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WALES

Bwrdd Iechyd Prifysgol
Cwm Taf Morgannwg
University Health Board

DRAFT

Accountability Report

2018/19

Signed

Date :

TABLE OF CONTENTS

	ACCOUNTABILITY REPORT 2018/19	Page number
1	INTRODUCTION	3
2	ACCOUNTABILITY REPORT	4
3	CORPORATE GOVERNANCE REPORT	5
	ANNUAL GOVERNANCE STATEMENT	6
	DIRECTORS REPORT 2018/19	68
	STATEMENT OF ACCOUNTABILITY 2018/19	83
4	REMUNERATION AND STAFF REPORT 2018/19	86
5	NATIONAL ASSEMBLY FOR WALES ACCOUNTABILITY AND AUDIT REPORT 2018 -2019	101

ACCOUNTABILITY REPORT 2018/19

1 INTRODUCTION

The Government Financial Reporting Manual (FReM) is the technical accounting guide to the preparation of the financial statements. HM Treasury published a revised version of the Government Financial Reporting Manual (FReM) 2018/19, in December 2018 which states that NHS bodies are required to publish, as a single document, a three-part annual report and accounts document which includes:

1.1 The Performance Report

The purpose of the performance section of the annual report is to provide information on the entity, its main objectives and strategies and the principal risks that it faces. The report must include:

- An overview
- A Performance analysis.

1.2 The Accountability Report

The purpose of the accountability section of the annual report is to meet key accountability requirements to the National Assembly for Wales, which must include the following sections:

- A Corporate Governance Report
- A Remuneration and Staff Report
- A National Assembly for Wales Accountability and Audit Report.

1.3 The Financial Statements

- The Audited Annual Accounts 2018/19.

THE ACCOUNTABILITY REPORT 2018/19

a. The Corporate Governance Report

This explains the composition and organisational governance structures and how they support the achievement of the entity's objectives. It includes a *Director's Report*, a *Statement of Accounting Officers Responsibilities* and a *Governance Statement*. The Director of Corporate Services & Governance / Board Secretary and the Corporate Services Team has compiled the report, the main document being the Annual Governance Statement (AGS). The compilation of this section of the report has been informed by a review of the business undertaken by the Board and its Committees / Advisory Groups over the last year and has had input from the Chief Executive, as Accountable Officer, the Executive Team and members of the Audit Committee.

b. Remuneration and Staff Report

This sets out the Health Board's remuneration policy for directors, reports on how that policy has been implemented and sets out the amounts awarded to directors and where relevant the link between performance and remuneration. This section contains information about the remuneration of senior management, fair pay ratios, sickness absence rates etc. and has been compiled by the Finance Department and the Workforce & Organisational Development Directorate.

c. National Assembly for Wales Accountability and Audit Report

This document contains a range of disclosures on the regularity of expenditure, fees and charges, compliance with the cost allocation and charging requirements set out in Her Majesty's Treasury Guidance, material remote contingent liabilities, long-term expenditure trends, and the audit certificate and report.

The timescale for publication of the Annual Report 2018/19 varies from that of the Accountability Report which was considered and approval by the Audit Committee and Board in May 2019. The Annual Report must be finalised for presentation at the Annual General Meeting (AGM) on 31 July 2019, having first been reviewed by the Wales Audit Office (WAO).



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Corporate Governance Report

2018/19

ANNUAL GOVERNANCE STATEMENT (AGS) 2018/19

1. SCOPE OF RESPONSIBILITY

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

Cwm Taf University Health Board (CTUHB) was established on the 1 October 2009 with responsibility for the provision of services to more than 301,846¹ residents within the local authority boundary areas of Merthyr Tydfil and Rhondda Cynon Taf. Almost 79% of the population live in Rhondda Cynon Taff local authority and the remaining 21% in Merthyr Tydfil. CTUHB's catchment population increases when patient flow from the Upper Rhymney Valley, South Powys, North Cardiff and the Western Vale area are included. The organisation has 8,138 members of staff working at two district general hospitals and five community hospitals with 27 health centres/clinics/support facilities. There are 77 community pharmacies, 35 dental surgeries, 41 GP surgeries and 29 optometry practices.

As of 1 April 2019 as a result of changes to the Bridgend County Borough Council boundary, the Health Board's name changed from CTUHB to Cwm Taf Morgannwg (CTMUHB) as responsibility for the provision of services for the Bridgend population were transferred from Abertawe Bro Morgannwg University Health Board. More information regarding the impact of the boundary change can be found on pages 48-49 or via our [website](#).

The Board's overarching role, is to ensure delivery of its three-year [Integrated Medium Term Plan](#) (IMTP) 2018 - 2021 in accordance with the relevant Welsh Government NHS Planning Framework, and the related organisational objectives aligned with the Institute of Healthcare Improvement's 'Triple Aim' are being progressed.

