence to support the narrative within the self-assessment and justify each of the self-assessment scores were collated onto one organisational document, which is stored in an auditable format. It was collectively agreed that the individual self-assessment scores be collated, and an average organisation level score be agreed against each of the Health and Care Standards.

This resulted in a greater level of scrutiny of the self-assessments, through the sharing of information and analysis of each standard using a checklist. This ensured a consistent approach was taken to scoring; and provided an opportunity to correct and amend any questions posed by the team.

### **Organisational Scoring 2020/21**

Based on the maturity matrix the organisational scores, the overall organisational score was 4 –*“We have well developed plans and processes that can demonstrate sustainable improvement throughout the organisation”*.

This score was based on the following:

- ❖ We can demonstrate through the evidence provided that we have structures in place providing the necessary arrangements; identifying our improvement objectives; the planning in place to achieve this; and a clear plan for the monitoring of these objectives
- ❖ Whilst there are areas of the organisation, which further work is required, the narrative indicates that this is mainly focused on COVID-19 specific arrangements, which the underpinning structures providing a sound base to ensure these are progressed.

[A report](#) detailing the outcomes of this process was reported to the Quality, Safety and Improvement Committee in April 2021.

## 6. Health and Safety

The Health and Safety Group is a sub-group of the People and Organisational Development Committee.

The group provides advice and assurance to the Quality, Safety and Improvement Committee\*, the Board and the Accountable Officer. This assurance provided includes whether effective arrangements are in place to ensure organisational wide compliance with the Public Health Wales Health and Safety Policy, approving and monitoring delivery against the Health and Safety action plan and ensuring compliance with the relevant Health and Care Standards for Wales. The group receives a single Health and Safety report covering compliance, risks, incidents and health and safety issues. This enables the group to concentrate on key issues or challenges and to identify any organisational risks that require escalating to the Corporate Health and Safety Risk Register.

*\*Note: During 2020/21, Health and Safety matters were reported to the Quality, Safety and Improvement Committee whilst the People and Organisational Development Committee was suspended.*

In order for the Health and Safety Group to discharge its responsibilities, it needs to receive assurance that the organisation is effectively managing health and safety. This includes details of any concerns, areas of non-compliance, outstanding actions from relevant health and safety action plans and controls and mitigations are in place.

It was recognised in March 2020, as a result of the response of the pandemic, a revised Health and Safety Group would need to convene more frequently. This ensured we could take timely action to ensure appropriate action was taken to ensure the safety of both our staff and service users in response to COVID-19. A revised, smaller group has been meeting every two weeks. Following a review of the frequency of the meetings, it has been agreed that the Health and Safety Group will meet now formally on a monthly basis and will include wider representation from across the organisation. An informal meeting of Health and Safety leads will continue in between each formal meeting. A revised terms of reference will be considered at the first meeting (April 2021) and will be provided to the Committee for review at the June 2021 meeting.

The organisation has a number of processes in place for maintaining and monitoring health and safety compliances so that assurance can be provided and any gaps identified with the appropriate actions required.

In light of the risks of COVID-19 transmission, we have taken independent health and safety advice, completed risk assessments and addressed actions to ensure our workplaces are COVID-19 safe and continue to

monitor compliance and adjust to ensure compliance with regulations. Regular spot checks are taking place and Health and Safety leads are regularly visiting buildings across the estate to address staff concerns and implement actions as necessary.

Incidents and Reporting of Injuries, Diseases and Dangerous Occurrences (RIDDOR's) are actively managed, with lessons learned identified and shared. Audit schedules are in place, undertaken and results acted upon to ensure gaps in process are resolved. Risk registers have been reviewed with issues identified and actions outlined to mitigate risks.

Processes are in place to monitor policy and procedure reviews and/or development. There are also systems in place to action alerts and notifications as appropriate for the organisation.

All health and safety alerts and notifications received within the reporting period have been reviewed and addressed, with appropriate actions taken where required.

The Health and Safety Group receives this assurance via the quarterly Health and Safety Report and exception reports received from the various Directorates/Divisions through the respective Health and Safety leads.

Since the *Health Protection (Coronavirus Restrictions) (Wales) Regulations 2020* came into force in Wales on 7 April 2020, Public Health Wales has been working across its estate to both maintain the safety of staff and service users and ensure compliance. The Estates and Health and Safety Team, in conjunction with Infection Prevention and Control Leads and Health and Safety Managers, have continued to put in place measures in line with guidance to ensure the safety of our staff and service users.

From 10 July to 6 August 2020, Public Health Wales procured an external company to assess our estate on the suitability of measures in place to manage the transmission of COVID-19 virus. The assessment covered 28 premises and included a mixture of office buildings, laboratories and screening buildings.

Highlights from the report include:

- Acknowledged that in general, systems for communicating with staff and service users were used to good effect, however greater consistency on signage across the estate would be beneficial. There was also good evidence of regular engagement with employees informing them of changes to the workplace and the measures that have been implemented;
- Recognition that due to the nature of the estate, facilities and associated services would be at different stages of application of control measures. Where public contact services are concerned, it



was noted that a great deal of thought has gone into the adoption and application of controls;

- Laboratories have continued to provide services whilst managing the implementation of guidance measures. This had been done well despite the additional complexity of challenges due to age and nature of the estate.

A number of recommendations were also included in the report. This includes developing local action plans to take forward the findings within each of the premises. These actions have been addressed and compliance is monitored through health and safety leads and relevant premise leads and monitored through the Health and Safety Group.

The Estates and Health and Safety Division have also developed a suite of information for premises leads/building managers to support the development of updated risk assessments and the monitoring of compliance with regard to the COVID-19 measures and guidance. This is further supported by the provision of additional signage/ posters to ensure consistency across the estate.

Updates on the specific measures and actions that have been completed or are planned in relation to ensure our estate is compliant with the various legislation and regulations as a result of COVID-19 was provided throughout 2020/21, alongside the Health and Safety Report and most recently to the Board on [26 February 2021](#).

Executive oversight is the responsibility of the Deputy Chief Executive/Executive Director Operations and Finance. At an operational level, the Head of Estates (Facilities) and the Health and Safety Team continues to build a positive health and safety framework and culture.

## **7. Long Term Strategy: Working to Achieve a Healthier Future for Wales (2030)**

Whilst the last 12 months have been dominated by our response to COVID-19, we identified the need early on to consider how we would 'recover' as an organisation. We determined that this should not be limited to a traditional emergency response view of recovery, but instead an opportunity to support us in our next phase of development as the National Public Health Institute for Wales. This would allow us to embrace and maximise the learning, innovation and the developments of recent months.

This ambition to 'recover new', rather than return to a pre-COVID-19 position has highlighted the importance of identifying the learning and opportunities presented from the last 12 months as enablers to future development and transformation.

A key aspect of this is the need to undertake an assessment of current strategies and consider the risks and opportunities presented over the short, medium and long-term.

Undertaking a strategy review has allowed us to consider our strategic environment, understand the risks/opportunities that we face and help us to make informed decisions and choices, over our future direction.

A formal review of our long-term strategy is planned for 2021 to assess the validity and future relevance of our existing strategy, rather than presuppose the need for change. As part of this work, we will also validate and agree the key public health outcomes we aim to address, which will draw on the previous work undertaken in early 2020.

The review will be informed by a number of strategic inputs with the planned approach being based on our current assumptions of the next few months, and where possible, looking to align with complementary activity being undertaken.

Setting the strategic direction for the organisation is a key responsibility of the Board and will play an active and leading role in the strategy review process outlined, and have responsibility for agreeing the final outcome.

A key aspect of this approach will be ensuring that the strategy review is undertaken at the optimum time. This needs to balance the current pressures on Public Health Wales and the wider systems, as a result of the ongoing response to COVID-19, with the need to consider the future strategic direction of the organisation to help shape our recovery during 2021.

The formal strategy review, based on current assumptions, will commence in April/May and be completed by autumn 2021.

## 8. Our Strategic Plan (Integrated Medium Term Plan)

In July 2020, the Executive Team developed a new, organisational-level Operational Plan for Public Health Wales. This was in response to our unprecedented response to COVID-19, and the need to make agreed fundamental in-year changes to our previously approved Integrated Medium Term Plan (IMTP).

The exceptional nature of our response to COVID-19 required us to fundamentally assess the delivery of our previously agreed plans. As a result, we developed a revised in-year Operational Plan that set out the priority areas and specific action that Public Health Wales will deliver over the next 18 months (2020-22).

The plan was focused on maintaining the primacy of our ongoing response to the pandemic, while undertaking clearly defined key public health activity within a small number of additional areas, including the prioritised re-activation of services/functions.

This in-year Operational Plan based around six priority areas, which are the:

- ❖ *Sustainable delivery of our health protection response to COVID-19*
- ❖ *Mitigating the broader population health impacts*
- ❖ *Effective reactivation of prioritised public health services and functions*
- ❖ *Organisational learning, knowledge and our COVID-19 narrative*
- ❖ *Organisational recovery and developing our 'new normal'*
- ❖ *Enabling delivery and supporting our corporate transformation.*

The development of the plan included significant engagement with Board members around the emerging priority areas and in relation to validating and approving the final version. This allowed us to develop a clear and shared understanding over the short and medium-term priorities for the organisation. While 18 months in length, it largely focused on the key deliverables up to March 2021. In light of this, we made a commitment to review and refresh the plan during quarter four.

The revised Operational Plan 2020-22 was approved by the Board on the 29 October 2020.

On the 14 December 2020, further guidance was provided from the Welsh Government in the form of the Annual Planning Framework 2021/22, which required each NHS organisation to have a Board-agreed plan by 31 March 2021.

The review was completed and provided to the Board on the 25 March 2021, and concluded that the priority areas remain valid. The Board approved the draft operational plan in private session, noting the draft nature of the plan pending budget confirmation from Welsh Government.

The development and coordination of the refreshed Operational Plan will be led by the Strategic Planning and Performance Division. In parallel with this work, appropriate control and assurance arrangements have been put in place to manage and monitor the delivery of the plan through the Performance and Assurance Dashboard from April 2021 onwards. *(Further information on the Performance Dashboard can be found in [section 2.3.3.](#))*

The nature of the pandemic means that the plan must remain flexible and adapted throughout the year.

The approach outlined has ensured that Public Health Wales has a clear and robust draft Operational Plan, aligned to our draft budget strategy, in place for 2021/22. It has built on the direction of travel agreed with the Board in October 2020, and provides the focus for delivery around our agreed priority areas. The final copy of the plan will be considered by the Board, in public session, by the 30 June 2021.

## 9. Mandatory Disclosures

### 9.1 Equality, Diversity and Human Rights

We are fully committed to meeting the general and specific duties set out in the Public Sector Equality Duties (2011). Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

We launched our Strategic Equality Plan for 2020–2024 in July 2020, following a consultation with members of staff and the public. The new objectives ensure that we promote equality through positive action ensuring that what we do as part of our everyday business is fair, fully accessible and inclusive to all populations and individuals, including those who are protected from discrimination under the Equality Act 2010.

In order to support the revised Strategic Equality Plan, an implementation plan has been developed. A Stakeholder Reference Group made up of external organisations who represent the different protected characteristics has also been set up to monitor and oversee progress being made towards achieving the objectives. Corporately, the governance arrangements for equality are managed through the People and Organisation Development Committee. Progress against the actions in the Strategic Equality Plan will be reported to the People and Organisational Development Committee regularly.

In line with the Public Sector Equality Duties, we have recently published our [2019/20 report](#) highlighting progress so far. We have also published a separate report on our [Gender Pay Gap](#), which has also been reported on the Government portal. We have also reported on our employment, training and equality data.

We recognise that we need to continue to ensure that the services we deliver are inclusive and that the workforce we have is diverse. As equality is integral to every part of our business, services areas, departments and teams are being encouraged to consider the impacts of what they are doing in relation to equality. Work must also continue, to reduce inequalities. We are engaging more with people from protected communities to inform our work. In adopting this practice, we will develop strong partnerships with people from protected communities and learn from them and with them. We are committed to a number of workforce related initiatives and achieved Disability Confident Leader status in July 2019, and we have recently undertaken an assessment of our inclusion for Black, Asian and Minority Ethnic (BAME) staff. We are also a member of the Stonewall Diversity Champion Scheme, and are proud to be placed in the Top 100 UK Employers for LGBT+ inclusion.

By implementing our actions in line with the Strategic Equality Plan, this work will make a significant contribution to delivering our vision for Wales.

## 9.2 Welsh Language

Public Health Wales has made great strides towards embracing a bilingual culture, and a great deal of that work was undertaken during the 2019/20 year as we focused on embedding the Welsh Language Standards. This meant that we started the 2020/21 year with a much stronger understanding of the needs of the Welsh speakers we serve, an institutional culture that embraces the language and aims to embed it in what we do every day, and systems and processes to ensure that can be achieved with maximum efficiency.

As the organisation started to mobilise its response to the pandemic in March 2020, these systems and processes enabled us to respond in a way which met the needs of our service users and the requirements of the Welsh Language Standards. For example, the Service Level Agreement with NHS Wales Shared Service Partnership (NWSSP) which had been established to provide translations of shorter and more time-sensitive documents meant that we could release important pandemic-related information in an agile and cost-effective way.

Our Welsh Language Officers were able to provide valuable support to the National Contact Centre and the *How Are You Doing?* public survey to ensure Welsh language provision on these were available. We continued to support those learning Welsh within the organisation through the *Say Something in Welsh* programme.

Some of the longer-term work around embedding the Welsh Language Standards had to be paused during the pandemic response. As we begin now to plan for our 'new normal' the first priority for the Welsh language team will be to take stock of our current position with regard to our Welsh language provision, and to plan any remedial action necessary along with restarting the valuable work that was already in motion.

In addition to our statutory obligations, we are preparing for a renewed emphasis on our cultural ambitions, including embracing the move towards more online communication as a way to make Welsh language learning more accessible and available to all our staff, regardless of their location or current level of ability.

### **9.3 Handling Complaints and Concerns**

We have arrangements in place to enable us to manage and respond to complaints and concerns in order to meet the requirements of the [NHS \(Concerns, Complaints and Redress Arrangements\) \(Wales\) Regulations 2011](#) and the [All Wales Policy Guidance for Putting Things Right](#). The Quality, Safety and Improvement Committee has oversight of complaints and concerns. *(Further information on the Committee's consideration of complaints can be found in [section 2.6.2](#) of this report.)*

In 2020/21, five Serious Incidents were reported to the Welsh Government. In addition, 72 formal complaints were received for the period of which 35% were responded to within 30 working days. It should be noted however as at 31 March 2021, 11 formal complaints are not yet due for a response and are currently being investigated.

### **9.4 Freedom of Information Requests**

The Freedom of Information Act (FOIA) 2000 gives the public right of access to a variety of records and information held by public bodies and provides commitment to greater openness and transparency in the public sector. In 2020/21, we received 347 requests for information which were handled under the FOIA. This was an unprecedented increase of more than 200% throughout the year, with a peak reached in the Autumn which represented a 1000% increase on the same time in the previous year. This was almost entirely made up of requests for COVID-19 related information.

259 of the total number received (70%) were answered within the 20-day target, with 78 being responded to outside of the deadline. 10 requests received in March 2021 are still being processed.

### **9.5 Subject Access Requests**

In 2019/20, we received 39 subject access requests. All of these were answered within the target of one calendar month.

### **9.6 Sustainability and Carbon Reduction Delivery Plan**

We are committed to embedding sustainable development as the central organising principle of public sector bodies in Wales by ensuring a clear focus on outcomes and that strategic decisions are informed by consideration of the wider determinants of health and well-being. We recognise that sustainable development and public health are intrinsically

linked and that complementary and coordinated actions are necessary to address the key challenges facing Wales in relation to both.

There are a number of UK and EU legislative drivers for decarbonisation. First among them was the *'UK Climate Change Act 2008'*, and in 2010 the Welsh Government published *'One Wales: One Planet'*, their first climate change strategy. In Wales, two specific pieces of legislation are used to drive decarbonisation activity; the *'Environment (Wales) Act 2016'* and the *'Well-being of Future Generations (Wales) Act 2015'*.

The Environment Act commits the Welsh Government to reducing Wales' carbon emissions by at least 80% by 2050, against a 1990 baseline. We monitor the organisation's carbon footprint using 2017/18 as a baseline figure and we have adopted the Welsh Government initiative of ensuring sustainability is embedded in everything we do.

We have committed to matching the targets set down by Welsh Government in the Climate Change Strategy, who have set a 3% year on year reduction target in greenhouse gas emissions and an overall emissions target of 40% by 2020. We continue to remain on target to achieve this having reduced greenhouse gas emissions by 5% in 2016/17, 17.14% in 2017/18, 56.22% in 2018/19. Greenhouse gas emissions did increase by 4.62% in 2019/20, which was a result of improved reporting of Scope 3 (the result of activities from assets not owned or controlled by the reporting organization, but that the organisation indirectly impacts in its value chain) emissions, however we did reach the emissions target of 40% by 2020, achieving a total reduction in greenhouse gas emissions of 54.2% on the baseline.

We are committed to environmental sustainability through:

- ❖ Our Long Term Strategy 2018-30 is committed to dealing with the effects of climate change as measure of its success
- ❖ Working towards a platinum level Corporate Health Standard
- ❖ Working towards the internationally recognised BS EN ISO 14001:2015, which is included in our Strategic Plan
- ❖ Alignment to the Well Being of Future Generations (Wales) Act 2015, particularly the well-being goals of being a 'resilient' and 'globally responsible' Wales
- ❖ Taking forward actions outlined in the NHS Wales Decarbonisation Strategic Delivery Plan 2021-30.

We have two main programmes addressing this issue – our Environmental Sustainability Programme, who are focused internally, and the Health and Sustainability Hub who support sustainability as a way of working across Wales.

## **Environmental Sustainability Programme**



We established an Environmental Sustainability Group in 2017. The group has representation from the Health and Sustainability Hub, Environmental Health, and is made up of volunteers from across the organisation. This is now a formal programme, with co-ordination over the five dedicated work streams:

- ❖ Plastics Reduction
- ❖ Green Travel
- ❖ Estates, buildings and waste
- ❖ Monitoring and Evaluation
- ❖ Leadership, Engagement and Learning.

These work streams have been working to address behavioural change within the organisation and make some quick-wins. Further work is needed to embed a culture of sustainable working in everything we do, and reduce our carbon emissions.

Due to Covid-19, the work of the Environmental Sustainability programme was put on hold for 2020/21 however will resume in 2021/22.

## **The Health and Sustainability Hub**

The Health and Sustainability Hub supports us with its contribution towards Wales' seven well-being goals, the wider United Nations' Sustainable Development Goals, and in applying the sustainable development principle ('the five ways of working'). The Hub works closely with and in support of other public bodies and cross-sector stakeholder organisations to support system change, and strengthen the impact of the Well-being of Future Generations (Wales) Act on public health, planetary health and environmental sustainability.

Throughout Public Health Wales' prioritisation of our health protection response to the COVID-19 pandemic, we have ensured the Well-being of Future Generations Act has remained at the centre of how we work. Despite the challenges of several of our working groups which support our response to the Act being unable to meet in 2020-21, we have continued to make progress, with the Health and Sustainability Hub supporting our organisation's role as a public body in the Act, as highlighted below (further information on this work is included in Public Health Wales' Annual Report 2020-21):

- ❖ **'Green Opportunities' e-brief** – capturing learning and identifying best practice to support a green recovery from COVID-19
- ❖ **'Green Advocates' internal staff network on sustainable development** - enabling discussion, learning and action at team and individual level across a range of topics

- ❖ **'SIFT' (Sustainability Improvements for Teams) Healthy Environment Planner** - a two-hour virtual workshop enabling workplace teams to identify and reduce their environmental impacts
- ❖ **Sustainable Development Toolkit** - supporting global organisations to implement the United Nations' Sustainable Development Goals
- ❖ **'Be the Change' for Wales' well-being goals: e-guide on home and agile-working** – presenting small sustainable steps which we can all take when working from home or agilely
- ❖ **'Be the Change' Well-being Goals Challenge** – presenting a menu of options for teams and individuals to model sustainable behaviours.

Health and Sustainability Hub resources:

<https://phwwhocc.co.uk/teams/health-and-sustainability-hub/>

## 9.7 Emergency Planning/Civil Contingencies

We are responsible for providing public health emergency preparedness, resilience and response leadership, and scientific and technical advice at all organisational levels, working in partnership with other organisations to protect the health of the public within Wales. As a Category one Responder, the *Civil Contingencies Act (2004)* places a number of civil protection duties on Public Health Wales in respect of:

- ❖ Risk assessment
- ❖ Emergency plans
- ❖ Warning and Informing
- ❖ Sharing of information
- ❖ Cooperation with local responders.

To effectively deliver the duties (that need to be developed in a multi-agency environment), we have representation at all four Local Resilience Forums in Wales. This allows the establishment and maintenance of effective multi-agency arrangements to respond to an emergency. The organisation regularly collaborates with partner agencies to develop flexible plans to enable a joint effective response to an incident, in order to establish resilience in the face of a broad range of disruptive challenges. As a Category one responder, we are required under the *Civil Contingencies Act (2004)* to maintain and develop plans to ensure that if an emergency occurs or is likely to occur, the organisation can deliver its functions so far as necessary or desirable for the purpose of preventing the emergency, reducing, controlling or mitigating its effects, or taking other action in connection with it.

Our Emergency Response Plan details the organisation's response arrangements to any emergency, incident or outbreak that impacts on or

requires the mobilisation of public health resources and capabilities beyond normal operations. We continue to engage in training and exercises both internally and externally. We also continue to conduct a live exercise every three years, a table-top exercise and physical setting-up of the control centre annually and a test of communications cascades every six months as required by the *NHS Wales Emergency Planning Public Core Guidance*.

We have an Emergency Planning and Business Continuity Group to co-ordinate emergency planning activity within the organisation. The group has an established work plan which over a three-year period aims to drive further improvements for planning and response.

The Emergency Response Plan was reviewed and agreed by the Board in September 2018 and will be reviewed again in 2021/22.

As previously highlighted, the need to plan and respond to the COVID-19 pandemic presented us with a number of challenges. A number of new and emerging risks were identified. Whilst we 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.

The organisation has been operating at an 'enhanced' level of response throughout the pandemic. The response level is reviewed at every Gold Command meeting and reported to the Business Executive Team.

The response to the COVID-19 pandemic, and implementation of emergency management arrangements across the organisation, has subsequently identified organisational learning in the response to the emergency. To ensure lessons identified are learned, a full review of the Emergency Response Plan will be undertaken following the organisations response, and subsequent recovery from, the emergency. This review has been identified as an objective in the organisations Operational Plan for completion. A revised version of the Emergency Plan will be reported to Quality, Safety and Improvement Committee for approval once this process is complete.

## **9.8 Business Continuity**

The NHS needs to be able to plan and respond to a wide range of incidents and emergencies. We therefore need to ensure key services are maintained when faced with disruption.

Our Business Continuity Framework provides the principles, approach and assumptions that drive the development, implementation and ongoing maintenance of business continuity arrangements within the organisation. This framework sets the business continuity objectives of the organisation

and is a formal commitment to deliver the business continuity management programme and continual improvement.

The Business Continuity Framework sits alongside a Business Continuity Incident Management Process and is underpinned by individual business continuity Directorate/Divisional plans. These outline the specific actions and processes for invoking plans, roles and responsibilities and how the impact of the risks will be managed. This is to ensure that critical activities can be recovered in appropriate time scales. The plans take direction from risk assessment to identify hazards and threats in which the organisation needs to plan, within the context of critical activities.

The Emergency Planning and Business Continuity Work Programme has a three year work plan which came to a conclusion in December 2020. Between January 2018 and December 2020 the work plan identified 122 actions, of which 97 are complete and 25 remain in progress. Actions which remain in progress are part of ongoing projects and identified organisational learning. Actions in progress have been included on in the Emergency Planning and Business Continuity Work Plan 2021. During this three year period, Public Health Wales has further delivered over 130 training and exercising events for over 1200 attendees from partner organisations and Public Health Wales.

Activity in 2020 has focused primarily on the organisations response to the COVID-19 Pandemic and increasing organisational preparedness for the UK leaving the European Union (EU).

Training and exercise activity in 2020 has resulted in over 270 attendees at events, with the organisation supporting preparedness activity across the civil contingencies network in Wales through the delivery of 2 pan-Wales exercises, Exercise Board and Exercise Seren City. The exercises focused on the multi-agency response to a pandemic, exploring prevention and response structures as well as 'lockdown' response respectively.

In the response to the COVID-19 pandemic, five structured debrief processes have been conducted and reports identifying learning published. In total 21 recommendations were identified.

The organisation has further participated in the COVID-19 Pandemic Welsh Interim Operational Review, commissioned by the C19 National Foresight Group (on behalf of the Joint Emergency Services Group in Wales), on 3 June 2020. The review sought to capture the past, present and future reflections of those managing COVID-19 in Wales, identifying findings and associated recommendations for implementation and immediate action. Reference in the review was given to the good practice of the Public Health Strategic Coordinating Support Group, which had been established by Public Health Wales to support all partner agencies.

Public Health Wales is required to maintain and develop plans to ensure that if an emergency occurs (or is likely to occur), the organisation can deliver its functions so far as necessary or desirable for the purpose of preventing the emergency, reducing, controlling or mitigating its effects, or taking other action in connection with it.

A review of current Business Continuity arrangements and the Emergency Planning and Business Continuity work plan continues to be implemented and further developed including; a revised Business Continuity Strategy, Business Continuity Plan Template, Business Impact Assessment Template and supporting documentation.

The implementation of the work plan is overseen by the Emergency Planning and Business Continuity Group, which includes representation from all our services in Public Health Wales.

During the COVID-19 pandemic, our business continuity plans have been drawn upon to support the management of the emergency response. The programme of work will be overseen by the Emergency Planning and Business Continuity Group which has been re-established.

The Emergency Planning and Business Continuity work programme publishes quarterly newsletters and annual reports, seeking to inform the organisation of the preparedness activities which have been undertaken.

In the lead up to 2021, work was ongoing to prepare for the disruption that may take place as the UK leaves the EU. The response to COVID-19 has been the primary and ongoing focus of the organisation throughout 2020/21. The UK's exit from the EU took place at the same time as the entire European continent is grappling with the biggest public health emergency the world has faced in more than a century. Public Health Wales formally restarted its preparedness work in September 2020, through to re-establishment of our internal Brexit Programme and the Health Securities Group that we lead on behalf of Welsh Government.

The Health Securities Group, which includes representatives from key public sector organisations across Wales (for example, Food Standards Agency, Welsh Local Government Association), will consider the key public health securities risks for Wales and coordinate cross-system activity around appropriate mitigating. Public Health Wales has maintained close contact with the other UK countries, as well as the Republic of Ireland, throughout 2020 and will continue to do so through discussions around strengthening co-operation and collaboration, including through the development of relevant Memorandums of Understanding and Non-Legislative Frameworks

Work will be undertaken to review existing health securities risks, with appropriate internal and external input, and ensure appropriate mitigations are in place, where possible. Public Health Wales will also undertake an internal programme of business impact and risk-based business continuity assessment over the next three months to ensure that we have appropriate arrangements, such as stocks and supplies (such as culture media), in place for our critical services and functions.

## **9.9 Data Breaches**

Information governance incidents and 'near misses' are reported through the organisation's incident management system. Since May 2018, personal data breaches (as defined in GDPR) are required to be risk assessed and in the most serious cases reported to the Information Commissioner's Office (ICO). All data breaches are reported quarterly to the Audit and Corporate Governance Committee. Where appropriate they are reported to the Welsh Government and full incident investigations are undertaken.

During 2020/21, we recorded a total of six reportable data breaches, all of which were reported to both the Information Commissioner's Office (ICO) and Welsh Government. For all six, the ICO responded to say that they were satisfied with the action we had taken and that no further action was required on their part.

In August 2020, Public Health Wales experienced a personal data breach, when the Communicable Disease Surveillance Centre (CDSC) inadvertently published, to a public facing website, information usually reserved for internal consumption. The information released contained personal data relating to 18,105 people who had tested positive for COVID-19 since February 2020. The information was contained in a dashboard, which would normally have been published to a secure server accessible only to Public Health Wales staff, on this occasion it was mistakenly published to a public facing server. The information was only available for a short period of time before the error was identified and it was removed. Public Health Wales commissioned an external investigation into the incident which reported in November 2020, and from this an action plan was developed to reduce the risk of recurrence. That action plan is ongoing with regular progress reports being received by the Business Executive Team and the Audit and Corporate Governance Committee.

## **9.10 UK Corporate Governance Code**

We are required to comply with the *UK Corporate Governance Code: Corporate Governance in Central Government Departments: Code of Good Practice 2017*.

The information provided in this governance statement provides an assessment of how we comply with the main principles of the Code as they relate to an NHS public sector organisation in Wales. This assessment has been informed by the organisation's self-assessment against the Governance, Leadership and Accountability Standard (as part of the Health and Care Standards), and supported by evidence from internal and external audits.

Public Health Wales is following the spirit of the Code to good effect and is conducting its business openly and in line with the Code. The Board recognises that not all reporting elements of the Code are outlined in this governance statement but are reported more fully in the organisation's wider Annual Report.

[A report](#) was provided to the Audit and Corporate Governance Committee at its meeting on 8 March 2021 outlining how the organisation has complied with the code, the report noted that there have been no reported departures from the Corporate Governance Code..

The changes to the governance arrangements as a result of COVID-19 that have taken place this year are outlined with this Annual Governance Statement, and summarised in the Audit and Corporate Governance Committee report. These changes to the governance arrangements during 2020/21 have not impacted our overall assessment that we comply with each relevant element of the code.

## **9.11 NHS Pensions Scheme**

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments in to the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations. Note 11 to the accounts provides details of the scheme, how it operates and the entitlement of employees.

## **9.12 Ministerial Directions**

Whilst Ministerial Directions are received by NHS Wales organisations, these are not always applicable to Public Health Wales. Ministerial Directions issued throughout the year are listed on the [Welsh Government website](#).

During 2020/21, the Welsh Government's announcement the suspension of non-urgent outpatient appointments and non-urgent surgical admissions and procedures in order to redirect staff and resources to support the response to Novel Coronavirus (COVID-19), the Welsh Government also agreed for Public Health Wales to temporarily pause some of the population based screening programmes. This direction was complied with during 2020/21.

There were no other Ministerial Direction (Non-Statutory Instruments) issued by the Welsh Government that required action from Public Health Wales during 2020/21.

We have acted upon, and responded to, all Welsh Health Circulars (WHCs) issued during 2020/21 which were applicable to Public Health Wales. Of the 20 issued, 13 of these were applicable to Public Health Wales. 11 required action, two were for information and zero were for compliance.



## 10. Hosted Bodies

We have continued to host two bodies during 2020/21:

### 10.1 NHS Wales Health Collaborative

The NHS Wales Health Collaborative was established in 2015 at the request of NHS Wales Chief Executives to improve the level of joint working between NHS Wales' bodies, NHS Wales and its stakeholders. The Collaborative's work supports improving the quality of care for patients and, ultimately, improving NHS services Wales-wide.

The Collaborative's core functions are the:

- ❖ Planning of services across organisational boundaries to support strategic goals
- ❖ Management of clinical networks, strategic programmes and projects across organisational boundaries
- ❖ Co-ordination of activities and teams across NHS Wales with a view to simplifying existing processes.

The Collaborative is hosted by Public Health Wales, on behalf of NHS Wales, under a formal hosting agreement, which is signed by the ten NHS Wales Chief Executives of Health Boards, NHS Trusts and the Director of the Collaborative. The Collaborative has a clear reporting line upwards to the Collaborative Executive Group (Chief Executives meeting monthly) and, ultimately, to the Collaborative Leadership Forum (Chairs and Chief Executives meeting approximately quarterly). The Collaborative Executive Group and Collaborative Leadership Forum sign off the Collaborative's work plan annually.

A hosting agreement has been in place since 2015. The current agreement was extended by the Board in February 2021, and runs to 31 March 2022. The agreement provides details of the responsibilities of the Public Health Wales Board and the hosted body. The Board receives assurance on compliance with the terms of the agreement through the production of an Annual Compliance Statement and Report from the Collaborative. The Report for 2020/21 was received by the Audit and Corporate Governance Committee and Board in March 2021.

The Collaborative has its own risk management process (that is compliant with the relevant Public Health Wales policy and procedures) and risks from their Corporate Risk Register are escalated to the Public Health Wales Board as appropriate.

## 10.2 Finance Delivery Unit

The Finance Delivery Unit (the Unit) was formally established in January 2018, following an announcement by the Cabinet Secretary for Health and Social Services.

The purpose of the Unit is to enhance the capacity to:

- ❖ Monitor and manage financial risk in NHS Wales and to respond at pace where organisations are demonstrating evidence of potential financial failure
- ❖ To accelerate the uptake across Wales of best practice in financial management and technical and allocative efficiency.

The Unit is hosted by Public Health Wales under a formal hosting agreement signed by Public Health Wales, the Director of the Finance Delivery Unit and the Director of Finance, Health and Social Services Group, Welsh Government. The Unit is accountable to the Director of Finance, Health and Social Services Group at Welsh Government and the annual work programme is agreed and monitored through regular meetings with Welsh Government.

The Board receives assurance on compliance with the terms of the hosting agreement through the production of an Annual Assurance Statement and Report from the Unit. The Report for 2020/21 was received by the Audit and Corporate Governance Committee and Board in May 2021.

## 11. Staff and Staff Engagement

We engage with our staff in a number of ways which are part of the checks and balances we undertake to support and enable good governance.

In support of the Board and Executive, we have a formal advisory group - the Local Partnership Forum, formally the Joint Negotiating Committee (JNC).

Due to the organisation's response to the COVID-19 pandemic, informal weekly meetings were established with the Agenda for Change trade representatives on the Local Partnership Forum (LPF). This was to ensure that staff were fully engaged in how the organisation was responding to the pandemic. Formal monthly meetings of the LPF were restored on 18 June 2020, in addition, informal meetings have also continued on a fortnightly basis.

The Local Partnership Forum has met 25 times during 2020/21 and has considered the following matters:

- ❖ Health and Wellbeing Survey
- ❖ Organisational Change Core Principles
- ❖ People Strategy
- ❖ Workforce Planning
- ❖ Pay Progression
- ❖ Overtime/Toil
- ❖ Black Lives Matter
- ❖ Black, Asian and other Minority Ethnic Groups Network
- ❖ Annual Leave Year
- ❖ Organisation Response (COVID-19)
- ❖ Tax Relief – working at home
- ❖ Facilities Time
- ❖ National Contact Centre and National Health Protection Regional Response
- ❖ COVID-19 Staff Vaccination Programme
- ❖ Gender Pay Gap
- ❖ Sickness Absence
- ❖ Public Health Wales Digital Strategy.

The Group has also discussed Occupational Health, Sickness and Facilities Time as standing agenda items at each meeting, and the Forum has commented on, and recommended, several policies for approval.

There is a well-established Joint Medical and Dental Negotiating Group. During 2020/21, weekly informal meetings with representatives from this group were established with effect from May 2020, in order to ensure that the organisation were engaging with its medical and dental employees.

The organisation's Nursing Senedd advises and provides updates on professional issues relating to Nursing and Midwifery professionals. These fora provide mechanisms which allow for feedback to senior management on organisational performance or any other issues that staff wish to raise, which aids transparency.

In addition to these formal partnering mechanisms, we have consulted with the trade unions on all urgent policy reviews and the introduction of new policies during the last year.

We also have a consultation process open to all staff for all new and revised organisational policies, staff Diversity Networks and engagement events, all of which are used to hold meaningful individual and group conversations with our colleagues. These mechanisms are used in parallel with an open blog, a web forum and other virtual ways for staff to share their work and opinions, including a Public Health Wales Staff Facebook group, whose membership now accounts for over half of the workforce.

We participated in the latest NHS survey called '*Our Reflections Our Decisions Our Future*', with the key aims being to get as many people as possible involved in giving feedback/reflections and making decisions about what happens next.

The survey ran for a three week period between 4 and 24 November 2020. Whereas in previous years, it has involved between 90 and 120 questions, there were only 20 questions in total this time.

The survey achieved a response rate of 22%, which is slightly above the national average response rate of 20%. The focus of the survey is to encourage conversations and is rooted in local actions; discussions are currently ongoing with the Wellbeing Engagement Partnership Group and action plans in place to support delivery.

We ran an internal Communications and Wellbeing Survey, Tell Us How You Are Doing, in order to understand colleagues' views about:

- ❖ The effectiveness of our staff communications during the lockdown period;
- ❖ The wellbeing resources we've provided;
- ❖ Working practices during the Covid-19 pandemic.

The survey ran for a two-week period between 30 April and 14 May, with 817 colleague response, equating to a response rate of 40.8%; a resulting action plan was developed to address the key themes. The recommendation was also made to establish the Wellbeing, Engagement and Partnership Group, to ensure a co-ordinated and integrated approach to the wellbeing and safety agenda within all directorates/divisions.

We also undertook an internal wellbeing survey, which ran from 17 September until 5 October and drew 630 responses, equating to a 32% response rate. Colleagues in Corporate Analytics and in Research and Evaluation have analysed the results, producing dashboards and thematic qualitative data. The People and Organisational Development team have been interrogating the data; this intelligence has been used at the Wellbeing and Engagement Partnership group to inform the aforementioned organisational action plan which has been devised to support this overarching agenda.

Directorate and divisional leads also had access to their own results at local level, in order to identify further improvement activity within their own functional area.

We have established a Wellbeing and Engagement Partnership Group that meets monthly, and comprises senior managers from each Directorate, as well as a Trade Union representative. There is also a representative from each of the five staff diversity networks. The group considers feedback from the staff surveys and addresses actions to take forward for improvement.

## 12. Review of Effectiveness

As Chief Executive and Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. The review of the system of internal control is informed by the work of the internal auditors, the Executive Directors, and all Executive Team Directors, within the organisation who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their audit letter and other reports.

The Board and Committees have reviewed the effectiveness of the system of internal control in respect of the assurances received. The Strategic Risk Register is the mechanism for close monitoring of strategic risks and is scrutinised by the Board and Committees. On reviewing the system of internal control, I can confirm that it is effective in providing the necessary assurance to the Board and Committees.

The two Committees in operation this year undertook a self-assessment during 2019/20 via Committee Effectiveness questionnaire, and a session at the following Committee meeting to discuss the findings and outcomes of the survey. The outcomes of these discussions will feed into the wider review of Board effectiveness scheduled for Quarter 1 2021.

*(Further information on the Effectiveness cycle can be found in [section 2.3.5](#) of this report.)*

### 12.1 Internal Audit

Internal audit provides the Accountable Officer, and the Board through the Audit and Corporate Governance Committee, with a flow of assurance on the system of internal control. As Chief Executive, I have commissioned a programme of audit work which has been delivered in accordance with the Public Sector Internal Audit Standards by the NHS Wales Shared Services Partnership. The scope of this work is agreed with the Audit and Corporate Governance Committee and is focussed on significant risk areas and local improvement priorities.

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


The Head of Internal Audit has concluded (taken from Head Internal Audit Annual Opinion):

*'The purpose of the annual Head of Internal Audit opinion is to contribute to the assurances available to the Accountable Officer and the Board of Public Health Wales NHS Trust which underpin the Board's own assessment of the effectiveness of the organisation's system of internal control.*

*This opinion will in turn assist the Board in the completion of its Annual Governance Statement, and may also be taken into account by regulators including Healthcare Inspectorate Wales in assessing compliance with the Health & Care Standards in Wales, and by Audit Wales in the context of both their external audit and performance reviews.*

*The overall opinion by the Head of Internal Audit on governance, risk management and control is a function of the 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 overall opinion for 2020/21 is that:*

Reasonable assurance	 Yellow +	<p><i>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.</i></p>
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## **Delivery of the Audit Plan**

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

The audit work undertaken during 2020/21, was reported to the Audit and Corporate Governance Committee. These detailed results have been aggregated to build a picture of assurance across the organisation.

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

(Further information on the Internal Audit Reports received by the Audit and Corporate Governance Committee can be found in [section 2.6.1](#) of this report.)

## **12.2 Counter Fraud**

From 1 April 2012, Public Health Wales has three accredited local counter fraud specialists to support the organisation developing a counter fraud culture by providing advice, awareness sessions, newsletters and if necessary conducting investigations.

The local counter fraud investigators regularly liaises with the Counter Fraud Service (Wales) about fraud investigations and circulate any alerts in fraud methods. When it is necessary specialist fraud lawyers in the Crown Prosecution Service are consulted about appropriate criminal charges.

During 2020/2021, there were no referrals from Public Health Wales.

Counter Fraud reports and updates are provided to the Audit and Corporate Governance Committee throughout the year.

## **12.3 External Audit – Audit Wales**

The Auditor General for Wales is the statutory external auditor for the NHS in Wales. Audit Wales (AW) undertakes the external auditor role for Public Health Wales, on behalf of the Auditor General.

Each year a [Structured Assessment report](#) is completed, for 2020, AW reported:

*"Overall, we found that the Trust has continued to operate effectively throughout COVID-19. It has a strong culture of good governance based on transparency, collaboration and constructive challenge which grew even stronger during the pandemic. The Trust adapted its governance, quality, safety and risk management arrangements quickly and continues to identify opportunities to improve. The Trust is working to improve the links between its recovery planning and plans to deliver its part of Test, Trace, Protect, particularly its overall workforce requirements*



*The Trust and its Board have worked well under pressure to adapt governance arrangements. Business is shared effectively between the Board, Audit and Corporate Governance Committee (ACGC) and Quality, Safety and Improvement Committee (QSIC). 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 Executive and non-Executive Directors. 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 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 has quickly developed effective plans to implement its Test, Trace, Protect work. It has identified the resources it needs to deliver the plans and identified the risks of not getting this right. The Board has been very involved with developing the plans and there are good arrangements to monitor progress. The Trust engaged internal and external stakeholders to develop and implement its plans and intends to engage further to review its impact in the autumn. The Trust is developing its approach to organisational recovery including how its plans to implement Test, Trace, Protect link to wider business objectives and restarting services. The Trust is assessing the risk to its workforce and making changes to support its staff. It has improved internal communication and introduced new ways to support staff well-being. It is also improving data on workforce availability to help it understand where gaps in staffing may affect delivery.*

*We have not made any new recommendations based on our 2020 work but have noted improvement opportunities throughout this report".*

## **12.4 Quality of Data**

The Board felt that the information it and its key committees received during 2020/21 generally supported scrutiny and assurance, although there were areas for further development.

Data quality and integrity within performance reports Internal Final Report received a Substantial assurance rating. The review noted that the arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Two low impact actions were noted and the implementation of this will be monitored during 2021/22 by the Audit and Corporate Governance Committee as part of the internal Audit tracker. *(Further information on the Internal Audit Reports received by the Audit and Corporate Governance Committee can be found in [section 2.6.1.](#))*

The development of the Performance Assurance Dashboard has ensured that there is an assurance rating for each area, ranging from Bronze, Silver and Gold. We recognise that there will be areas of development of the areas identified as Bronze in 2021/22 to continue to improve the data quality as an organisation.

The Knowledge, Research and Information Committee was established in April 2019. One of its key purposes is to provide advice and assurance to the Board in relation to data quality and information governance arrangements in the organisation. This year, this Committee has been suspended and the Audit and Corporate Governance Committee have covered the remit for Information Governance. The Board took the decision on 26 February 2021 to reinstate the Committee structure for 2021/22. As such, the Knowledge, Research and Information Committee will resume its role during 2021/22 relating to data quality.

## 13. Conclusion

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the system of internal control is informed by the work of the internal auditors and the Executive officers (including the Executive Team Directors) within the organisation who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their audit letter and other reports.

This Annual Governance Statement confirms that Public Health Wales has continued to mature as an organisation and no significant internal control or governance issues have been identified. The organisation will continue to address key risks and embed good governance and appropriate controls throughout the organisation.

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. Our need to respond and recover from the pandemic has been reflected within this report, and will continue to impact in 2021/22 and beyond. Our organisational position in relation to sustaining our response to the pandemic and the implication for our core and statutory functions was also outlined in my Accountable Officer letter to the Director General in December 2020.

I will ensure our Governance Framework considers and responds to this need.

I can confirm that the Board and the Executive Team has had in place a sound and effective system of internal control, which provides regular assurance, aligned to the organisation's strategic objectives and strategic risks.

**Signed: Dr Tracey Cooper**

Date: 10 June 2021

**Dr Tracey Cooper**  
**Chief Executive and Accountable Officer, Public Health Wales**

## Annex 1: Board and Committee Membership/Attendance 2020/21

NAME	POSITION	BOARD COMMITTEE MEMBERSHIP	ATTENDANCE AT MEETINGS 2020/21***
Jan Williams OBE	Chair	<ul style="list-style-type: none"> <li>• (Chair) Board</li> <li>• (Chair) Remuneration and Terms of Service Committee</li> <li>• Knowledge, Research and Information Committee (suspended during 2020/21)</li> </ul> <p>Note: the Board Chair has a standing invite to all Committees of the Board but is Member of the Remuneration and Terms of Service Committee, and Knowledge, Research and Information Committee (until 1 September 2020).</p> <p>Attendee:</p> <ul style="list-style-type: none"> <li>• Audit and Corporate Governance Committee**</li> <li>• Quality, Safety and Improvement Committee**</li> </ul>	13/13 5/5 0/0  2/6 1/5
Dr Tracey Cooper	Chief Executive	<ul style="list-style-type: none"> <li>• Board</li> <li>• Remuneration and Terms of Service Committee</li> </ul> <p>Note: the Chief Executive (CE) has a standing invite to all Committees of the Board but is only a regular attendee of the Remuneration and Terms of Service Committee.</p> <p>The CE has to attend one meeting of the Audit and Corporate Governance Committee per year.</p> <ul style="list-style-type: none"> <li>• Audit and Corporate Governance Committee**</li> </ul>	12/13 4/5  3/5
Jyoti Atri	Interim Executive Director of Health and Well-being	<ul style="list-style-type: none"> <li>• Board</li> <li>• Quality, Safety and Improvement Committee**</li> </ul>	12/13 5/5
Rhiannon Beaumont-Wood	Executive Director of Quality, Nursing and Allied Health Professionals	<ul style="list-style-type: none"> <li>• Board</li> <li>• Quality, Safety and Improvement Committee**</li> <li>• Audit and Corporate Governance Committee**</li> <li>• People and Organisational Development Committee (suspended during 2020/21)**</li> </ul>	11/13 5/5 3/6 0/0

NAME	POSITION	BOARD COMMITTEE MEMBERSHIP	ATTENDANCE AT MEETINGS 2020/21***
Professor Mark Bellis OBE	Director of Policy and International Health, WHO Collaborating Centre on Investment for Health & Well-being	<ul style="list-style-type: none"> <li>• Board*</li> <li>• Knowledge, Research and Information Committee (suspended during 2020/21)**</li> </ul>	11/13 0/0
Sian Bolton	Transition Director of Knowledge	<ul style="list-style-type: none"> <li>• Board*</li> <li>• Knowledge, Research and Information Committee (suspended during 2020/21)**</li> </ul>	12/13 0/0
Dr John Boulton	Director for NHS Quality Improvement and Patient Safety/ Director 1000 Lives Improvement Service / Improvement Cymru	<ul style="list-style-type: none"> <li>• Board*</li> <li>• Quality, Safety and Improvement Committee**</li> <li>• Knowledge, Research and Information Committee (suspended during 2020/21)**</li> </ul>	12/13 5/5 0/0
Philip Bushby	<p>Director of People and Organisational Development (until 16 August 2020)</p> <p>Seconded to HEIW from 17 August 2020. Left Public Health Wales employment on the 3 January 2021.</p>	<ul style="list-style-type: none"> <li>• Board*</li> <li>• Remuneration and Terms of Service Committee**</li> <li>• People and Organisational Development Committee (suspended during 2020/21)**</li> </ul>	3/4 0/1 0/0
Helen Bushell	Board Secretary and Head of Board Business Unit	<ul style="list-style-type: none"> <li>• Board*</li> <li>• Remuneration and Terms of Service Committee**</li> <li>• Audit and Corporate Governance Committee**</li> <li>• Quality, Safety and Improvement Committee**</li> <li>• People Advisory Group **</li> </ul>	11/13 5/5 6/6 5/5 2/2

NAME	POSITION	BOARD COMMITTEE MEMBERSHIP	ATTENDANCE AT MEETINGS 2020/21***
		<ul style="list-style-type: none"> <li>• People and Organisational Development Committee (suspended during 2020/21)**</li> <li>• Knowledge, Research and Information Committee (suspended during 2020/21)**</li> </ul>	0/0 0/0
Kate Eden	Vice Chair And Non-Executive Director	<ul style="list-style-type: none"> <li>• Board</li> <li>• Remuneration and Terms of Service Committee</li> <li>• Audit and Corporate Governance Committee</li> <li>• (Chair)Quality, Safety and Improvement Committee</li> <li>• Knowledge, Research and Information Committee (Suspended during 2020/21) to 1 September 2020.</li> </ul>	13/13 5/5 5/5 5/5 0/0
Dyfed Edwards	Non-Executive Director	<ul style="list-style-type: none"> <li>• Board</li> <li>• (Chair) Audit and Corporate Governance Committee</li> <li>• Remuneration and Terms of Service Committee</li> <li>• People and Organisational Development Committee (Suspended during 2020/21)</li> </ul>	13/13 6/6 5/5 0/0
Mohammed Mehmet	Non-Executive Director (Local Authority)  <i>(Local Authority - 0.5 appointment)</i>  <i>Appointed on 21 September 2020</i>	<ul style="list-style-type: none"> <li>• Board</li> <li>• Remuneration and Terms of Service Committee</li> <li>• Audit and Corporate Governance Committee</li> <li>• (Chair)People Advisory Group</li> <li>• (Chair from 21 September) People and Organisational Development Committee (Suspended during 2020/21)</li> </ul>	5/8 1/3 2/2 2/2 0/0
Professor Sian Griffiths	Non-Executive Director (Public Health)  <i>Appointed on 1 September 2020</i>	<ul style="list-style-type: none"> <li>• Board</li> <li>• Remuneration and Terms of Service Committee</li> <li>• Quality, Safety and Improvement Committee</li> <li>• (Chair) Knowledge, Research and Information Committee from 1 September 2020 (Suspended during 2020/21)</li> </ul>	7/8 3/4 2/2 0/0
Professor Diane Crone	Non-Executive Director (University)	<ul style="list-style-type: none"> <li>• Board</li> <li>• Audit and Corporate Governance Committee</li> <li>• Remuneration and Terms of Service Committee</li> <li>• Quality, Safety and Improvement Committee</li> </ul>	7/8 3/3 1/4 1/1

NAME	POSITION	BOARD COMMITTEE MEMBERSHIP	ATTENDANCE AT MEETINGS 2020/21***
	<i>Appointed on 1 September 2020</i>	<ul style="list-style-type: none"> <li>Knowledge, Research and Information Committee (Suspended during 2020/21) from 1 September 2020</li> </ul>	0/0
Andrew Jones	Interim Executive Director of Public Health <i>(from 1 December 2020)</i>	<ul style="list-style-type: none"> <li>Board</li> <li>Quality, Safety and Improvement Committee**</li> <li>People and Organisational Development Committee** (Suspended during 2020/21)</li> <li>Knowledge, Research and Information Committee**(Suspended during 2020/21)</li> </ul>	2/4 1/1 0/0 0/0
Dr Eleri Davies	Interim Medical Director <i>(from 1 December 2020)</i>	<ul style="list-style-type: none"> <li>Board*</li> <li>Quality, Safety and Improvement Committee**</li> <li>People and Organisational Development Committee** (Suspended during 2020/21)</li> <li>Knowledge, Research and Information Committee**(Suspended during 2020/21)</li> </ul>	3/4 1/1 0/0 0/0
Huw George	Deputy Chief Executive and Executive Director of Operations and Finance	<ul style="list-style-type: none"> <li>Board</li> <li>Remuneration and Terms of Service Committee**</li> <li>Audit and Corporate Governance Committee**</li> <li>People Advisory Group **</li> <li>People and Organisational Development Committee (Suspended during 2020/21)**</li> </ul>	13/13 5/5 6/6 2/2 0/0
Neil Lewis	Acting Director of People and Organisational Development <i>(from 17 August 2020)</i>	<ul style="list-style-type: none"> <li>Board*</li> <li>People and Organisational Development Committee**</li> <li>People Advisory Group **</li> </ul>	7/9 0/0 2/2
Professor Stephen Palmer	Non-Executive Director <i>(until 30 September 2020)</i>	<ul style="list-style-type: none"> <li>Board</li> <li>Remuneration and Terms of Service Committee</li> <li>Quality, Safety and Improvement Committee</li> <li>Audit and Corporate Governance Committee</li> </ul>	6/6 1/2 3/3 3/3

NAME	POSITION	BOARD COMMITTEE MEMBERSHIP	ATTENDANCE AT MEETINGS 2020/21***
Judith Rhys MBE	Non-Executive Director (Third Sector)	<ul style="list-style-type: none"> <li>• Board</li> <li>• Remuneration and Terms of Service Committee</li> <li>• Quality, Safety and Improvement Committee</li> <li>• People Advisory Group</li> <li>• (Chair until 20 September 2020)People and Organisational Development Committee (Suspended during 2020/21)</li> </ul>	11/13 4/5 5/5 2/2 0/0
Dr Quentin Sandifer	Executive Director of Public Health Services and Medical Director  (until 11 December 2020)	<ul style="list-style-type: none"> <li>• Board</li> <li>• Quality, Safety and Improvement Committee**</li> <li>• People and Organisational Development Committee** (Suspended during 2020/21)</li> <li>• Knowledge, Research and Information Committee**(Suspended during 2020/21)</li> </ul>	8/9 4/4  0/0 0/0
Alison Ward CBE	Non-Executive Director  (Local Authority - 0.5 appointment)	<ul style="list-style-type: none"> <li>• Board</li> <li>• Remuneration and Terms of Service Committee</li> <li>• Audit and Corporate Governance Committee</li> </ul>	6/13 1/5 0/6

\* Attend Board meetings, but are not members of the Board and therefore do not have voting rights.

\*\* Attend Committee meetings, but are not members of the Committee and therefore do not have voting rights.

\*\*\*

The actual number of meetings attended/the number of meetings which it was possible to attend. This varies from individual to individual as some joined the Committee partway through the year.

+ The allocation of champion roles is under review, awaiting confirmation from Welsh Government.

Note – Executive Team Members may attend other Committees on request.



## Board Champions (As at 4 Feb 2021)

Role	Champion Role Requirement	Executive Champion	Non-Executive Champion
Fire Safety	E	Deputy Chief Executive and Executive Director Finance and Corporate Services (Huw George)	N/A
Emergency Planning	E	National Director Health Protection and Screening Services / Medical Director (Andrew Jones)	N/A
Caldicott	E	National Director Health Protection and Screening Services / Medical Director (Andrew Jones)	N/A
Violence and Aggression	E	Executive Director Quality, Nursing and Allied Health Professionals (Rhiannon Beaumont-Wood)	N/A
Infection Prevention and Control	NE	N/A	Non-Executive Director (Sian Griffiths)
Armed Forces and Veterans	NE	N/A	Chair (Jan Williams)
Mental Health	Vice Chair	N/A	Vice Chair (Kate Eden)
Equality	NE	N/A	Non-Executive Director - Local Authority (Mohammed Mehmet)
Children and Young People E	E & NE	Executive Director Quality, Nursing and Allied Health Professionals (Rhiannon Beaumont-Wood)	Non-Executive Director - University (Diane Crone)
Putting Things Right	E & NE	Executive Director Quality, Nursing and Allied Health Professionals (Rhiannon Beaumont-Wood)	Vice Chair (Kate Eden)
Raising Concerns (Staff)	E & NE	Board Secretary and Head of Board Business Unit (Helen Bushell)	Chair (Jan Williams)
Welsh Language	E	Director of People and Organisational Development	Non-Executive Director (Dyfed Edwards)*
Older Persons	NE	N/A	Non-Executive Director - Third Sector (Judi Rhys)

Key - E = Executive / NE - Non-Executive

\*NE also identified as Director of People and OD not a Board member

# Remuneration and Staff Report 2020/21

- 1.1 The information contained in this report relates to the remuneration of the senior managers employed by Public Health Wales and other people-related matters.
- 1.2 The Pay Policy Statement (Annex 3) relates to Public Health Wales' strategic stance on senior manager remuneration and provides a clear statement of the principles underpinning decisions on the use of public funds.
- 1.3 The definition of "Senior Manager" is:  
*'those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS body. This means those who influence the decisions of the entity as a whole rather than the decisions of individual directorates or departments.'*
- 1.4 For Public Health Wales, the Senior Managers are considered to be the regular attendees of the Trust Board meetings, i.e. the Executive Directors, the Non-Executive Directors and the remaining Board-Level Directors. Collectively the Executive and Board-Level Directors are known as the Executive Team. Although not formally a member of the Executive Team, the Board Secretary and Head of the Board Business Unit is also included within the definition of Senior Manager.

## 2. Remuneration and Terms of Service Committee

- 2.1 The Public Health Wales Remuneration and Terms of Service Committee considers and approves salaries, pay awards and terms and conditions of employment for the Executive Team and other key senior staff.
- 2.2 The Remuneration and Terms of Service Committee also considers and approves applications relating to the Voluntary Early Release Scheme, redundancy payments and early retirements.
- 2.3 All Executive Directors' pay and terms and conditions have been, and will be, determined by the Remuneration and Terms of Service Committee within the Framework set by the Welsh Government.
- 2.4 During 2020/21 the Public Health Wales Remuneration and Terms of Service Committee consisted of the following Members:
  - ❖ Jan Williams OBE (Chair)

- ❖ Dr Tracey Cooper (Chief Executive). The role of CEO was made a member of the committee from November 2019
- ❖ Judith Rhys MBE (Non-Executive Director)
- ❖ Kate Eden (Vice Chair and Non-Executive Director)
- ❖ Alison Ward CBE (Non-Executive Director)
- ❖ Dyfed Edwards (Non-Executive Director)
- ❖ Professor Stephen Palmer (Non-Executive Director) until 30 September 2020
- ❖ Professor Diane Crone (Non-Executive Director) from 01 September 2020
- ❖ Professor Sian Griffiths (Non-Executive Director) from 01 September 2020
- ❖ Mohammed Mehmet (Non-Executive Director) from 21 September 2020.

2.5 The performance of Executive Directors is assessed against individual objectives and the overall performance of Public Health Wales. Public Health Wales does not make bonus payments of any kind.

2.6 All payments are against the pay envelope in the annual letter from the Chief Executive of NHS Wales on this matter. The Senior Managers to receive pay-awards have been those remunerated on 'Medical and Dental' or 'Agenda for Change' pay scales and those in 'Executive and Senior Posts'.

2.7 During 2020/21, the Remuneration and Terms of Service Committee approved the following (in consultation with Welsh Government where appropriate):

- ❖ 30 July 2020 – approved the extension of Jyoti Atri as Interim Executive Director of Health and Well-being until the 31 October 2020
- ❖ 30 July 2020 – approved the extension of Sian Bolton as Transition Director, Knowledge until the 31 October 2020
- ❖ 30 July 2020 – approved the appointment of Neil Lewis as Acting Director of People and Organisational Development
- ❖ 24 November 2020 - approved the extension of Jyoti Atri as Interim Executive Director of Health and Well-being until the 31 March 2021 (resolution backdated to 01 November 2020)

- ❖ 24 November 2020 - approved the extension of Sian Bolton as Transition Director, Knowledge until the 31 March 2021 (resolution backdated to 01 November 2020)
- ❖ 24 November 2020 – approved the appointment of Andrew Jones as Interim Executive Director of Public Health Services
- ❖ 24 November 2020 – approved the appointment of Eleri Davies as Interim Medical Director

Voluntary Early Release and Redundancy payments:

- ❖ Approval of four applications, totalling £75,793 under the Voluntary Early Release Scheme.
- ❖ Approval of one redundancy payment, totalling £11,438

### **3. Salary and Pension Disclosures**

- 3.1 Details of salaries and pension benefits for Senior Managers captured within this report are given in Annexes 1 and 2.
- 3.2 The single figure of remuneration (Annex 1) is intended to be a comprehensive figure that includes all types of reward received by Senior Managers in the period being reported on, including fixed and variable elements as well as pension provision.
- 3.3 The single figure includes the following:
- Salary and fees both pensionable and non-pensionable elements.
  - benefits in kind (taxable, total to the nearest £100)
  - pension-related benefits - those benefits accruing to Senior Managers from membership of a participating defined benefit pension scheme.
- 3.4 There are no annual or long-term performance-related bonuses.
- 3.5 Annual salary figures are shown prior to any reduction as a result of any salary sacrifice scheme.
- 3.6 The value of pension-related benefits accrued during the year is calculated as the employee's real increase in pension multiplied by 20, plus any real increase in pension lump sum (for scheme members entitled to a lump sum), less the contributions made by

the employee. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

- 3.7 Annex 2 gives the total pension benefits for all Senior Managers. The inflationary rate applied to the 2019/20 figure is 1.7% as set out by the 2020/21 Greenbury guidance.

## 4. Remuneration Relationship

- 4.1 NHS bodies in Wales 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. This information is provided in note 10.6 to the Financial Statements.

## 5. 2020/21 Staff Report

### 5.1 Number of Senior Managers

As of 31 March 2021 there were 11 Senior Managers that made up the Executive Team (including the role of Board Secretary and Head of the Board Business Unit); they were also Board members or regular attendees. Their terms and conditions are broken down as follows:

Consultant (Medical and Dental): 1  
 Executive and Senior Posts pay scale: 6  
 Agenda for Change Wales: 4

### 5.2 Staff Numbers

The following table shows the average number of staff employed by Public Health Wales NHS Trust, by group as defined in the annual accounts.

	<b>Permanently Employed (inc Fixed Term) WTE</b>	<b>Agency Staff WTE</b>	<b>Staff on inward secondment WTE</b>	<b>2020/21 Total WTE</b>	<b>2019/20 Total WTE</b>
Administrative, clerical and board members	1,024	26	52	1,102	1,044
Ambulance Staff	0	0	0	0	0
Medical and Dental	95	0	21	116	115
Nursing, Midwifery registered	68	0	4	72	62

Professional, scientific and technical staff	682	0	1	683	511
Additional Clinical Services	0	0	0	0	0
Allied Health Professionals	64	1	1	66	62
Healthcare Scientists	0	14	1	15	8
Estates and Ancillary	0	0	0	0	0
Students	0	0	0	0	0
<b>Total</b>	<b>1,933</b>	<b>41</b>	<b>80</b>	<b>2,054</b>	<b>1,802</b>

### 5.3 Staff Composition

The gender breakdown of the Senior Managers and other employees as of 31 March 2021 was as follows:

	Male	Female
Senior Managers	45%	55%
Other employees	25%	75%

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 came into force on 6 April 2017, which require employers in England and Wales with 250 or more employees to publish statutory calculations every year showing the pay gap between their male and female employees.

- mean gender pay gap in hourly pay;
- median gender pay gap in hourly pay;
- proportion of males and females in each pay quartile.

In Public Health Wales, the mean and median hourly rate by Gender as of 31 March 2021 was as follows:

Gender	Mean. Hourly Rate (£)	Median Hourly Rate (£)
<b>Male</b>	<b>23.76</b>	<b>19.21</b>
<b>Female</b>	<b>18.54</b>	<b>15.55</b>
<b>Difference</b>	<b>5.22</b>	<b>3.67</b>
<b>Pay Gap %</b>	<b>21.9</b>	<b>19.1</b>

The figures highlight a gap between the pay for men and women in the organisation. This is attributable to the high proportion of women in some of the lower grades, which can be as high as almost 90% which in turn brings the overall average down. Analysis of the staff data shows that from Band 8a, the number of women in the higher grades drops significantly. Further work is planned, including focus groups with the Staff Diversity Networks, expanding the mentoring, training and development offered to women in the organisation, and also encouraging more part time working in the higher grades and the take up of Shared Parental Leave.

We will review the gender profile of our workforce across service areas, identifying whether there are any barriers to recruitment and progression and taking necessary steps to address this, with targeted interventions to support women balancing domestic commitments and a career.

#### 5.4 Sickness Absence data

The following table provides information on the number of days lost due to sickness during 2019/20 and 2020/21:

	<b>2020-2021 Number</b>	<b>2019-2020 Number</b>
Days lost (long term)	17,707	15,316
Days lost (short term)	6,581	7,575
Total days lost	24,288	22,891
Total staff years	1,811	1,699
Average working days lost	723	898
Total staff employed in period (headcount)	2,009	1,866
Total staff employed in period with no absence (headcount)	1,086	848
Percentage staff with no sick leave	61.63%	47.50%

Sickness absence rates across Public Health Wales over 2020/2021 have seen an increase with number of days lost due to sickness absence up by 1397 days from 2019/2020, this is likely to be related to the Covid-19 pandemic. It should also be noted that there has been an increase in the headcount over this period.

Once again there has been an increase in the percentage of staff with no sickness absence, with 61.63% of staff recording no sickness absences, this is just over a 14% increase from last year.

The number of days lost due to long term sickness absence has increased from 19/20, and we currently have one case of long Covid. All long term cases are being supported by a HR Representative.

The All Wales Managing Attendance at Work Policy is now being delivered remotely. The target to deliver training on the new policy to all Line Managers by December 2020 was paused and this will be reviewed again in September.

## **5.5 Staff policies applied during the financial year**

The Trust's workforce policies cover all aspects of employment, from recruitment and selection, training and development to terms and conditions of service and termination of employment. They also set out the guiding principles that influence the way that Public Health Wales carries out its employment based activities and the expectations of all staff. Some of these policies are developed and reviewed with other NHS organisations on an "all Wales" basis and their adoption is mandatory. All other employment policies are developed and reviewed through policy workshops attended by various stakeholders from within the organisation.

Public Health Wales also has a range of policies which enable people with a protected characteristic (including disability) to gain employment with the Trust, and remain in employment where appropriate, should they become covered by a protected characteristic during their employment. We have flexible working arrangements for staff to enable them to accommodate their personal situations and requirements, as well as an Occupational Health service who can advise on reasonable adjustments for those who require them. Our Recruitment Policy and candidate information promotes the use of inclusive and welcoming language and ensures that we will make reasonable adjustments to the process as required. We also have guidance for staff who are Transitioning in the workplace, to help individuals and managers through the process.

Public Health Wales' Recruitment Policy makes reference to eliminating all forms of discrimination in accordance with the Equality Act 2010. Public Health Wales operates a guaranteed interview scheme whereby disabled applicants are guaranteed an interview if they meet the essential requirements of the person specification for the post they are applying for. When invited to interview, all



applicants are asked if any adjustments are required to enable them to attend.

Where a disabled candidate is appointed, Public Health Wales is responsible for carrying out any reasonable adaptations to the workplace or supplying additional equipment to assist the new employee in their role. This usually follows assessment, advice and support from the Trust's Occupational Health Service.

In July 2019, we were assessed and awarded Disability Confident Leader Status; the second NHS Organisation in Wales to be awarded this. A lot of work was put into reviewing and improving processes, awareness and our environment to get us to this stage and the feedback from disabled staff has been positive. This also builds on our reputation as an inclusive employer, building confidence for staff and prospective job applicants.

The All Wales Managing Attendance at Work Policy which was introduced in December 2018 has a focus on managers knowing and understanding their staff, and working in partnership to support individuals in the workplace. The policy has an emphasis on wellbeing rather than managing absence and is designed to support individuals to remain in the workplace. The policy retains mechanisms for phased return to work, with no loss of pay and makes enhancements in support of appointments linked to underlying health concerns. There is a greater emphasis on access to advice and support (Employee Assistance Programme), Occupational Health, GP, Physiotherapy, Counselling, etc.) to enable the organisation to facilitate a more rapid return to the workplace, along with greater support to remain in work. Where a return to an individual's role is not possible, redeployment to a suitable alternative role is explored with an expectation that the redeployment process will be supported across all NHS organisations, not just within Public Health Wales. A further emphasis is also made on temporary redeployment to an alternative role, which helps an individual to return to the workplace earlier, where they are currently not fit to return to their substantive role.

In response to the COVID-19 pandemic, a number of temporary amendments were made to the All Wales Managing Attendance at Work Policy, an example of this was the extension of full sick pay for a period of 12 months for those on sickness absence due to Covid

There are also a number of policies, procedures and guidelines that support staff health and well-being such as the Flexible Working Policy and Toolkit, Career Break Scheme, Annual Leave Purchase Scheme, Prevention of Stress and Management of Mental Health and

Well-Being Policy. Public Health Wales also runs a workplace mediation service for staff.

In July 2019, we were assessed and awarded the Gold level of the Corporate Health Standard Award, which required a multi-site, two-day assessment process, which usually requires a paper revalidation after two years. Owing to our ongoing response to the pandemic, formal work to continue our journey through the Corporate Health Standard to the remaining Platinum level of award has been paused. However, we have continued to support organisational wellbeing and are assessing what our next steps may be as we commence work on our organisational recovery, including assessment of staff wellbeing needs.

Public Health Wales is committed to providing a working environment free from harassment and bullying and to ensuring all staff are treated, and treat others, with dignity and respect. NHS Wales has engaged widely with people across the service to develop a new approach entitled "Healthy Working Relationships". Whilst the approach includes the development of a new Respect and Resolution Policy (which will replace the existing Grievance and Dignity at Work Policies), most of the change requires us to think and behave differently, encouraging us to deal with issues as soon as possible, taking action ourselves wherever we can, without the need to resort to formal process. As part of this work, which will be launched on 1 June 2021, we are in the process of establishing Resolution and Facilitation Networks, designed to help colleagues who don't feel able to talk directly about an issue to the person concerned and need some help.

All staff have equal access to appraisal, via Public Health Wales' 'My Contribution' process, training opportunities and career development. They are expected to undertake statutory and mandatory training applicable to their post.

In relation to staff organisational change and restructuring of services, Public Health Wales has adopted the All Wales Organisational Change Policy and has in place a Redundancy Policy and Voluntary Early Release Scheme.

All workforce policies are reviewed and developed jointly with the recognised trade unions, in accordance with an agreed policy review and development schedule.

Policies are published on the Public Health Wales website at <https://phw.nhs.wales/about-us/policies-and-procedures/policies-and-procedures-documents/human-resources-policies/>

## **5.6 Other Employee Matters**

Our Staff Diversity Networks continue to grow and embed themselves within the organisation. They have been particularly important for staff who have been working remotely over the past year, offering support and a sense of belonging to members. We have networks for Women, Carers, LGBT+, Disabled and BAME Staff. Members of these networks have been actively involved in developing the Strategic Equality Plan for 2020 – 2024, which was published in July 2020.

We have continued to hold various awareness raising events throughout the year, and supported the “Virtual” Pride event that Pride Cymru organised online. Once again we held “Diversity and Inclusion Week” in January, which involved a range of speakers, Intranet articles and opportunities for staff to celebrate difference. Many more staff were involved this year with events taking place via Teams, and were recorded and made available for those who were unable to attend at the time.

## **5.7 Expenditure on Consultancy**

For the purposes of the statutory accounts, Consultancy is defined as time limited/ad-hoc assignments that are not considered to be related to the day-to-day activities of the Trust. This can include expenditure on services such as:

- General Management Consultancy
- Legal
- Human Resources
- Financial
- IT Consultancy
- Property Services/Estates
- Marketing and Communication
- Programme and Project Management

During 2020/21, Public Health Wales’ expenditure on consultancy was £620k compared to £448k in 2019/20.

## **5.8 Tax Assurance for Off-Payroll Engagements**

The Trust is required to disclose any arrangements it has whereby individuals are paid through their own companies or off-payroll. Where off-payroll payments have been made, the Trust has sought assurance from all relevant parties that the appropriate tax arrangements are in place. Full details of these arrangements are

published on the Public Health Wales website at <https://phw.nhs.wales/about-us/publication-scheme/#what>

## 5.9 Exit Packages

The figures disclosed in this note relate to exit packages agreed in the year. The actual date of departure might be in a subsequent period, and the expense in relation to the departure costs may have been accrued in a previous period. The data are therefore presented on a different basis to other staff cost and expenditure notes in the accounts.

<b>Table 1</b>	<b>2020-21</b>	<b>2020-21</b>	<b>2020-21</b>	<b>2020-21</b>	<b>2019-20</b>
<b>Exit packages cost band (including any special payment element)</b>	<b>Number of compulsory redundancies</b>	<b>Number of other departures</b>	<b>Total number of exit packages</b>	<b>Number of departures where special payments have been made</b>	<b>Total number of exit packages</b>
less than £10,000	0	2	<b>2</b>	0	<b>2</b>
£10,000 to £25,000	1	0	<b>1</b>	0	<b>1</b>
£25,000 to £50,000	0	2	<b>2</b>	0	<b>2</b>
£50,000 to £100,000	0	0	<b>0</b>	0	<b>1</b>
£100,000 to £150,000	0	0	<b>0</b>	0	<b>0</b>
£150,000 to £200,000	0	0	<b>0</b>	0	<b>0</b>
more than £200,000	0	0	<b>0</b>	0	<b>0</b>
<b>Total</b>	<b>1</b>	<b>4</b>	<b>5</b>	<b>0</b>	<b>6</b>
	<b>2020-21</b>	<b>2020-21</b>	<b>2020-21</b>	<b>2020-21</b>	<b>2019-20</b>
<b>Exit packages cost band (including any special payment element)</b>	<b>Cost of compulsory redundancies</b>	<b>Cost of other departures</b>	<b>Total cost of exit packages</b>	<b>Cost of special element included in exit packages</b>	<b>Total cost of exit packages</b>
	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
less than £10,000	0	9,259	<b>9,259</b>	0	<b>14,958</b>
£10,000 to £25,000	11,438	0	<b>11,438</b>	0	<b>23,761</b>
£25,000 to £50,000	0	66,534	<b>66,534</b>	0	<b>84,661</b>
£50,000 to £100,000	0	0	<b>0</b>	0	<b>55,291</b>
£100,000 to £150,000	0	0	<b>0</b>	0	<b>0</b>
£150,000 to £200,000	0	0	<b>0</b>	0	<b>0</b>
more than £200,000	0	0	<b>0</b>	0	<b>0</b>
<b>Total</b>	<b>11,438</b>	<b>75,793</b>	<b>87,231</b>	<b>0</b>	<b>178,671</b>

## **6. Statement of Assurance**

- 6.1 I confirm that there is no relevant audit information in the Annual Report of which Audit Wales is unaware. As Chief Executive, I have taken all the steps in order to make myself aware of any relevant information and ensure Audit Wales is aware of that information.

Signed: **Dr Tracey Cooper** Date: 10 June 2021

**Dr Tracey Cooper**  
**Chief Executive and Accountable Officer, Public Health Wales**

## Annex 1a - Single Figure of Remuneration (2020/21) (Audited)

<b>Name and Title</b>	<b>Salary (Bands of £5,000)</b>	<b>Bonus Payments (bands of £5,000)</b>	<b>Benefits in kind (taxable) to nearest £100</b>	<b>Pension Benefit to nearest £1,000</b>	<b>Total to nearest (Bands of £5k)</b>
Dr Tracey Cooper, Chief Executive	160 - 165	0	0	41	<b>200 - 205</b>
Huw George, Deputy Chief Executive and Executive Director of Operations and Finance	130 - 135	0	0	39	<b>170 - 175</b>
Dr Quentin Sandifer, Executive Director of Public Health Services and Medical Director <sup>1</sup>	105 - 110	0	0	33	<b>135 - 140</b>
Rhiannon Beaumont-Wood, Executive Director of Quality, Nursing and Allied Health Professionals	110 - 115	0	0	28	<b>135 - 140</b>
Jyoti Atri, Interim Executive Director of Health and Well-being	120 - 125	0	0	27	<b>150 - 155</b>
Professor Mark Bellis OBE, Director of Policy and International Health, WHO Collaborating Centre on Investment for Health and Well-being	130-135	0	0	26	<b>155-160</b>
Dr John Boulton, Director for NHS Quality Improvement and Patient Safety/Director 1000 Lives Improvement Service (Improvement Cymru)	130 - 135	0	0	19	<b>150 - 155</b>
Philip Bushby, Director of People and Organisational Development <sup>2</sup>	35 - 40	0	1,300	10	<b>50 - 55</b>
Sian Bolton, Transition Director, Knowledge	105 - 110	0	0	19	<b>125 - 130</b>
Neil Lewis, Acting Director of People and Organisational Development <sup>3</sup>	60 - 65	0	0	40	<b>100 - 105</b>
Andrew Jones, Interim Executive Director of Public Health Services <sup>4</sup>	40 - 45	0	0	8	<b>45 - 50</b>

Dr Eleri Davies, Interim Medical Director <sup>5</sup>	50 - 55	0	0	22	<b>70 - 75</b>
Helen Bushell, Board Secretary and Head of Board Business Unit	85 - 90	0	0	21	<b>105 - 110</b>
<b>Non-Executive Directors:</b>					
Jan Williams OBE	40 - 45	0	0	0	<b>40 - 45</b>
Kate Eden	15 - 20	0	0	0	<b>15 - 20</b>
Judith Rhys MBE	5 - 10	0	0	0	<b>5 - 10</b>
Dyfed Edwards	5 - 10	0	0	0	<b>5 - 10</b>
Professor Stephen Palmer <sup>6</sup>	0 - 5	0	0	0	<b>0 - 5</b>
Alison Ward CBE <sup>7</sup>	5 - 10	0	0	0	<b>5 - 10</b>
Professor Diane Crone <sup>8</sup>	5 - 10	0	0	0	<b>5 - 10</b>
Professor Sian Griffiths <sup>9</sup>	5-10	0	0	0	<b>5-10</b>
Mohammed Mehmet <sup>10</sup>	0 - 5	0	0	0	<b>0 - 5</b>

1. Dr Quentin Sandifer retired from Public Health Wales on 11/12/2020 and subsequently returned as a Consultant Advisor on Pandemic and International Health (non-Board role)
2. Philip Bushby started a 6 month secondment with Health Education Improvement Wales on 17/08/2020 and subsequently left Public Health Wales NHS Trust employment on 03/01/2021. Salary includes £1,466 sacrificed in respect of a personal lease car.
3. Neil Lewis was appointed on 17/08/2020 as Acting Director of People and Organisational Development
4. Andrew Jones was appointed on 01/12/2020 as Interim Executive Director of Public Health Services
5. Dr Eleri Davies was appointed on 01/12/2020 as Interim Medical Director
6. Professor Stephen Palmer left the Trust on 30/09/2020
7. Alison Ward CBE receives no direct benefit as the above costs are paid directly to her employer. Alison Ward left the Trust on 31/03/2021
8. Professor Diane Crone was appointed on 01/09/2020 as Non-Executive Director
9. Professor Sian Griffiths was appointed on 01/09/2020 as Non-Executive Director
10. Mohammed Mehmet was appointed on 21/09/2020 as Non-Executive Director (0.5 appointment)

### **NHS and social care financial recognition scheme bonus**

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



## Annex 1b - Single Figure of Remuneration (2019/20) (Audited)

Name and Title	Salary (bands of £5,000)	Bonus Payments (bands of £5,000)	Benefits in kind (taxable) to nearest £100	Pension Benefit to nearest £1,000	Total to nearest (bands of £5,000)
Dr Tracey Cooper, Chief Executive	155-160	-	-	39	<b>195-200</b>
Huw George, Deputy Chief Executive and Executive Director of Operations and Finance <sup>1</sup>	130-135	-	-	24	<b>150-155</b>
Dr Quentin Sandifer, Executive Director of Public Health Services and Medical Director	150-155	-	-	0	<b>150-155</b>
Rhiannon Beaumont-Wood, Executive Director of Quality, Nursing and Allied Health Professionals	105-110	-	-	17	<b>125-130</b>
Jyoti Atri, Interim Executive Director of Health and Well-being	120-125	-	-	23	<b>145-150</b>
Professor Mark Bellis OBE, Director of Policy and International Health, WHO Collaborating Centre on Investment for Health and Well-being <sup>5</sup>	130-135	-	-	25	<b>150-155</b>
Dr John Boulton, Director for NHS Quality Improvement and Patient Safety/Director 1000 Lives Improvement Service (Improvement Cymru) <sup>2</sup>	120-125	-	-	36	<b>155-160</b>
Philip Bushby, Director of People and Organisational Development <sup>3</sup>	100-105	-	4,500	25	<b>130-135</b>
Sian Bolton, Transition Director, Knowledge	105-110	-	-	0	<b>105-110</b>
Helen Bushell, Board Secretary and Head of Board Business Unit	70-75	-	-	20	<b>90-95</b>
<b>Non-Executive Directors:</b>					
Jan Williams OBE	40-45	-	-	0	<b>40-45</b>
Kate Eden	15-20	-	-	0	<b>15-20</b>
Judith Rhys	5-10	-	-	0	<b>5-10</b>

Professor Shantini Paranjothy	5-10	-	-	0	<b>5-10</b>
Dyfed Edwards	5-10	-	-	0	<b>5-10</b>
Professor Stephen Palmer	5-10	-	-	0	<b>5-10</b>
Alison Ward CBE <sup>4</sup>	5-10	-	-	0	<b>5-10</b>

1. Salary includes £575 sacrificed in respect of cycle to work scheme.
2. Dr John Boulton's secondment to PHW from Aneurin Bevan ended on 31st August 2019 when he was appointed Director for NHS Quality Improvement and Patient Safety/Director 1000 Lives Improvement Service (Improvement Cymru).
3. Salary includes £3,895 sacrificed in respect of a personal lease car.
4. Alison Ward receives no direct benefit as the above costs are paid directly to her employer.
5. Salary and pension benefit have been restated to reflect the impact of a backdated pay increase which was approved by Welsh Government and paid in May 2021.

## Annex 2 - Pension Benefits (Audited)

Name and Title	Real increase in pension at pension age, (bands of £2,500)	Real increase in pension lump sum at pension age, (bands of £2,500)	Total accrued pension at pension age at 31 March 2021 (bands of £5,000)	Lump sum at pension age 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
Dr Tracey Cooper, Chief Executive	2.5-5	(2.5)-0	40-45	55-60	717	648	35	0
Huw George, Deputy Chief Executive and Executive Director of Operations and Finance	2.5-5	0-2.5	45-50	110-115	1,015	934	45	0
Dr Quentin Sandifer Executive Director of Public Health Services and Medical Director <sup>1</sup>	0-2.5	12.5-15	55-60	180-185	0	1,347	0	0
Rhiannon Beaumont-Wood, Executive Director Quality, Nursing and Allied Health	0-2.5	0-2.5	25-30	80-85	672	616	31	0
Jyoti Atri, Interim Executive Director of Health and Wellbeing	0-2.5	(2.5)-0	35-40	70-75	684	632	23	0

Professor Mark Bellis OBE, Director of Policy and International Health, WHO Collaborating Centre and Investment for Health and Well-being.	0-2.5	0	15-20	0	265	221	17	0
Dr John Boulton, Director for NHS Quality Improvement and Patient Safety/Director 1000 Lives Improvement Service (Improvement Cymru)	0-2.5	0	0-5	0	51	28	3	0
Philip Bushby, Director of People & Organisational Development <sup>2</sup>	0-2.5	0	5-10	0	116	93	6	0
Sian Bolton, Transition Director, Knowledge	0-2.5	2.5-5	40-45	130-135	957	889	38	0
Neil Lewis, Acting Director of People and Organisational Development <sup>2</sup>	0-2.5	0	40-45	0	480	420	24	0
Andrew Jones, Interim Executive Director of Public Health Services <sup>2</sup>	0-2.5	(2.5)-0	55-60	125-130	1,173	1,103	11	0
Dr Eleri Davies, Interim Medical Director <sup>2</sup>	0-2.5	0-2.5	55-60	125-130	1,101	989	23	0
Helen Bushell, Board Secretary and Head of Board Business Unit	0-2.5	0	0-5	0	30	14	5	0

1. Dr Quentin Sandifer retired during 2020-21 and therefore no CETV is reported

2. Real increases pro rata to reflect period of time on Board

## **Annex 3 – Pay Policy Statement 2020/21**

### **1.0 Introduction and Purpose**

- 1.1 The purpose of this policy statement is to clarify Public Health Wales' strategic stance on senior remuneration and to provide a clear statement of the principles underpinning decisions on the use of public funds.
- 1.2 The annual Pay Policy Statement (the "statement") is produced for each financial year, in accordance with the Welsh Government's principles and minimum standards as set out in the document "Transparency of Senior Remuneration in the Devolved Welsh Public Sector" which includes a set of high level principles regarding the reporting of senior pay. The document sets out arrangements and principles in a series of standards and non statutory requirements on organisations in the devolved Welsh public sector. It includes a requirement to publish annual reports as well as an annual pay policy statement
- 1.3 The purpose of the statement is to provide transparency with regard to Public Health Wales' approach to setting the pay of its senior employees (this excludes staff employed on nationally set terms and conditions of employment) by stating:
  - a) the definition of "senior posts" adopted by Public Health Wales for the purposes of the pay policy statement,
  - b) the definition of "lowest-paid employees" adopted by Public Health Wales for the purposes of the pay policy statement,
  - c) Public Health Wales' reasons for adopting those definitions, and
  - d) the relationship between the remuneration of senior posts and that of the lowest-paid employees.

### **2.0 Legislative Framework**

In determining the pay and remuneration of all of its employees, Public Health Wales will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Employment) Regulations. With regard to the Equal Pay requirements contained within the Equality Act, the NHS Trust ensures there is no pay discrimination within its pay structures for employees covered by the NHS National Terms and Conditions (Agenda for Change), the Medical and Dental Staff (Wales) Handbook and the Executive and Senior Posts cohort

and that all pay differentials can be objectively justified through the use of equality proofed Job Evaluation mechanisms which directly relate salaries to the requirements, demands and responsibilities of the role.

### **3.0 Pay Structure**

Senior posts are defined by Public Health Wales as all staff who are not covered by Agenda for Change or Medical and Dental contracts (with the exception of our Executive Director of Public Health Services who also holds the position of Medical Director and is covered by a Medical and Dental Contract and the Director of Policy Research and International Development who is paid on Agenda for Change pay scale).

This cohort of staff are referred to as "Executive and Senior Posts (ESPs)"

- a) In relation to this statement the ESP posts within the NHS Trust are:

**Chief Executive**  
**Deputy Chief Executive / Executive Director of Operations and Finance**  
**Executive Director of Health and Wellbeing**  
**Executive Director of Quality, Nursing and Allied Health Professionals**  
**Director for NHS Quality Improvement and Patient Safety/ Director of Improvement Cymru**  
**Director of People and Organisational Development**  
**Director of Knowledge**

- b) The "lowest-paid employees" within Public Health Wales are paid £18,005 per annum (£9.23 per hour) in accordance with the nationally set Pay Bands and pay points in Wales.
- c) The definitions for senior posts and the lowest paid employees are in accordance with the national provisions as determined and set by Welsh Government as noted in a) above.
- d) The remuneration of senior posts is determined by a job evaluation process (Job Evaluation for Senior Posts (JESP)) and all salaries are agreed by Welsh Government. The remuneration of the lowest-paid employees is set by reference to the national Job Evaluation system (Agenda for Change) and salaries for all Agenda for Change pay spine

points (including the lowest) are set following receipt of recommendations from the Pay Review Body. From 1<sup>st</sup> January 2015, the lowest spine points were adjusted to incorporate the Living Wage.

- e) The annual process of submitting evidence to the pay review bodies (NHS Pay Review Body and Review Body on Doctors' and Dentists' Remuneration) enables an independent assessment to be made on NHS pay. The pay review bodies have regard to the following considerations in making their recommendations:
- ❖ the need to recruit, retain and motivate suitably able and qualified staff;
  - ❖ regional/local variations in labour markets and their effects on the recruitment and retention of staff;
  - ❖ the funds available to the Health Departments, as set out in the Government's Departmental Expenditure Limits;
  - ❖ the Government's inflation target;
  - ❖ the principle of equal pay for work of equal value in the NHS;
  - ❖ the overall strategy that the NHS should place patients at the heart of all it does and the mechanisms by which that is to be achieved.
- f) Salary information relating to senior posts is provided in Annex 1a to the Remuneration and Staff report.
- g) Public Health Wales' approach to internal talent management is to share all vacancies and opportunities internally to encourage career mobility and development of all our employees. In addition, through our workforce planning process, we undertake learning needs analysis and succession planning processes to identify developmental needs of all staff. Succession planning is the process of identifying critical positions, assessing current staff members who may be able to fill these positions within several timescales (ready now; 1-2 years and 2-5 years) and developing action plans for these individuals to assume those positions.
- h) Public Health Wales does not use any system of performance related pay for senior posts.

- i) Public Health Wales has a comprehensive approach to performance, development and review and the policies / processes to support this are:

**Strategic Workforce Planning Toolkit**  
**My Contribution Policy (Performance Appraisal)**  
**Core Skills and Training Framework**  
**Learning and Development Programme**  
**Management and Leadership Development Programme**  
**Induction Policy and Process**

- j) The highest and lowest Agenda for Change pay points set by Public Health Wales are:

Highest point - £104,927

Lowest point - £18,005

- k) The severance policies which are operated by Public Health Wales are;

- ❖ set out in Section 16 of the nationally agreed NHS Terms and Conditions of Service Handbook for redundancy and these conditions can only be varied by national agreement between government, employers and trade unions;
- ❖ the Voluntary Early Release scheme which requires Welsh Government authorisation for any payment to be made over a certain threshold and;
- ❖ the NHS Wales Organisational Change Policy which provides for a consistent approach to the management of organisational change and provides for redeployment and protection of pay.
- ❖ the Public Health Wales Redundancy Policy which sets out an organisational approach to managing situations where redundancies (or the risk of redundancies) arise

#### **4.0 Wider Reward and Recognition Package**

- l) Additional Benefits offered by Public Health Wales are;

- **Annual leave** - Staff receive an annual leave allowance of 27 days a year plus bank holidays, rising to 29 days after five years and 33 days after ten years.
- **Flexible working** –. The Trust offers a flexible working policy to help balance home and working life, including: working from home, part-time hours and job sharing options.



- **Pension** - We are signed up to the NHS pension scheme. If staff join the NHS pension scheme the Trust will contribute 20.6% towards their pension.
- **Childcare Vouchers** - We offer membership to the childcare vouchers scheme to all employees who have children
- **Cycle to work scheme** - The Trust participates in a [cycle to work scheme](#), which offers savings of up to 42% off the cost of a new bike.
- **Travel loans** - Interest free season ticket loans are available to staff (on an annual basis).
- **Health and well-being** - Health and well-being initiatives are available across the Trust, including discounted gym membership across Wales.
- **Occupational Health** - All employees have access to our Occupational Health services: the service can support staff with, stress management, confidential counselling and seasonal vaccinations.
- **Car Lease scheme** - The NHS Wales Shared services partnership scheme allows Public Health Wales staff to apply for a [lease car](#), for business and personal use.

## **5.0 Approach to Providing Support to lower paid staff**

Public Health Wales, in keeping with the wider NHS, ensures that all of its employees are paid the living wage.

## **Parliamentary Accountability and Audit Report**

Expenditure is compliant with the relevant legislation. Charges for services provided by public sector organisations pass on the full cost of providing those services. We ensure public funds are used appropriately and to deliver the intended objectives.

Where we undertake activities that are not funded directly by the Welsh Government we receive income to cover our costs. Further detail of income received is published in the annual accounts; within note 4 headed 'other operating revenue'.

We confirm we have complied with cost allocation and the charging requirements set out in HM Treasury guidance during the year.

We have been informed by our legal advisors that £4,137,000 of claims for alleged medical or employer negligence against us have been assessed as having a remote chance of succeeding. If the claims were to succeed against us, £3,957,000 of this figure would be recoverable from the Welsh Risk Pool. Therefore, the net liability to Public Health Wales NHS Trust is £180,000.

## List of hyperlinks included in Accountability Report

<b>Register of Interests 2019/20</b>	<a href="https://phw.nhs.wales/about-us/publication-scheme/">https://phw.nhs.wales/about-us/publication-scheme/</a>
<b>Board Governance Board Report March 2020</b>	<a href="https://phw.nhs.wales/about-us/board-and-executive-team/board-papers/board-meetings/2019-2020/28-march-2020/board-26-march-2020-papers/3-260320-board-governance-paper/">https://phw.nhs.wales/about-us/board-and-executive-team/board-papers/board-meetings/2019-2020/28-march-2020/board-26-march-2020-papers/3-260320-board-governance-paper/</a>
<b>Board and Committee Papers and Minutes</b>	<a href="https://phw.nhs.wales/about-us/board-and-executive-team/board-committees/">https://phw.nhs.wales/about-us/board-and-executive-team/board-committees/</a>
<b>Board Report - 'Public Health Wales COVID-19 Safe Working Environments'</b>	<a href="https://phw.nhs.wales/about-us/board-and-executive-team/board-papers/board-meetings/2020-2021/25-february-2021/25-february-2021-board-papers/item-4-1-covid-19-safe-working-environments/">https://phw.nhs.wales/about-us/board-and-executive-team/board-papers/board-meetings/2020-2021/25-february-2021/25-february-2021-board-papers/item-4-1-covid-19-safe-working-environments/</a>
<b>Board Report - Board Governance changes, 30 April 2020</b>	<a href="https://phw.nhs.wales/about-us/board-and-executive-team/board-papers/board-meetings/2020-2021/30-april-2020-board-meeting/board-meeting-papers-30-04-20/4-3-300420-board-governance-arrangements/">https://phw.nhs.wales/about-us/board-and-executive-team/board-papers/board-meetings/2020-2021/30-april-2020-board-meeting/board-meeting-papers-30-04-20/4-3-300420-board-governance-arrangements/</a>
<b>Financial Authority Arrangements, 30 April 2020</b>	<a href="https://phw.nhs.wales/about-us/board-and-executive-team/board-papers/board-meetings/2020-2021/30-april-2020-board-meeting/board-meeting-papers-30-04-20/4-7-300420-financial-authority-arrangements-sfis/">https://phw.nhs.wales/about-us/board-and-executive-team/board-papers/board-meetings/2020-2021/30-april-2020-board-meeting/board-meeting-papers-30-04-20/4-7-300420-financial-authority-arrangements-sfis/</a>
<b>Chairs Action (financial authority arrangements) – 30 April 2020</b>	<a href="https://phw.nhs.wales/about-us/board-and-executive-team/board-papers/board-meetings/2020-2021/30-april-2020-board-meeting/board-meeting-papers-30-04-20/4-9-300420-ratification-of-chairs-action/">https://phw.nhs.wales/about-us/board-and-executive-team/board-papers/board-meetings/2020-2021/30-april-2020-board-meeting/board-meeting-papers-30-04-20/4-9-300420-ratification-of-chairs-action/</a>
<b>Board Governance changes, 30 July 2020</b>	<a href="https://phw.nhs.wales/about-us/board-and-executive-team/board-papers/board-meetings/2020-2021/30-july-2020-board-meeting/30-july-2020-board-meeting-papers/5-1-300720-board-governance-paper/">https://phw.nhs.wales/about-us/board-and-executive-team/board-papers/board-meetings/2020-2021/30-july-2020-board-meeting/30-july-2020-board-meeting-papers/5-1-300720-board-governance-paper/</a>
<b>Board Governance changes, 29 October 2020</b>	<a href="https://phw.nhs.wales/about-us/board-and-executive-team/board-papers/board-meetings/2020-2021/29-october-2020/29-october-2020-board-meeting-papers1/item-4-board-and-committee-governance-paper/">https://phw.nhs.wales/about-us/board-and-executive-team/board-papers/board-meetings/2020-2021/29-october-2020/29-october-2020-board-meeting-papers1/item-4-board-and-committee-governance-paper/</a>
<b>Board and Committee Governance 2021/22, 25 February 2021</b>	<a href="https://phw.nhs.wales/about-us/board-and-executive-team/board-papers/board-meetings/2020-2021/29-october-2020/29-october-2020-board-meeting-papers1/item-4-board-and-committee-governance-paper/">https://phw.nhs.wales/about-us/board-and-executive-team/board-papers/board-meetings/2020-2021/29-october-2020/29-october-2020-board-meeting-papers1/item-4-board-and-committee-governance-paper/</a>
<b>Audit and Corporate Governance Committee Papers</b>	<a href="http://www2.nphs.wales.nhs.uk:8080/AuditCommitteeDocs.nsf/Main%20Frameset?OpenFrameSet&amp;Frame=Right&amp;Src=%2FAuditCommitteeDocs.nsf%2FMeetingPublicPage%3FOpenPage%26AutoFramed">http://www2.nphs.wales.nhs.uk:8080/AuditCommitteeDocs.nsf/Main%20Frameset?OpenFrameSet&amp;Frame=Right&amp;Src=%2FAuditCommitteeDocs.nsf%2FMeetingPublicPage%3FOpenPage%26AutoFramed</a>
<b>Board Papers</b>	<a href="http://www.wales.nhs.uk/sitesplus/888/page/46810">http://www.wales.nhs.uk/sitesplus/888/page/46810</a>
<b>Committee Papers</b>	<a href="https://phw.nhs.wales/about-us/board-and-executive-team/board-committees/">https://phw.nhs.wales/about-us/board-and-executive-team/board-committees/</a>
<b>Risk Management Procedure</b>	<a href="https://phw.nhs.wales/about-us/policies-and-procedures/policies-and-procedures-documents/risk-management-health-and-safety-and-estates-supporting-documents/phw56-tp01-risk-management-procedure/">https://phw.nhs.wales/about-us/policies-and-procedures/policies-and-procedures-documents/risk-management-health-and-safety-and-estates-supporting-documents/phw56-tp01-risk-management-procedure/</a>
<b>NHS (Concerns, Complaints &amp; Redress Arrangements) (Wales) Regulations 2011</b>	<a href="http://howis.wales.nhs.uk/sites3/Documents/932/The%20NHS%20Concerns%2C%20Complaints%20and%20Redress%20Arrangements%20Wales%20Regulations%202011%20Inc%20SI%20Number.pdf">http://howis.wales.nhs.uk/sites3/Documents/932/The%20NHS%20Concerns%2C%20Complaints%20and%20Redress%20Arrangements%20Wales%20Regulations%202011%20Inc%20SI%20Number.pdf</a>
<b>All Wales Policy Guidance for Putting Things Right</b>	<a href="http://www.wales.nhs.uk/sitesplus/documents/861/Healthcare%20Quality%20-%20Guidance%20-%20Dealing%20with%20concerns%20about%20the%20NHS%20-%20Version%203%20-%20CLEAN%20VERSION%20%20-%202020140122.pdf">http://www.wales.nhs.uk/sitesplus/documents/861/Healthcare%20Quality%20-%20Guidance%20-%20Dealing%20with%20concerns%20about%20the%20NHS%20-%20Version%203%20-%20CLEAN%20VERSION%20%20-%202020140122.pdf</a>
<b>Ministerial Directions</b>	<a href="https://gov.wales/health-social-care">https://gov.wales/health-social-care</a>
<b>Welsh Health Circulars</b>	<a href="https://gov.wales/topics/health/nhswales/circulars/?lang=en">https://gov.wales/topics/health/nhswales/circulars/?lang=en</a>

## List of hyperlinks included in Accountability Report

<b>Policies</b>	<a href="https://phw.nhs.wales/about-us/policies-and-procedures/policies-and-procedures-documents/human-resources-policies/">https://phw.nhs.wales/about-us/policies-and-procedures/policies-and-procedures-documents/human-resources-policies/</a> <a href="https://phw.nhs.wales/about-us/policies-and-procedures/policies-and-procedures-documents/corporate-governance-communications-and-finance-policies/">https://phw.nhs.wales/about-us/policies-and-procedures/policies-and-procedures-documents/corporate-governance-communications-and-finance-policies/</a>
<b>Variations to Standing Orders</b>	<a href="https://gov.wales/temporary-amendments-model-standing-orders-reservation-and-delegation-powers-whc-2020011">https://gov.wales/temporary-amendments-model-standing-orders-reservation-and-delegation-powers-whc-2020011</a>
<b>Right Touch Governance Approach</b>	<a href="https://phw.nhs.wales/about-us/board-and-executive-team/board-committees/committee-meetings/audit-and-corporate-governance-committee/2021-2022/5-may-2021/audit-and-corporate-governance-committee-papers-5-may-2021/">https://phw.nhs.wales/about-us/board-and-executive-team/board-committees/committee-meetings/audit-and-corporate-governance-committee/2021-2022/5-may-2021/audit-and-corporate-governance-committee-papers-5-may-2021/</a>
<b>Performance and Effectiveness Cycle</b>	<a href="http://www2.nphs.wales.nhs.uk:8080/AuditCommitteeDocs.nsf/MeetingPublic/E7BAD009D89EC3EB802586B000371827?opendocument">http://www2.nphs.wales.nhs.uk:8080/AuditCommitteeDocs.nsf/MeetingPublic/E7BAD009D89EC3EB802586B000371827?opendocument</a>
<b>Gender Pay Gap Annual Report 2020</b>	<a href="https://phw.nhs.wales/publications/publications1/gender-pay-gap-report-2020">https://phw.nhs.wales/publications/publications1/gender-pay-gap-report-2020</a>
<b>Annual Plan for 2019/20</b>	<a href="http://www2.nphs.wales.nhs.uk:8080/PHWPapersDocs.nsf/public/4184691B78BE1F68802583C5003F196F/\$file/8.1.280319%20-%20Annual%20Plan%202019-20.pdf">http://www2.nphs.wales.nhs.uk:8080/PHWPapersDocs.nsf/public/4184691B78BE1F68802583C5003F196F/\$file/8.1.280319%20-%20Annual%20Plan%202019-20.pdf</a>
<b>Organisational Scoring Report 2020/21</b>	<a href="https://phw.nhs.wales/about-us/board-and-executive-team/board-committees/committee-meetings/quality-safety-and-improvement-committee/2021-22/14-april-2021/quality-safety-and-improvement-committee-14-april-2021-meeting-pap/3-5-qsic-140421-health-and-care-standards-2020-21/">https://phw.nhs.wales/about-us/board-and-executive-team/board-committees/committee-meetings/quality-safety-and-improvement-committee/2021-22/14-april-2021/quality-safety-and-improvement-committee-14-april-2021-meeting-pap/3-5-qsic-140421-health-and-care-standards-2020-21/</a>
<b>Annual Equality Workforce 2019/20 Report</b>	<a href="https://phw.nhs.wales/publications/publications1/annual-workforce-equality-report-2019-2020">https://phw.nhs.wales/publications/publications1/annual-workforce-equality-report-2019-2020</a>
<b>The Health and Sustainability Hub</b>	<a href="https://phwwhocc.co.uk/teams/health-and-sustainability-hub/">https://phwwhocc.co.uk/teams/health-and-sustainability-hub/</a>
<b>Structured Assessment Report</b>	<a href="https://phw.nhs.wales/about-us/board-and-executive-team/board-papers/board-meetings/2020-2021/29-october-2020/29-october-2020-board-meeting-papers1/item-4-board-and-committee-governance-attachment-1-aw-structured-assessment/">https://phw.nhs.wales/about-us/board-and-executive-team/board-papers/board-meetings/2020-2021/29-october-2020/29-october-2020-board-meeting-papers1/item-4-board-and-committee-governance-attachment-1-aw-structured-assessment/</a>

# The Certificate and independent auditor's report of the Auditor General for Wales to the Senedd

## Opinion on financial statements

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

In my opinion the financial statements:

- give a true and fair view of the state of affairs of Public Health Wales NHS Trust as at 31<sup>st</sup> 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.

## 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 opinion

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

## Emphasis of Matter

I draw attention to Note 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 and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Performance Report and the Accountability 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, Accountability Report or the Annual Governance Statement.

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

- 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 59 and 60 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, the audited entity's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Public Health Wales 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, posting of unusual journals and (add as appropriate to the audit);
- Obtaining an understanding of Public Health Wales NHS Trust's framework of authority as well as other legal and regulatory frameworks that the Public Health Wales 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 Public Health Wales 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 members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Public Health Wales 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](http://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 185 to 186.

Adrian Crompton  
Auditor General for Wales  
15 June 2021

24 Cathedral Road  
Cardiff



## 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 Public Health Wales 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 a key matter for my audit. This relates to 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 Welsh 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**

# **Section 2:**

## **Financial Statements and Notes**

# Public Health Wales 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 Public Health Wales 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.

## Statutory background

The establishment of Public Health Wales NHS Trust in 2009, created for the first time, an independent NHS body with a clear and specific public health focus, and a remit to act across all the domains of public health practice. The Minister for Health and Social Services confirmed Public Health Wales NHS Trust would provide the national resource for the effective delivery of public health services at national, local and community level.

Public Health Wales NHS Trust originally incorporated the functions and services previously provided by the National Public Health Service (NPHS), Wales Centre for Health (WCfH), Welsh Cancer Intelligence Surveillance Unit (WCISU), Congenital Anomaly Register and Information Service (CARIS) and Screening Services Wales.

Since 2009, the organisation has continued to grow, taking on a range of additional functions and services from both the Welsh Government and NHS Wales, including several Health Improvement Programmes, Newborn Bloodspot Screening, Abdominal Aortic Aneurysm Screening and the Wrexham Microbiology Laboratory and the Diabetic Eye Screening Service for Wales (DESW). In addition, Public Health Wales hosts the NHS Wales Health Collaborative, which has expanded further during 2020/21 since it became part of Public Health Wales during 2016/17. In February 2018, the NHS Wales Finance Delivery Unit was established, which is also hosted by Public Health Wales NHS Trust.

## 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	2019-20 £000
			Restated
Revenue from patient care activities	3	179,732	116,453
Other operating revenue	4	38,552	36,458
Operating expenses	5.1	(218,189)	(152,952)
<b>Operating (deficit)/surplus</b>		<b>95</b>	<b>(41)</b>
Investment revenue	6	0	73
Other gains and losses	7	(18)	10
Finance costs	8	0	0
<b>Consolidated Total</b>			
<b>Retained surplus</b>	2.1.1	<b>77</b>	<b>42</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to net operating costs:</b>			
Net gain/(loss) on revaluation of property, plant and equipment		67	46
Net gain/(loss) on revaluation of intangible assets		0	0
Movements in other reserves		0	0
Net gain/(loss) on revaluation of PPE and Intangible assets held for sale		0	0
Impairments and reversals		(4)	0
Transfers between reserves		0	0
Reclassification adjustment on disposal of available for sale financial assets		0	0
<b>Sub total</b>		<b>63</b>	<b>46</b>
<b>Items that may be reclassified subsequently to net operating costs</b>			
Net gain/(loss) on revaluation of financial assets held for sale		0	0
<b>Sub total</b>		<b>0</b>	<b>0</b>
<b>Total other comprehensive income for the year</b>		<b>63</b>	<b>46</b>
<b>Total comprehensive income for the year</b>		<b>140</b>	<b>88</b>

The notes on pages 6 to 73 form part of these accounts.

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note	31 March 2021	31 March 2020
		£000	£000
<b>Non-current assets</b>			
Property, plant and equipment	13	20,930	11,941
Intangible assets	14	2,350	1,334
Trade and other receivables	17.1	240	0
Other financial assets	18	0	0
<b>Total non-current assets</b>		<b>23,520</b>	<b>13,275</b>
<b>Current assets</b>			
Inventories	16.1	8,835	866
Trade and other receivables	17.1	20,776	14,379
Other financial assets	18	0	0
Cash and cash equivalents	19	7,743	8,819
		<b>37,354</b>	<b>24,064</b>
Non-current assets held for sale	13.2	0	0
<b>Total current assets</b>		<b>37,354</b>	<b>24,064</b>
<b>Total assets</b>		<b>60,874</b>	<b>37,339</b>
<b>Current liabilities</b>			
Trade and other payables	20	(30,608)	(18,898)
Borrowings	21	0	0
Other financial liabilities	22	0	0
Provisions	23	(1,920)	(1,206)
<b>Total current liabilities</b>		<b>(32,528)</b>	<b>(20,104)</b>
<b>Net current assets/(liabilities)</b>		<b>4,826</b>	<b>3,960</b>
<b>Total assets less current liabilities</b>		<b>28,346</b>	<b>17,235</b>
<b>Non-current liabilities</b>			
Trade and other payables	20	(1,575)	(1,381)
Borrowings	21	0	0
Other financial liabilities	22	0	0
Provisions	23	(2,126)	(1,291)
<b>Total non-current liabilities</b>		<b>(3,701)</b>	<b>(2,672)</b>
<b>Total assets employed</b>		<b>24,645</b>	<b>14,563</b>
<b>Financed by Taxpayers' equity:</b>			
Public dividend capital		23,386	13,444
Retained earnings		686	609
Revaluation reserve		573	510
Other reserves		0	0
<b>Total taxpayers' equity</b>		<b>24,645</b>	<b>14,563</b>

The financial statements were approved by the Board on 10th June 2021 and signed on behalf of the Board by:

Chief Executive and Accountable Officer.....Tracey Cooper.....

Date: 10th June 2021

The notes on pages 6 to 73 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
<b>Changes in taxpayers' equity for 2020-21</b>				
Balance as at 31 March 2020	13,444	609	510	14,563
Retained surplus/(deficit) for the year		77		77
Net gain/(loss) on revaluation of property, plant and equipment		0	67	67
Net gain/(loss) on revaluation of intangible assets		0	0	0
Net gain/(loss) on revaluation of financial assets		0	0	0
Net gain/(loss) on revaluation of assets held for sale		0	0	0
Net gain/(loss) on revaluation of financial assets held for sale		0	0	0
Impairments and reversals		0	(4)	(4)
Other reserve movement		0	0	0
Transfers between reserves		0	0	0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0
Reserves eliminated on dissolution	0			0
Total in year movement	0	77	63	140
New Public Dividend Capital received	9,942			9,942
Public Dividend Capital repaid in year	0			0
Public Dividend Capital extinguished/written off	0			0
Other movements in PDC in year	0			0
<b>Balance at 31 March 2021</b>	<b>23,386</b>	<b>686</b>	<b>573</b>	<b>24,645</b>

The notes on pages 6 to 73 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
<b>Changes in taxpayers' equity for 2019-20</b>				
<b>Balance at 31 March 2019</b>	12,469	567	464	13,500
Retained surplus/(deficit) for the year		42		42
Net gain/(loss) on revaluation of property, plant and equipment		0	46	46
Net gain/(loss) on revaluation of intangible assets		0	0	0
Net gain/(loss) on revaluation of financial assets		0	0	0
Net gain/(loss) on revaluation of assets held for sale		0	0	0
Net gain/(loss) on revaluation of financial assets held for sale		0	0	0
Impairments and reversals		0	0	0
Other reserve movement		0	0	0
Transfers between reserves		0	0	0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0
Reserves eliminated on dissolution	0			0
Total in year movement	0	42	46	88
New Public Dividend Capital received	975			975
Public Dividend Capital repaid in year	0			0
Public Dividend Capital extinguished/written off	0			0
Other movements in PDC in year	0			0
<b>Balance at 31 March 2020</b>	<b>13,444</b>	<b>609</b>	<b>510</b>	<b>14,563</b>

The notes on pages 6 to 73 form part of these accounts.



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Note	2020-21 £000	2019-20 £000
<b>Cash flows from operating activities</b>			
Operating surplus/(deficit)	SOCI	95	(41)
Movements in working capital	30	(3,059)	3,926
Other cash flow adjustments	31	4,882	3,536
Provisions utilised		(271)	(999)
Interest paid		0	0
<b>Net cash inflow (outflow) from operating activities</b>		<b>1,647</b>	<b>6,422</b>
<b>Cash flows from investing activities</b>			
Interest received		0	73
(Payments) for property, plant and equipment		(11,558)	(3,048)
Proceeds from disposal of property, plant and equipment		0	10
(Payments) for intangible assets		(1,152)	(759)
Proceeds from disposal of intangible assets		0	0
Payments for investments with Welsh Government		0	0
Proceeds from disposals with Welsh Government		0	0
(Payments) for financial assets.		0	0
Proceeds from disposal of financial assets.		0	0
<b>Net cash inflow (outflow) from investing activities</b>		<b>(12,710)</b>	<b>(3,724)</b>
<b>Net cash inflow (outflow) before financing</b>		<b>(11,063)</b>	<b>2,698</b>
<b>Cash flows from financing activities</b>			
Public Dividend Capital received		9,942	975
Public Dividend Capital repaid		0	0
Loans received from Welsh Government		0	0
Other loans received		0	0
Loans repaid to Welsh Government		0	0
Other loans repaid		0	0
Other capital receipts		45	0
Capital elements of finance leases and on-SOFP PFI		0	0
Cash transferred (to)/from other NHS Wales bodies		0	0
<b>Net cash inflow (outflow) from financing activities</b>		<b>9,987</b>	<b>975</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(1,076)</b>	<b>3,673</b>
<b>Cash [and] cash equivalents at the beginning of the financial year</b>	19	<b>8,819</b>	<b>5,146</b>
<b>Cash [and] cash equivalents at the end of the financial year</b>	19	<b>7,743</b>	<b>8,819</b>

The notes on pages 6 to 73 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 had been received from third parties for a specific activity to be delivered in the following financial year, that income will be deferred.

Only non-NHS income may be deferred.

## **1.4 Employee benefits**

### **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, Public Health Wales NHS Trust is 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' starting on page 71 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 Public Health Wales NHS Trust 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 Public Health Wales NHS Trust'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. Public Health Wales NHS Trust has 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 Public Health Wales NHS Trust or the asset which would prevent access to the market at the reporting date. If Public Health Wales NHS Trust 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, Public Health Wales NHS Trust is 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, Public Health Wales NHS Trust; 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 Public Health Wales NHS Trust expects to obtain economic benefits or service potential from the asset. This is specific to Public Health Wales NHS Trust 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, Public Health Wales NHS Trust 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 there from can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the 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 Public Health Wales NHS Trust 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 Public Health Wales 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 Public Health Wales NHS Trust as lessor**

Amounts due from lessees under finance leases are recorded as receivables at the amount of Public Health Wales NHS Trust's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on Public Health Wales NHS Trust'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 Public Health Wales NHS Trust has a present legal or constructive obligation as a result of a past event, it is probable that Public Health Wales NHS Trust 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 Public Health Wales NHS Trust 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 Public Health Wales NHS Trust 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 participative NHS Wales bodies. The risk sharing option was implemented in both 2020-21 and 2019-2020. The WRPS is hosted by Velindre University NHS Trust.

#### **1.14.2 Future Liability Scheme (FLS)**

##### **General Medical Practice Indemnity (GMPI)**

The FLS is a state backed scheme to provide clinical negligence General Medical Practice Indemnity (GMPI) for providers of 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 Public Health Wales NHS Trust 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 Public Health Wales NHS Trust 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, Public Health Wales NHS Trust 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 Public Health Wales NHS Trust 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 Public Health Wales NHS Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

### **1.19 Foreign currencies**

Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the 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 Public Health Wales NHS Trust 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 Public Health Wales NHS Trust 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.

Public Health Wales NHS Trust accounts for all losses and special payments gross (including assistance from the WRPS).

Public Health Wales NHS Trust 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**

Public Health Wales NHS Trust 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**

Public Health Wales NHS Trust 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 Public Health Wales NHS Trust, 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;

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

### **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 Public Health Wales NHS Trust, 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 Public Health Wales NHS Trust. 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 not the corporate trustee of Charitable Funds, it is considered for accounting standards compliance to not have control of any Charitable Funds as a subsidiary, and therefore is not required to consolidate the results of any Charitable Funds within the statutory accounts of the Trust.

### **1.32 Subsidiaries**

Material entities over which Public Health Wales NHS Trust 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 Public Health Wales NHS Trust. 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 Public Health Wales NHS Trust. 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	26	42	77	145
Less Donated asset / grant funded revenue adjustment	0	0	(45)	(45)
Adjusted surplus/ (Deficit)	<u>26</u>	<u>42</u>	<u>32</u>	<u>100</u>

Public Health Wales 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 2020-23 integrated plan was paused in spring 2020 and a temporary quarterly planning arrangement put in place for 2020-21.

As a result the extant planning duty for 2020-21 remains the requirement to submit and have approved a 2019-22 integrated plan, as set out in the NHS Wales Planning Framework 2019-22.

Public Health Wales submitted a 2019-22 integrated plan in accordance with the planning framework.

The Minister for Health and Social Services extant approval.

Status	<b>Approved</b>
Date	26/03/2019

Public Health Wales NHS Trust has met its annual financial duty to have an approved extant financial plan

## 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:

	<b>2020-21</b>	<b>2019-20</b>
Total number of non-NHS bills paid	<b>21,847</b>	21,899
Total number of non-NHS bills paid within target	<b>21,014</b>	21,095
Percentage of non-NHS bills paid within target	<b>96.2%</b>	<b>96.3%</b>

**The Trust has met the target.**

3. Revenue from patient care activities	2020-21 £000	2019-20 £000 Restated
Local health boards	0	0
Services Committees (WHSSC & EASC)	0	0
Welsh NHS Trusts	0	0
Health Education and Improvement Wales (HEIW)	0	0
Foundation Trusts	0	0
Other NHS England bodies	0	0
Other NHS Bodies	0	0
Local Authorities	0	0
Welsh Government	160,202	105,017
Welsh Government - Hosted Bodies	19,530	11,436
Non NHS:		
Private patient income	0	0
Overseas patients (non-reciprocal)	0	0
Injury Costs Recovery (ICR) Scheme	0	0
Other revenue from activities	0	0
<b>Total</b>	<b>179,732</b>	<b>116,453</b>

Welsh Government Covid 19 income included in total above; 47,118      421

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:	0.00	0.00

4. Other operating revenue	2020-21 £000	2019-20 £000 Restated
Income generation	389	347
Patient transport services	0	0
Education, training and research	1,667	1,694
Charitable and other contributions to expenditure	0	0
Receipt of NWSPP Covid centrally purchased assets	117	0
Receipt of Covid centrally purchased assets/equipment from other organisations	2,577	0
Receipt of donations for capital acquisitions	0	0
Receipt of government grants for capital acquisitions	45	0
Non-patient care services to other bodies	0	0
Rental revenue from finance leases	0	0
Rental revenue from operating leases	0	0
Other revenue:		
Provision of pathology/microbiology services	18,493	18,064
Accommodation and catering charges	0	0
Mortuary fees	0	0
Staff payments for use of cars	0	0
Business unit	0	0
Other	15,264	16,353
<b>Total</b>	<b>38,552</b>	<b>36,458</b>

Other revenue comprises:

Excellence Awards	0	0
Grants - LA	548	1,191
Grants - Other	843	715
LHB & Trusts - Non Core Income	2,795	3,420
WG - Non Core Income	6,177	7,014
Staff Recharge	3,644	2,679
Other	1,257	1,334
<b>Total</b>	<b>15,264</b>	<b>16,353</b>

Welsh Government Covid 19 income included in total above; 0      0

The following 2019-20 income categories have been restated to separately report hosted organisation's Welsh Government income:

Note 3  
 Welsh Government (€ 0.283m) decrease  
 Welsh Government - Hosted Bodies £11.436m increase

Note 4  
 WG - Non Core Income (£11.153m) decrease

Covid 19 testing kits were received from the Department of Health and Social Care during the year at nil consideration. Notional income (and expenditure) has been recognised at a value of £2.577m to reflect the Trust's consumption of this equipment.

Covid 19 income totalling £1.116m was received from Cardiff University for the processing of genome sequencing samples.

<b>5. Operating expenses</b>	<b>2020-21</b>	2019-20
<b>5.1 Operating expenses</b>	<b>£000</b>	£000
Local Health Boards	19,171	15,587
Welsh NHS Trusts	3,452	2,888
Health Education and Improvement Wales (HEIW)	0	0
Goods and services from other non Welsh NHS bodies	0	0
WHSSC/EASC	0	0
Local Authorities	3,976	4,857
Purchase of healthcare from non-NHS bodies	0	0
Welsh Government	7	0
Other NHS Trusts	94	72
Directors' costs	1,836	1,637
Operational Staff costs	109,097	92,528
Single lead employer Staff Trainee Cost	0	0
Supplies and services - clinical	54,831	11,884
Supplies and services - general	2,734	1,327
Consultancy Services	620	448
Establishment	6,240	8,648
Transport	446	791
Premises	8,791	7,070
Impairments and Reversals of Receivables	0	0
Depreciation	2,692	2,773
Amortisation	305	233
Impairments and reversals of property, plant and equipment	110	0
Impairments and reversals of intangible assets	0	0
Impairments and reversals of financial assets	0	0
Impairments and reversals of non current assets held for sale	0	0
Audit fees	151	151
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	334	337
Research and development	0	0
Other operating expenses	3,302	1,721
<b>Total</b>	<b>218,189</b>	152,952



5. Operating expenses (continued)

5.2 Losses, special payments and irrecoverable debts:

Charges to operating expenses	2020-21 £000	2019-20 £000
Increase/(decrease) in provision for future payments:		
Clinical negligence;-		
Secondary care	783	372
Primary care	0	0
Redress Secondary Care	5	0
Redress Primary Care	0	0
Personal injury	70	27
All other losses and special payments	65	107
Defence legal fees and other administrative costs	95	34
Structured Settlements Welsh Risk Pool	0	0
Gross increase/(decrease) in provision for future payments	<u>1,018</u>	<u>540</u>
Contribution to Welsh Risk Pool	0	48
Premium for other insurance arrangements	0	0
Irrecoverable debts	77	0
<b>Less:</b> income received/ due from Welsh Risk Pool	<u>(761)</u>	<u>(251)</u>
<b>Total charge</b>	<u><b>334</b></u>	<u><b>337</b></u>

	2020-21 £	2019-20 £
Permanent injury included within personal injury:	70,266	27,024

<b>6. Investment revenue</b>	<b>2020-21</b>	2019-20
<b>Rental revenue :</b>	<b>£000</b>	£000
PFI finance lease revenue:		
Planned	0	0
Contingent	0	0
Other finance lease revenue	0	0
<b>Interest revenue:</b>		
Bank accounts	0	73
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	0	0
<b>Total</b>	<b>0</b>	<b>73</b>

<b>7. Other gains and losses</b>	<b>2020-21</b>	2019-20
	<b>£000</b>	£000
Gain/(loss) on disposal of property, plant and equipment	(18)	10
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of assets held for sale	0	0
Gain/(loss) on disposal of financial assets	0	0
Gains/(loss) on foreign exchange	0	0
Change in fair value of financial assets at fair value through income statement	0	0
Change in fair value of financial liabilities at fair value through income statement	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0
<b>Total</b>	<b>(18)</b>	<b>10</b>

<b>8. Finance costs</b>	<b>2020-21</b>	2019-20
	<b>£000</b>	£000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	0	0
Interest on obligations under PFI contracts:		
Main finance cost	0	0
Contingent finance cost	0	0
Interest on late payment of commercial debt	0	0
Other interest expense	0	0
<b>Total interest expense</b>	<b>0</b>	<b>0</b>
Provisions unwinding of discount	0	0
Periodical Payment Order unwinding of discount	0	0
Other finance costs	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

## 9. Operating leases

### 9.1 Trust as lessee

Operating lease payments represent rentals payable by Public Health Wales NHS Trust for properties and equipment.

<b>Payments recognised as an expense</b>	<b>2020-21</b>	2019-20
	<b>£000</b>	£000
Minimum lease payments	<b>1,161</b>	1,250
Contingent rents	<b>0</b>	0
Sub-lease payments	<b>0</b>	0
<b>Total</b>	<b>1,161</b>	1,250

<b>Total future minimum lease payments</b>	<b>2020-21</b>	2019-20
	<b>£000</b>	£000
Payable:		
Not later than one year	<b>1,518</b>	1,086
Between one and five years	<b>6,448</b>	6,438
After 5 years	<b>3,519</b>	5,070
<b>Total</b>	<b>11,485</b>	12,594

Total future sublease payments expected to be received	<b>0</b>	0
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**9. Operating leases (continued)**

**9.2 Trust as lessor**

There are no significant leasing arrangements where the Trust is the lessor.

**Rental Revenue**

<b>Receipts recognised as income</b>	<b>2020-21</b>	2019-20
	<b>£000</b>	£000
Rent	0	0
Contingent rent	0	0
Other	0	0
<b>Total rental revenue</b>	<b>0</b>	<b>0</b>

<b>Total future minimum lease payments</b>	<b>2020-21</b>	2019-20
<b>Receivable:</b>	<b>£000</b>	£000
Not later than one year	0	0
Between one and five years	0	0
After 5 years	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

## 10. Employee costs and numbers

10.1 Employee costs	Permanently employed staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Other Staff	2020-21	2019-20
						£000	£000
	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	79,242	7,175	2,731	0	0	89,148	75,009
Social security costs	8,138	0	0	0	0	8,138	6,845
Employer contributions to NHS Pensions Scheme	14,313	0	0	0	0	14,313	12,703
Other pension costs	182	0	0	0	0	182	0
Other post-employment benefits	0	0	0	0	0	0	0
Termination benefits	0	0	0	0	0	0	0
<b>Total</b>	<b>101,875</b>	<b>7,175</b>	<b>2,731</b>	<b>0</b>	<b>0</b>	<b>111,781</b>	<b>94,557</b>
<b>Of the total above:</b>							
Charged to capital						961	505
Charged to revenue						110,820	94,052
<b>Total</b>						<b>111,781</b>	<b>94,557</b>
Net movement in accrued employee benefits (untaken staff leave accrual included above)						1,258	39
Covid 19 Net movement in accrued employee benefits (untaken staff leave accrual included in above)						1,258	0

Other pension costs relate to NHS Pension Scheme Final Pay Control charges incurred for retirees.

## 10.2 Average number of employees

10.2 Average number of employees	Permanently Employed	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Other Staff	2020-21	2019-20
						Total	Total
	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	1,024	52	26	0	0	1,102	1,044
Medical and dental	95	21	0	0	0	116	115
Nursing, midwifery registered	68	4	0	0	0	72	62
Professional, scientific and technical staff	682	1	0	0	0	683	511
Additional Clinical Services	0	0	0	0	0	0	0
Allied Health Professions	64	1	1	0	0	66	62
Healthcare scientists	0	1	14	0	0	15	8
Estates and Ancillary	0	0	0	0	0	0	0
Students	0	0	0	0	0	0	0
<b>Total</b>	<b>1,933</b>	<b>80</b>	<b>41</b>	<b>0</b>	<b>0</b>	<b>2,054</b>	<b>1,802</b>

## 10.3. Retirements due to ill-health

	2020-21	2019-20
Number	1	1
Estimated additional pension costs £	29,516	110,956

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

Public Health Wales NHS Trust offers three salary sacrifice schemes (childcare vouchers, Cycle to Work and lease cars). In addition, the Trust offers a purchase of annual leave scheme.

## 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	0	2	2	0	2
£10,000 to £25,000	1	0	1	0	1
£25,000 to £50,000	0	2	2	0	2
£50,000 to £100,000	0	0	0	0	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
<b>Total</b>	<b>1</b>	<b>4</b>	<b>5</b>	<b>0</b>	<b>6</b>

	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	0	9,259	9,259	0	14,958
£10,000 to £25,000	11,438	0	11,438	0	23,761
£25,000 to £50,000	0	66,534	66,534	0	84,661
£50,000 to £100,000	0	0	0	0	55,291
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
<b>Total</b>	<b>11,438</b>	<b>75,793</b>	<b>87,231</b>	<b>0</b>	<b>178,671</b>

Exit costs paid in year of departure	Total paid in year 2020-21	Total paid in year 2019-20
	£'s	£'s
Exit costs paid in year	9,259	72,084
<b>Total</b>	<b>9,259</b>	<b>72,084</b>

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 note 10.3 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.

## **10.6 Remuneration Relationship**

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

The banded remuneration of the highest-paid director in Public Health Wales NHS Trust in the financial year 2020-2021 was £160,000 to £165,000 (2019-2020, £155,000 to £160,000). This was 4.4 times (2019-2020, 4.34 times) the median remuneration of the workforce, which was £36,957 (2019-2020, £36,326).

In 2020-2021, 9 (2019-2020, 3) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £18,118 to £454,927 (2019-2020, £17,652 to £279,474).

The increase in number of employees who are remunerated in excess of the highest-paid director and the related increase in range of staff remuneration is due to employing staff in highly paid clinical roles. In addition, there have been higher than normal levels of overtime worked in these clinical roles due to the Covid-19 response during the year.

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.

## 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](http://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.

	<b>2020-21</b>	<b>2020-21</b>	2019-20	2019-20
	<b>Number</b>	<b>£000</b>	Number	£000
<b>NHS</b>				
Total bills paid in year	<b>2,426</b>	<b>30,632</b>	2,410	26,667
Total bills paid within target	<b>2,090</b>	<b>24,185</b>	2,071	19,837
Percentage of bills paid within target	<b>86.2%</b>	<b>79.0%</b>	85.9%	74.4%
<b>Non-NHS</b>				
Total bills paid in year	<b>21,847</b>	<b>120,713</b>	21,899	57,105
Total bills paid within target	<b>21,014</b>	<b>116,391</b>	21,095	54,004
Percentage of bills paid within target	<b>96.2%</b>	<b>96.4%</b>	96.3%	94.6%
<b>Total</b>				
Total bills paid in year	<b>24,273</b>	<b>151,345</b>	24,309	83,772
Total bills paid within target	<b>23,104</b>	<b>140,576</b>	23,166	73,841
Percentage of bills paid within target	<b>95.2%</b>	<b>92.9%</b>	95.3%	88.1%

**12.2 The Late Payment of Commercial Debts (Interest) Act 1998**

	<b>2020-21</b>	2019-20
	<b>£</b>	<b>£</b>
Amounts included within finance costs from claims made under legislation	<b>0</b>	0
Compensation paid to cover debt recovery costs under legislation	<b>0</b>	0
<b>Total</b>	<b>0</b>	<b>0</b>

## 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
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>At 1 April 2020</b>	<b>560</b>	<b>4,996</b>	<b>0</b>	<b>0</b>	<b>15,456</b>	<b>2,857</b>	<b>7,785</b>	<b>1,838</b>	<b>33,492</b>
Indexation	(4)	87	0	0	0	0	0	0	83
Additions - purchased	0	4,341	0	0	6,098	58	1,045	158	11,700
Additions - donated	0	0	0	0	0	0	0	0	0
Additions - government granted	0	0	0	0	45	0	0	0	45
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	(4)	0	0	0	(200)	0	0	0	(204)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	(486)	(24)	(506)	(21)	(1,037)
<b>At 31 March 2021</b>	<b>552</b>	<b>9,424</b>	<b>0</b>	<b>0</b>	<b>20,913</b>	<b>2,891</b>	<b>8,324</b>	<b>1,975</b>	<b>44,079</b>
<b>Depreciation</b>									
<b>At 1 April 2020</b>	<b>0</b>	<b>2,547</b>	<b>0</b>	<b>0</b>	<b>11,467</b>	<b>1,999</b>	<b>4,546</b>	<b>992</b>	<b>21,551</b>
Indexation	0	16	0	0	0	0	0	0	16
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluation	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	(94)	0	0	0	(94)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	(480)	(9)	(506)	(21)	(1,016)
Charged during the year	0	165	0	0	1,113	330	899	185	2,692
<b>At 31 March 2021</b>	<b>0</b>	<b>2,728</b>	<b>0</b>	<b>0</b>	<b>12,006</b>	<b>2,320</b>	<b>4,939</b>	<b>1,156</b>	<b>23,149</b>
<b>Net book value</b>									
<b>At 1 April 2020</b>	<b>560</b>	<b>2,449</b>	<b>0</b>	<b>0</b>	<b>3,989</b>	<b>858</b>	<b>3,239</b>	<b>846</b>	<b>11,941</b>
<b>Net book value</b>									
<b>At 31 March 2021</b>	<b>552</b>	<b>6,696</b>	<b>0</b>	<b>0</b>	<b>8,907</b>	<b>571</b>	<b>3,385</b>	<b>819</b>	<b>20,930</b>
<b>Net book value at 31 March 2021 comprises :</b>									
Purchased	552	6,696	0	0	8,862	571	3,385	819	20,885
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	45	0	0	0	45
<b>At 31 March 2021</b>	<b>552</b>	<b>6,696</b>	<b>0</b>	<b>0</b>	<b>8,907</b>	<b>571</b>	<b>3,385</b>	<b>819</b>	<b>20,930</b>
<b>Asset Financing:</b>									
Owned	552	6,696	0	0	8,907	571	3,385	819	20,930
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SoFP PFI contract	0	0	0	0	0	0	0	0	0
PFI residual interest	0	0	0	0	0	0	0	0	0
<b>At 31 March 2021</b>	<b>552</b>	<b>6,696</b>	<b>0</b>	<b>0</b>	<b>8,907</b>	<b>571</b>	<b>3,385</b>	<b>819</b>	<b>20,930</b>

The net book value of land, buildings and dwellings at 31 March 2021 comprises :

	£000
Freehold	7,248
Long Leasehold	0
Short Leasehold	0
<b>Total</b>	<b>7,248</b>

Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account. 0

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 :

## 2019-20

	Land	Buildings, excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport Equipment	Information Technology	Furniture and fittings	Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>At 1 April 2019</b>	566	4,929	0	0	14,100	3,012	5,954	1,810	30,371
Indexation	(6)	67	0	0	0	0	0	0	61
Additions - purchased	0	0	0	0	1,420	19	1,840	35	3,314
Additions - donated	0	0	0	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluation	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
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	(64)	(174)	(9)	(7)	(254)
<b>At 31 March 2020</b>	<b>560</b>	<b>4,996</b>	<b>0</b>	<b>0</b>	<b>15,456</b>	<b>2,857</b>	<b>7,785</b>	<b>1,838</b>	<b>33,492</b>
<b>Depreciation</b>									
<b>At 1 April 2019</b>	0	2,301	0	0	10,340	1,872	3,684	822	19,019
Indexation	0	15	0	0	0	0	0	0	15
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluation	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
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	(66)	(174)	(9)	(7)	(256)
Charged during the year	0	231	0	0	1,193	301	871	177	2,773
<b>At 31 March 2020</b>	<b>0</b>	<b>2,547</b>	<b>0</b>	<b>0</b>	<b>11,467</b>	<b>1,999</b>	<b>4,546</b>	<b>992</b>	<b>21,551</b>
<b>Net book value</b>									
<b>At 1 April 2019</b>	566	2,628	0	0	3,760	1,140	2,270	988	11,352
<b>Net book value</b>									
<b>At 31 March 2020</b>	560	2,449	0	0	3,989	858	3,239	846	11,941
<b>Net book value at 31 March 2020 comprises :</b>									
Purchased	560	2,449	0	0	3,989	858	3,239	846	11,941
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
<b>At 31 March 2020</b>	<b>560</b>	<b>2,449</b>	<b>0</b>	<b>0</b>	<b>3,989</b>	<b>858</b>	<b>3,239</b>	<b>846</b>	<b>11,941</b>
<b>Asset Financing:</b>									
Owned	560	2,449	0	0	3,989	858	3,239	846	11,941
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SoFP PFI contract	0	0	0	0	0	0	0	0	0
PFI residual interest	0	0	0	0	0	0	0	0	0
<b>At 31 March 2020</b>	<b>560</b>	<b>2,449</b>	<b>0</b>	<b>0</b>	<b>3,989</b>	<b>858</b>	<b>3,239</b>	<b>846</b>	<b>11,941</b>

## The net book value of land, buildings and dwellings at 31 March 2020 comprises :

	£000
Freehold	3,009
Long Leasehold	0
Short Leasehold	0
<b>Total</b>	<b>3,009</b>

Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account. 0

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.

Asset categories Plant & Machinery and Transport Equipment have been restated. This has been done to improve the accuracy of the category of assets reported. The net book value movement totals £2.2m (increase to Plant & Machinery and decrease to Transport Equipment).

**13. Property, plant and equipment :**

**Disclosures:**

**i) Donated Assets**

Public Health Wales NHS Trust has not received any donated assets during the year.

**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**

There has been no compensation received from third parties for assets impaired, lost or given up, that is included in the income statement.

**v) Write Downs**

There have been no write downs during the 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.**

Public Health Wales NHS Trust did not sell any assets during the period.

**Gain/(Loss) on Sale**

**Asset description**

**Reason for sale**

**Gain/(Loss) on sale  
£000**

0
0
0
0
0

## 13.2 Non-current assets held for sale

	Land	Buildings, including dwellings	Other property plant and equipment	Intangible assets	Other assets	Total
	£000	£000	£000	£000	£000	£000
<b>Balance b/f 1 April 2020</b>	0	0	0	0	0	0
Plus assets classified as held for sale in year	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Less assets sold in year	0	0	0	0	0	0
Plus reversal of impairments	0	0	0	0	0	0
Less impairment for assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale for reasons other than disposal by sale	0	0	0	0	0	0
<b>Balance c/f 31 March 2021</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance b/f 1 April 2019</b>	0	0	0	0	0	0
Plus assets classified as held for sale in year	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Less assets sold in year	0	0	0	0	0	0
Plus reversal of impairments	0	0	0	0	0	0
Less impairment for assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale for reasons other than disposal by sale	0	0	0	0	0	0
<b>Balance c/f 31 March 2020</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 14. Intangible assets

	Computer software purchased	Computer software internally developed	Licenses and trade-marks	Patents	Development expenditure internally generated	CRC Emission Trading Scheme	Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000
<b>At 1 April 2020</b>	396	723	578	0	229	0	1,926
Revaluation	0	0			0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions							
- purchased	315	275	45	0	686	0	1,321
- internally generated	0	0	0	0	0	0	0
- donated	0	0	0	0	0	0	0
- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0
Disposals other than by sale	0	0	(12)	0	0	0	(12)
<b>At 31 March 2021</b>	<b>711</b>	<b>998</b>	<b>611</b>	<b>0</b>	<b>915</b>	<b>0</b>	<b>3,235</b>
<b>Amortisation</b>							
<b>At 1 April 2020</b>	276	135	181	0	0	0	592
Revaluation		0			0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Charged during the year	49	145	111	0	0	0	305
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0
Disposals other than by sale	0	0	(12)	0	0	0	(12)
<b>Accumulated amortisation at 31 March 2021</b>	<b>325</b>	<b>280</b>	<b>280</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>885</b>
Net book value At 1 April 2020	120	588	397	0	229	0	1,334
<b>Net book value At 31 March 2021</b>	<b>386</b>	<b>718</b>	<b>331</b>	<b>0</b>	<b>915</b>	<b>0</b>	<b>2,350</b>
<b>Net book value</b>							
Purchased	386	718	331	0	915	0	2,350
Donated	0	0	0	0	0	0	0
Government granted	0	0	0	0	0	0	0
Internally Generated	0	0	0	0	0	0	0
<b>At 31 March 2021</b>	<b>386</b>	<b>718</b>	<b>331</b>	<b>0</b>	<b>915</b>	<b>0</b>	<b>2,350</b>

## 14. Intangible assets

	Computer software purchased	Computer software internally developed	Licenses and trade-marks	Patents	Development expenditure internally generated	CRC Emission Trading Scheme	Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000
<b>At 1 April 2019</b>	359	419	494	0	0	0	1,272
Revaluation		0			0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions							
- purchased	37	304	84	0	229	0	654
- internally generated	0	0	0	0	0	0	0
- donated	0	0	0	0	0	0	0
- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0
<b>At 31 March 2020</b>	<b>396</b>	<b>723</b>	<b>578</b>	<b>0</b>	<b>229</b>	<b>0</b>	<b>1,926</b>
<b>Amortisation</b>							
<b>At 1 April 2019</b>	222	51	86	0	0	0	359
Revaluation	0	0			0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Charged during the year	54	84	95	0	0	0	233
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0
<b>Accumulated amortisation at 31 March 2020</b>	<b>276</b>	<b>135</b>	<b>181</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>592</b>
Net book value At 1 April 2019	137	368	408	0	0	0	913
<b>Net book value At 31 March 2020</b>	<b>120</b>	<b>588</b>	<b>397</b>	<b>0</b>	<b>229</b>	<b>0</b>	<b>1,334</b>
<b>Net book value</b>							
Purchased	120	588	397	0	229	0	1,334
Donated	0	0	0	0	0	0	0
Government granted	0	0	0	0	0	0	0
Internally Generated	0	0	0	0	0	0	0
<b>At 31 March 2020</b>	<b>120</b>	<b>588</b>	<b>397</b>	<b>0</b>	<b>229</b>	<b>0</b>	<b>1,334</b>



#### 14. Intangible assets

##### Disclosures:

##### i) Donated Assets

Public Health Wales NHS Trust has not received any donated intangible assets during the year.

##### ii) Recognition

Intangible assets acquired separately are initially recognised at fair value. The amount recognised for internally-generated intangible assets is the sum of the expenditure incurred to date when the criteria for recognising internally generated assets has been met (see accounting policy 1.7 for criteria).

##### iii) Asset Lives

The useful economic life of Intangible non-current assets are assigned on an individual asset basis. Software is generally assigned a 5 year UEL and the UEL of internally generated software is based on the professional judgement of Trust professionals and Finance staff.

##### iv) Additions during the period

Additions during 2020-21 consisted of a number of interfaces purchased to be used alongside systems and services acquired as part of the Covid-19 response. Costs were incurred to further develop the bespoke computer system Cervical Screening Information Management System (CSIMS).

Further costs were incurred to develop another bespoke computer system; Laboratory Information Network Cymru (LINC). The system is currently in the development stage and is not yet in use. It has been classified as Development expenditure internally generated. Ammortisation will commence when the system is brought into use.

##### v) Disposals during the period

There has been one Intangible disposal during the period.

**15. Impairments**

Impairments in the period arose from:	2020-21		2019-20	
	Property, plant & equipment £000	Intangible assets £000	Property, plant & equipment £000	Intangible assets £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	106	0	0	0
Changes in market price	0	0	0	0
Other	4	0	0	0
Reversal of impairment	0	0	0	0
<b>Impairments charged to operating expenses</b>	<b>110</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Analysis of impairments :**

Operating expenses in Statement of Comprehensive Income	110	0	0	0
Revaluation reserve	4	0	0	0
<b>Total</b>	<b>114</b>	<b>0</b>	<b>0</b>	<b>0</b>

Included within the above total of £0.114m are the following items:

- Unforeseen obsolescence totalling £0.106m was incurred on Microbiology sequencing equipment that was replaced for more technologically advanced equipment to enable the Trust to respond to the Pandemic. All of this impairment was charged to operating expenses.

- the 2020-21 indexation for Land resulted in an impairment of £0.008m. Of this amount, £0.004m was charged to operating expenses.

**16. Inventories**

**16.1 Inventories**

	<b>31 March 2021 £000</b>	31 March 2020 £000
Drugs	0	0
Consumables	8,835	866
Energy	0	0
Work in progress	0	0
Other	0	0
<b>Total</b>	<b>8,835</b>	<b>866</b>
<b>Of which held at net realisable value:</b>	<b>0</b>	<b>0</b>

**16.2 Inventories recognised in expenses**

	<b>31 March 2021 £000</b>	31 March 2020 £000
Inventories recognised as an expense in the period	0	0
Write-down of inventories (including losses)	0	0
Reversal of write-downs that reduced the expense	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

Inventory held in respect of Covid-19 testing consumables totals £8.367m

**Public Health Wales NHS Trust Annual Accounts 2020-2021**

**17. Trade and other receivables**

**17.1 Trade and other receivables**

	<b>31 March</b>	31 March
	<b>2021</b>	2020
	<b>£000</b>	£000
<b>Current</b>		
Welsh Government	<b>10,824</b>	2,936
WHSSC & EASC	<b>22</b>	219
Welsh Health Boards	<b>2,391</b>	5,397
Welsh NHS Trusts	<b>226</b>	259
Health Education and Improvement Wales (HEIW)	<b>42</b>	37
Non - Welsh Trusts	<b>82</b>	49
Other NHS	<b>31</b>	20
2019-20 Scheme Pays - Welsh Government Reimbursement	<b>0</b>	0
Welsh Risk Pool Claim reimbursement:-		
NHS Wales Secondary Health Sector	<b>1,665</b>	1,461
NHS Wales Primary Sector FLS Reimbursement	<b>0</b>	0
NHS Wales Redress	<b>0</b>	0
Other	<b>41</b>	51
Local Authorities	<b>152</b>	707
Capital debtors- Tangible	<b>0</b>	0
Capital debtors- Intangible	<b>0</b>	0
Other debtors	<b>2,631</b>	1,234
Provision for impairment of trade receivables	<b>(89)</b>	<b>(9)</b>
Pension Prepayments		
NHS Pensions Agency	<b>0</b>	0
NEST	<b>0</b>	0
Other prepayments	<b>1,782</b>	1,514
Accrued income	<b>976</b>	504
Sub-total	<b>20,776</b>	14,379
<b>Non-current</b>		
Welsh Government	<b>0</b>	0
WHSSC & EASC	<b>0</b>	0
Welsh Health Boards	<b>0</b>	0
Welsh NHS Trusts	<b>0</b>	0
Health Education and Improvement Wales (HEIW)	<b>0</b>	0
Non - Welsh Trusts	<b>0</b>	0
Other NHS	<b>0</b>	0
2019-20 Scheme Pays - Welsh Government Reimbursement	<b>0</b>	0
Welsh Risk Pool Claim reimbursement		
NHS Wales Secondary Health Sector	<b>240</b>	0
NHS Wales Primary Sector FLS Reimbursement	<b>0</b>	0
NHS Wales Redress	<b>0</b>	0
Other	<b>0</b>	0
Local Authorities	<b>0</b>	0
Capital debtors- Tangible	<b>0</b>	0
Capital debtors- Intangible	<b>0</b>	0
Other debtors	<b>0</b>	0
Provision for impairment of trade receivables	<b>0</b>	0
Pension Prepayments		
NHS Pensions Agency	<b>0</b>	0
NEST	<b>0</b>	0
Other prepayments	<b>0</b>	0
Accrued income	<b>0</b>	0
Sub-total	<b>240</b>	0
<b>Total trade and other receivables</b>	<b>21,016</b>	14,379

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.

**17.2 Receivables past their due date but not impaired**

	<b>31 March</b>	31 March
	<b>2021</b>	2020
	<b>£000</b>	£000
By up to 3 months	<b>1,961</b>	1,287
By 3 to 6 months	<b>51</b>	187
By more than 6 months	<b>45</b>	55
<b>Balance at end of financial year</b>	<b><u>2,057</u></b>	<u>1,529</u>

**17.3 Expected Credit Losses (ECL) Allowance for bad and doubtful debts**

	<b>31 March</b>	31 March
	<b>2021</b>	2020
	<b>£000</b>	£000
Balance at 1 April	<b>(9)</b>	(17)
Transfer to other NHS Wales body	<b>0</b>	0
Provision utilised (Amount written off during the year)	<b>1</b>	8
Provision written back during the year no longer required	<b>0</b>	0
(Increase)/Decrease in provision during year	<b>(81)</b>	0
ECL/Bad debts recovered during year	<b>0</b>	0
<b>Balance at end of financial year</b>	<b><u>(89)</u></b>	<u>(9)</u>

**17.4 Receivables VAT**

	<b>31 March</b>	31 March
	<b>2021</b>	2020
	<b>£000</b>	£000
Trade receivables	<b>355</b>	495
Other	<b>0</b>	0
<b>Total</b>	<b><u>355</u></b>	<u>495</u>

**18. Other financial assets**

	<b>31 March</b>	31 March
	<b>2021</b>	2020
	<b>£000</b>	£000
<b>Current</b>		
Shares and equity type investments		
Held to maturity investments at amortised costs	0	0
At fair value through SOCI	0	0
Available for sale at FV	0	0
Deposits	0	0
Loans	0	0
Derivatives	0	0
Other (Specify)		
Held to maturity investments at amortised costs	0	0
At fair value through SOCI	0	0
Available for sale at FV	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Non-Current</b>		
Shares and equity type investments		
Held to maturity investments at amortised costs	0	0
At fair value through SOCI	0	0
Available for sale at FV	0	0
Deposits	0	0
Loans	0	0
Derivatives	0	0
Other (Specify)		
Held to maturity investments at amortised costs	0	0
At fair value through SOCI	0	0
Available for sale at FV	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

19. Cash and cash equivalents

	<b>31 March</b>	31 March
	<b>2021</b>	2020
	<b>£000</b>	£000
Opening Balance	<b>8,819</b>	5,146
Net change in year	<b>(1,076)</b>	3,673
<b>Closing Balance</b>	<b>7,743</b>	8,819
<b>Made up of:</b>		
Cash with Government Banking Service (GBS)	<b>7,743</b>	8,819
Cash with Commercial banks	<b>0</b>	0
Cash in hand	<b>0</b>	0
<b>Total cash</b>	<b>7,743</b>	8,819
Current investments	<b>0</b>	0
<b>Cash and cash equivalents as in SoFP</b>	<b>7,743</b>	8,819
Bank overdraft - GBS	<b>0</b>	0
Bank overdraft - Commercial banks	<b>0</b>	0
<b>Cash &amp; cash equivalents as in Statement of Cash Flows</b>	<b>7,743</b>	8,819

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

Lease Liabilities £1,161,000  
PFI liabilities £nil

The movement relates to cash, no comparative information is required by IAS 7 in 2020-21.

<b>20. Trade and other payables at the SoFP Date</b>	<b>31 March 2021 £000</b>	31 March 2020 £000
<b>Current</b>		
Welsh Government	189	256
WHSSC & EASC	16	26
Welsh Health Boards	4,232	2,094
Welsh NHS Trusts	1,017	491
Health Education and Improvement Wales (HEIW)	6	9
Other NHS	175	163
Taxation and social security payable / refunds:		
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	12
Other taxes payable to HMRC	1	812
National Insurance contributions payable to HMRC	10	1,037
Non-NHS trade payables - revenue	8,115	3,695
Local Authorities	1,784	2,160
Capital payables-Tangible	1,683	1,496
Capital payables- Intangible	222	53
Overdraft	0	0
Rentals due under operating leases	183	0
Obligations due under finance leases and HP contracts	0	0
Imputed finance lease element of on SoFP PFI contracts	0	0
Pensions: staff	1,495	1,284
Non NHS Accruals	11,015	4,727
Deferred Income:		
Deferred income brought forward	583	622
Deferred income additions	161	279
Transfer to/from current/non current deferred income	0	0
Released to the Income Statement	(279)	(318)
Other liabilities - all other payables	0	0
PFI assets – deferred credits	0	0
PFI - Payments on account	0	0
Sub-total	<b>30,608</b>	18,898

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)

	31 March 2021 £000	31 March 2020 £000
<b>Non-current</b>		
Welsh Government	0	0
WHSSC & EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Health Education and Improvement Wales (HEIW)	0	0
Other NHS	0	0
Taxation and social security payable / refunds:		
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	0	0
National Insurance contributions payable to HMRC	0	0
Non-NHS trade payables - revenue	0	0
Local Authorities	0	0
Capital payables- Tangible	0	0
Capital payables- Intangible	0	0
Overdraft	0	0
Rentals due under operating leases	1,575	1,381
Obligations due under finance leases and HP contracts	0	0
Imputed finance lease element of on SoFP PFI contracts	0	0
Pensions: staff	0	0
Non NHS Accruals	0	0
Deferred Income:		
Deferred income brought forward	0	0
Deferred income additions	0	0
Transfer to/from current/non current deferred income	0	0
Released to the Income Statement	0	0
Other liabilities - all other payables	0	0
PFI assets –deferred credits	0	0
Payments on account	0	0
Sub-total	<u>1,575</u>	<u>1,381</u>
<b>Total</b>	<u><b>32,183</b></u>	<u>20,279</u>

<b>21. Borrowings</b>	<b>31 March</b>	31 March
<b>Current</b>	<b>2021</b>	2020
	<b>£000</b>	£000
Bank overdraft - Government Banking Service (GBS)	0	0
Bank overdraft - Commercial bank	0	0
Loans from:		
Welsh Government	0	0
Other entities	0	0
PFI liabilities:		
Main liability	0	0
Lifecycle replacement received in advance	0	0
Finance lease liabilities	0	0
Other	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

<b>Non-current</b>		
Bank overdraft - GBS	0	0
Bank overdraft - Commercial bank	0	0
Loans from:		
Welsh Government	0	0
Other entities	0	0
PFI liabilities:		
Main liability	0	0
Lifecycle replacement received in advance	0	0
Finance lease liabilities	0	0
Other	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

#### 21.2 Loan advance/strategic assistance funding

	<b>31 March</b>	31 March
	<b>2021</b>	2020
	<b>£000</b>	£000
<b>Amounts falling due:</b>		
In one year or less	0	0
Between one and two years	0	0
Between two and five years	0	0
In five years or more	0	0
Sub-total	<b>0</b>	<b>0</b>
Wholly repayable within five years	0	0
Wholly repayable after five years, not by instalments	0	0
Wholly or partially repayable after five years by instalments	0	0
Sub-total	<b>0</b>	<b>0</b>
Total repayable after five years by instalments	0	0

The Trust has / has not received a loan advance or strategic funding from the Welsh Government.

22. Other financial liabilities

	31 March 2021 £000	31 March 2020 £000
<b>Current</b>		
<b>Financial Guarantees</b>		
At amortised cost	0	0
At fair value through SoCI	0	0
Derivatives at fair value through SoCI	0	0
<b>Other</b>		
At amortised cost	0	0
At fair value through SoCI	0	0
<b>Total</b>	<u>0</u>	<u>0</u>

	31 March 2021 £000	31 March 2020 £000
<b>Non-current</b>		
<b>Financial Guarantees</b>		
At amortised cost	0	0
At fair value through SoCI	0	0
Derivatives at fair value through SoCI	0	0
<b>Other</b>		
At amortised cost	0	0
At fair value through SoCI	0	0
<b>Total</b>	<u>0</u>	<u>0</u>

### 23. Provisions

#### 2020-21

#### Current

	At 1 April 2020	Structured settlement cases transferr-ed 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
<b>Clinical negligence:-</b>										
Secondary Care	994	0	(237)	0	0	645	(141)	(112)	0	1,149
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	5	0	0	0	5
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	82	0	0	84	0	0	(82)	0	0	84
All other losses and special payments	100	0	0	0	0	65	0	0	0	165
Defence legal fees and other administration	30	0	0	0	0	88	(28)	(8)	0	82
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	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	435	0	0		435
<b>Total</b>	<b>1,206</b>	<b>0</b>	<b>(237)</b>	<b>84</b>	<b>0</b>	<b>1,238</b>	<b>(251)</b>	<b>(120)</b>	<b>0</b>	<b>1,920</b>

#### Non Current

<b>Clinical negligence:-</b>										
Secondary Care	0	0	0	0	0	250	(20)	0	0	230
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	1,291	0	0	(84)	0	70	0	0	0	1,277
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	15	0	0	0	15
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	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	604	0	0		604
<b>Total</b>	<b>1,291</b>	<b>0</b>	<b>0</b>	<b>(84)</b>	<b>0</b>	<b>939</b>	<b>(20)</b>	<b>0</b>	<b>0</b>	<b>2,126</b>

#### TOTAL

<b>Clinical negligence:-</b>										
Secondary Care	994	0	(237)	0	0	895	(161)	(112)	0	1,379
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	5	0	0	0	5
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	1,373	0	0	0	0	70	(82)	0	0	1,361
All other losses and special payments	100	0	0	0	0	65	0	0	0	165
Defence legal fees and other administration	30	0	0	0	0	103	(28)	(8)	0	97
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	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	1,039	0	0		1,039
<b>Total</b>	<b>2,497</b>	<b>0</b>	<b>(237)</b>	<b>0</b>	<b>0</b>	<b>2,177</b>	<b>(271)</b>	<b>(120)</b>	<b>0</b>	<b>4,046</b>

#### 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
<b>Clinical negligence:-</b>				
Secondary Care	1,149	230	0	1,379
Primary Care	0	0	0	0
Redress Secondary Care	5	0	0	5
Redress Primary Care	0	0	0	0
Personal injury	84	343	934	1,361
All other losses and special payments	165	0	0	165
Defence legal fees and other administration	82	15	0	97
Structured Settlements - WRPS	0	0	0	0
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	435	98	506	1,039
<b>Total</b>	<b>1,920</b>	<b>686</b>	<b>1,440</b>	<b>4,046</b>

## 23. Provisions (continued)

2019-20

	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
<b>Current</b>										
Clinical negligence:-										
Secondary Care	942	0	0	332	0	481	(652)	(109)	0	994
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	87	0	0	82	0	0	(81)	(6)	0	82
All other losses and special payments	226	0	0	0	0	107	(233)	0	0	100
Defence legal fees and other administration	29	0	0	0	0	48	(33)	(14)	0	30
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	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
<b>Total</b>	<b>1,284</b>	<b>0</b>	<b>0</b>	<b>414</b>	<b>0</b>	<b>636</b>	<b>(999)</b>	<b>(129)</b>	<b>0</b>	<b>1,206</b>
<b>Non Current</b>										
Clinical negligence:-										
Secondary Care	332	0	0	(332)	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	1,340	0	0	(82)	0	126	0	(93)	0	1,291
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	0
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
<b>Total</b>	<b>1,672</b>	<b>0</b>	<b>0</b>	<b>(414)</b>	<b>0</b>	<b>126</b>	<b>0</b>	<b>(93)</b>	<b>0</b>	<b>1,291</b>
<b>TOTAL</b>										
Clinical negligence:-										
Secondary Care	1,274	0	0	0	0	481	(652)	(109)	0	994
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	1,427	0	0	0	0	126	(81)	(99)	0	1,373
All other losses and special payments	226	0	0	0	0	107	(233)	0	0	100
Defence legal fees and other administration	29	0	0	0	0	48	(33)	(14)	0	30
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	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
<b>Total</b>	<b>2,956</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>762</b>	<b>(999)</b>	<b>(222)</b>	<b>0</b>	<b>2,497</b>

## 24 Contingencies

### 24.1 Contingent liabilities

	31 March 2021 £000	31 March 2020 £000
Provision has not been made in these accounts for the following amounts:		
Legal claims for alleged medical or employer negligence;		
Secondary care	3,915	3,527
Primary Care	0	0
Secondary care - Redress	0	0
Primary Care - Redress	0	0
Doubtful debts	0	0
Equal pay cases	0	0
Defence costs	87	86
Other	135	0
<b>Total value of disputed claims</b>	<b>4,137</b>	<b>3,613</b>
Amount recovered under insurance arrangements in the event of these claims being successful	<b>(3,957)</b>	<b>(3,463)</b>
<b>Net contingent liability</b>	<b>180</b>	<b>150</b>

### Pensions tax annual allowance - Scheme Pays arrangements 2019/20

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

- clinical staff who are members of the NHS Pensions Scheme and who, as a result of work undertaken in the 2019-20 tax year, face a tax charge on the growth of their NHS pension benefits, may opt to have this charge paid by the NHS Pension Scheme, with their pension reduced on retirement;
- Welsh Government, on behalf of Public Health Wales 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 funded directly by the Welsh Government to the NHS Business Services Authority Pension Division, the administrators on behalf of the Welsh claimants.

Clinical staff have up 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
Guarantees	0	0
Indemnities	0	0
Letters of comfort	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

### 24.3 Contingent assets

	31 March 2021 £000	31 March 2020 £000
	0	0
	0	0
	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

## 25. Capital commitments

Commitments under capital expenditure contracts at the statement of financial position sheet date were:

	<b>31 March</b>	31 March
	<b>2021</b>	2020
	<b>£000</b>	£000
Property, plant and equipment	<b>0</b>	0
Intangible assets	<b>0</b>	0
<b>Total</b>	<b>0</b>	0

**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	14	189,246
Personal injury	0	0
All other losses and special payments	6	124,140
<b>Total</b>	<b>20</b>	<b>313,386</b>

Analysis of cases:

Case Reference	Number	Case Type	Amounts paid out in year	Cumulative amount
Cases where cumulative amount exceeds £300,000			£	£
CN-011	1	Clinical negligence	73,807	360,566
			0	0
			0	0
			0	0
			0	0
<b>Sub-total</b>	<b>1</b>		<b>73,807</b>	<b>360,566</b>
<b>All other cases</b>	<b>19</b>		<b>239,579</b>	<b>459,112</b>
<b>Total cases</b>	<b>20</b>		<b>313,386</b>	<b>819,678</b>



27. Finance leases

27.1 Finance leases obligations (as lessee)

Amounts payable under finance leases:

<b>LAND</b>	<b>31 March 2021 £000</b>	31 March 2020 £000
<b>Minimum lease payments</b>		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
<b>Minimum lease payments</b>	<b>0</b>	<b>0</b>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Present value of minimum lease payments</b>		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
<b>Total present value of minimum lease payments</b>	<b>0</b>	<b>0</b>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

## 27.1 Finance leases obligations (as lessee) continued

## Amounts payable under finance leases:

**BUILDINGS**

	<b>31 March</b>	31 March
	<b>2021</b>	2020
	<b>£000</b>	£000
<b>Minimum lease payments</b>		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
<b>Minimum lease payments</b>	<b>0</b>	<b>0</b>
Included in: Current borrowings	0	0
Non-current borrowings	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Present value of minimum lease payments</b>		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
<b>Total present value of minimum lease payments</b>	<b>0</b>	<b>0</b>
Included in: Current borrowings	0	0
Non-current borrowings	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**OTHER**

	<b>31 March</b>	31 March
	<b>2021</b>	2020
	<b>£000</b>	£000
<b>Minimum lease payments</b>		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
<b>Minimum lease payments</b>	<b>0</b>	<b>0</b>
Included in: Current borrowings	0	0
Non-current borrowings	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Present value of minimum lease payments</b>		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
<b>Total present value of minimum lease payments</b>	<b>0</b>	<b>0</b>
Included in: Current borrowings	0	0
Non-current borrowings	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

## 27.2 Finance lease receivables (as lessor)

The Trust has no finance lease receivables.

### Amounts receivable under finance leases:

	<b>31 March</b>	31 March
	<b>2021</b>	2020
	<b>£000</b>	£000
<b>Gross investment in leases</b>		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
<b>Present value of minimum lease payments</b>	<b>0</b>	<b>0</b>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Present value of minimum lease payments</b>		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
<b>Total present value of minimum lease payments</b>	<b>0</b>	<b>0</b>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

## 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.



**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.

### 30. Movements in working capital

	31 March 2021 £000	31 March 2020 £000
<b>Movements in working capital</b>		
(Increase) / decrease in inventories	(7,969)	(297)
(Increase) / decrease in trade and other receivables - non-current	(240)	327
(Increase) / decrease in trade and other receivables - current	(6,397)	(3,007)
Increase / (decrease) in trade and other payables - non-current	194	377
Increase / (decrease) in trade and other payables - current	11,710	6,679
<b>Total</b>	<b>(2,702)</b>	4,079
Adjustment for accrual movements in fixed assets - creditors	(356)	(161)
Adjustment for accrual movements in fixed assets - debtors	0	0
Other adjustments	(1)	8
<b>Total</b>	<b>(3,059)</b>	3,926

### 31. Other cash flow adjustments

	31 March 2021 £000	31 March 2020 £000
<b>Other cash flow adjustments</b>		
Depreciation	2,692	2,773
Amortisation	305	233
(Gains)/Loss on Disposal	0	(10)
Impairments and reversals	110	0
Release of PFI deferred credits	0	0
NWSSP Covid assets issued debited to expenditure but non-cash	0	0
Covid assets received credited to revenue but non-cash	0	0
Donated assets received credited to revenue but non-cash	0	0
Government Grant assets received credited to revenue but non-cash	(45)	0
Non-cash movements in provisions	1,820	540
<b>Total</b>	<b>4,882</b>	3,536

**32. Events after reporting period**

Public Health Wales NHS Trust had no events after the 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.



## 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	169	192,749	189	10,824
Aneurin Bevan University Health Board	4,254	1,778	517	392
Betsi Cadwaladr University Health Board	4,161	5,375	821	184
Cardiff and Vale University Health Board	6,110	6,845	1,214	1,138
Cwm Taf Morgannwg University Health Board	3,088	1,319	563	557
Hywel Dda University Health Board	3,422	2,236	555	5
Powys Teaching Health Board	545	363	139	72
Swansea Bay University Health Board	4,201	4,156	423	43
Velindre University NHS Trust	6,251	866	1,017	778
Welsh Ambulance Service NHS Trust	63	95	0	17
WHSSC/EASC	56	136	16	22
HEIW	122	1,434	6	42
Local Authorities	7,241	436	1,783	155
Related Party Transactions where Board members have declared an interest (see notes below for details of relationships):				
The Florence Nightingale Foundation	1	0	0	0
Hafren Dyfrdwy Cyfyngedig	1	0	0	0
MacMillan Cancer Support	1	825	0	592
Sport Wales	7	0	0	0
Torfaen County Borough Council (included in Local Authority figur	278	0	75	0
UK Public Health Register	13	0	13	0
	<b>39,984</b>	<b>218,613</b>	<b>7,331</b>	<b>14,821</b>

Rhiannon Beaumont-Wood, Executive Director of Quality, Nursing and Allied Health Professionals, is a Trustee of the Florence Nightingale Foundation.

Andrew Jones, Interim Executive Director of Public Health Services, is Chair for UK Public Health Register.

Kate Eden, Vice Chair and Non-Executive Director, is Chair for WHSSC.

Mohammed Mehmet, Non-Executive Director, is a Non-Executive Director for Hafren Dyfrdwy.

Mohammed Mehmet, Non-Executive Director, is a Trustee for MacMillan Cancer Support.

Judi Rhys, Non-Executive Director, is a Non-Executive Director at Sport Wales.

Alison Ward, Non-Executive Director, is Chief Executive of Torfaen County Borough Council.

**34. Third party assets**

The Trust held £0 cash at bank and in hand at 31 March 2021 (31 March 2020, £0 ) which relates to monies held by the Trust on behalf of patients. Cash held in Patient's Investment Accounts amounted to £0 at 31 March 2021 (31 March 2020, £0).

**35. Pooled budgets**

Public Health Wales NHS Trust has no pooled budgets.

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36. Operating Segments

	PHW NHS Trust		NHS Collaboratives		Finance Delivery Unit		TOTAL		ELIMINATIONS		TOTAL	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Operating Revenue</b>												
Segmental Income	192,701	135,655	24,292	15,782	1,657	1,620	218,650	153,057	(366)	(146)	218,284	152,911
	<b>192,701</b>	<b>135,655</b>	<b>24,292</b>	<b>15,782</b>	<b>1,657</b>	<b>1,620</b>	<b>218,650</b>	<b>153,057</b>	<b>(366)</b>	<b>(146)</b>	<b>218,284</b>	<b>152,911</b>
<b>Operating expenses</b>												
Local Health Boards	11,287	11,402	8,230	4,305	20	15	19,537	15,722	(366)	(135)	19,171	15,587
Welsh NHS Trusts	862	932	2,574	1,849	16	107	3,452	2,888	0	0	3,452	2,888
Health Education and Improvement Wales (HEIW)	0	0	0	0	0	0	0	0	0	0	0	0
Goods and services from other non Welsh NHS bodies	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
Local Authorities	3,976	4,857	0	0	0	0	3,976	4,857	0	0	3,976	4,857
Purchase of healthcare from non-NHS bodies	0	0	0	0	0	0	0	0	0	0	0	0
Welsh Government	7	0	0	0	0	0	7	0	0	0	7	0
Other NHS Trusts	64	72	30	0	0	0	94	72	0	0	94	72
Directors' costs	1,836	1,637	0	0	0	0	1,836	1,637	0	0	1,836	1,637
Operational Staff costs	98,863	83,939	8,784	7,502	1,450	1,087	109,097	92,528	0	0	109,097	92,528
Single lead employer Staff Trainee Cost	0	0	0	0	0	0	0	0	0	0	0	0
Supplies and services - clinical	54,828	11,884	3	0	0	0	54,831	11,884	0	0	54,831	11,884
Supplies and services - general	1,249	1,048	1,484	278	1	1	2,734	1,327	0	0	2,734	1,327
Consultancy Services	488	318	84	80	48	50	620	448	0	0	620	448
Establishment	5,405	7,743	825	854	10	51	6,240	8,648	0	0	6,240	8,648
Transport	437	782	9	9	0	0	446	791	0	0	446	791
Premises	7,430	6,383	1,249	607	112	80	8,791	7,070	0	0	8,791	7,070
Impairments and Reversals of Receivables	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	2,692	2,773	0	0	0	0	2,692	2,773	0	0	2,692	2,773
Amortisation	305	233	0	0	0	0	305	233	0	0	305	233
Impairments and reversals of property, plant and equipment	110	0	0	0	0	0	110	0	0	0	110	0
Impairments and reversals of intangible assets	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
Impairments and reversals of non current assets held for sale	0	0	0	0	0	0	0	0	0	0	0	0
Audit fees	151	151	0	0	0	0	151	151	0	0	151	151
Other auditors' remuneration	0	0	0	0	0	0	0	0	0	0	0	0
Losses, special payments and irrecoverable debts	334	337	0	0	0	0	334	337	0	0	334	337
Research and development	0	0	0	0	0	0	0	0	0	0	0	0
Other operating expenses	2,282	1,205	1,020	298	0	229	3,302	1,732	0	(11)	3,302	1,721
<b>Total</b>	<b>192,606</b>	<b>135,696</b>	<b>24,292</b>	<b>15,782</b>	<b>1,657</b>	<b>1,620</b>	<b>218,555</b>	<b>153,098</b>	<b>(366)</b>	<b>(146)</b>	<b>218,189</b>	<b>152,952</b>
Investment Revenue	0	73	0	0	0	0	0	73	0	0	0	73
Other Gains and Losses	(18)	10	0	0	0	0	(18)	10	0	0	(18)	10
Finance Costs	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>(18)</b>	<b>83</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(18)</b>	<b>83</b>	<b>0</b>	<b>0</b>	<b>(18)</b>	<b>83</b>
<b>Retained surplus</b>	<b>77</b>	<b>42</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>77</b>	<b>42</b>	<b>0</b>	<b>0</b>	<b>77</b>	<b>42</b>

2019-20 operating revenue and operating expenses have been restated in this note to reflect the correct apportionment of the notional element of income and expenditure for the 6.3% Staff Employer Pension Contributions.

	£000	£000
	Income	Expenditure
PHW	(256)	(256)
NHS Wales Health Collaborative	211	211
Finance Delivery Unit	45	45

**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:

<b>STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021</b>	<b>2020-21 £000</b>	<b>2019-20 £000</b>
Revenue from patient care activities	4,297	3,866
Operating expenses	4,297	3,866
<b>3. Analysis of gross operating costs</b>		
<b>3. Revenue from patient care activities</b>		
Welsh Government	4,001	3,610
Welsh Government - Hosted Bodies	296	256
<b>5.1 Operating expenses</b>		
Directors' costs	84	70
Staff costs	4,213	3,796

37. Other Information (continued)

37.2 Welsh Government Covid 19 Funding

	2020-21 £000
<b>Capital</b>	
Capital Funding Field Hospitals	0
Capital Funding Equipment & Works	10,738
Capital Funding other (Specify)	0
<b>Welsh Government Covid 19 Capital Funding</b>	<b><u>10,738</u></b>
<b>Revenue</b>	
Sustainability Funding	1,016
C-19 Pay Costs Q1 (Future Quarters covered by SF)	1,314
Field Hospital (Set Up Costs, Decommissioning & Consequential losses)	0
PPE (including All Wales Equipment via NWSSP)	95
TTP- Testing & Sampling - Pay & Non Pay	39,170
TTP - NHS & LA Tracing - Pay & Non Pay	0
Vaccination - Extended Flu Programme	179
Vaccination - COVID-19	216
Bonus Payment	1,876
Annual Leave Accrual - Increase due to Covid	1,258
Urgent & Emergency Care	0
Support for Adult Social Care Providers	0
Hospices	0
Independent Health Sector	0
Mental Health	0
Other Primary Care	0
Other	1,994
<b>Welsh Government Covid 19 Revenue Funding</b>	<b><u>47,118</u></b>

The Trust has contributed underspends from across the organisation towards the Covid 19 pandemic costs. Underspends have arisen during the year due to the pausing of anticipated activity.

**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 have a significant impact and this will be worked through for disclosure in our 2021-22 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 (FRoM), 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 FRoM 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)