Organisational objectives:

- To **improve** quality, safety and patient experience
- To **protect** and **improve** population health
- To **ensure** that the services provided are accessible and sustainable into the future
- To **provide** strong governance and assurance
- To **ensure** good value based care and treatment for our patients in line with the resources made available to the Health Board.

The Health Board has integrated its well-being statement and delivery of its well-being objectives into its IMTP to ensure that the Wellbeing & Future Generations Act is at the core of decisions the Board makes about the delivery of its services. Most importantly, the main focus is to effect long-term change which improves the health, well-being and resilience of the communities we serve. This is the connecting link between all our well-being objectives which also encapsulates the five ways of working.

During 2018/19 the CTUHB provided a full range of hospital and community based services to the residents of Rhondda Cynon Taf and Merthyr Tydfil. These include the provision of local primary care services (GP Practices, Dental Practices, Optometry Practices and Community Pharmacy) and the running of hospitals, health centres and community health teams. The CTUHB was also responsible for making arrangements for the residents of Rhondda Cynon Taf and Merthyr Tydfil to access those health services not provided within the Cwm Taf area. Detailed information about the services provided and the respective facilities can be found on our website in the section 'Local Services'. This can be accessed from the website homepage, or via the following link [Our Services](#).

The Health Board is led by its Chair, Chief Executive and a Board of Executive Directors, Independent Members and Associate Members. The Chair, Vice-Chair, Independent Members and Associate Members are appointed for fixed-term periods by the Welsh Government. Each Independent Member has a specific area of responsibility and this, along with their level of Board and Committee meeting attendance is set out in the Director's report) from page 67 onwards.

Associate Members attend Board meetings on an ex-officio basis, but have no voting rights. Associate Members are outlined on page 76.

The Executive Directors as set out below and are full-time NHS professionals appointed by the Board and they hold full permanent contracts of employment:

- Allison Williams, Chief Executive
- Ruth Treharne, Director of Planning & Performance / Deputy Chief Executive
- Kamal Asaad, Medical Director
- Joanne Davies, Director of Workforce & Organisational Development
- Kelechi Nnoaham, Public Health Director
- Alan Lawrie, Director of Primary, Community & Mental Health (*interim from April until December 2018 when substantively appointed*)
- Steve Webster, Director of Finance & Procurement
- John Palmer, Chief Operating Officer (*interim from April until December 2018 when substantively appointed*)
- Lynda Williams, Director of Nursing, Midwifery and Patient Services (until August 2018 / Angela Hopkins, Interim Director of Nursing, Midwifery & Patient Services (from September 2018 until 31 March 2019)

Greg Dix was appointed to the post of Director of Nursing, Midwifery & Patient Care and took up post from April 2019.

Two additional Directors (Robert Williams and Stephen Harrhy^{2*}) have been appointed but they have no voting rights at the Board.

The Board has overall responsibility for the strategic direction of the Health Board and provides leadership and direction to the organisation and has a key role in ensuring that the organisation has sound governance arrangements in place. It also encourages an open culture with aims to ensure high standards in the way in which its work is conducted. Board members share corporate responsibility for all decisions and play a key role in monitoring the performance of the organisation and for making sure that the Health Board is responsive to the needs of the communities it serves.

The Chief Executive is accountable to the Health Board for ensuring that its health care services are effective and that the Health Board activities are managed in an efficient manner. The CTUHB continued to strengthen its working arrangements with its local authority partners, the third sector and local universities. During the year, this has included forging closer and stronger links with Bridgend local authority as a consequence of the agreed boundary change.

The organisation was awarded 'University' status by the Minister for Health and Social Services in November 2013. This was an important achievement in the organisation's development journey and a source of great pride. University status was re-accredited in 2017 and continues to help the ongoing drive to provide high quality, responsive care and services for the communities in strengthened collaboration with our academic partners.

The Board usually [meets around seven times a year in public](#) with additional (Special) meetings as necessary. The Board is made up of individuals from a range of backgrounds, disciplines and areas of expertise. The Board comprises the Chair, Vice Chair, nine other Independent Members, Associate Board Members, the Chief Executive, eight Executive Directors and two other Directors. The full membership of the Board is outlined on page 70 onwards. All the meetings of the Board in 2018/19 were appropriately constituted and quorate.

Key business and risk matters considered by the Board during 2018/19 are outlined below:

- Considered updates regarding the significant concerns raised relating to [maternity services commissioned by the Minister for Health and Social Services, which reported in April 2019](#);
- Overseen the ongoing development of arrangements to deliver the outcomes of the [South Wales Programme](#) and the delivery of a capital business case to expand neonatal and obstetric services at Prince Charles Hospital, which led to the commissioning of the new Maternity and Neonatal Units in Merthyr Tydfil and the successful establishment of a free-standing Midwifery Led Unit at the Royal Glamorgan Hospital;

² ***Note** - From the 2 February 2015, Stephen M Harrhy, was appointed as the Chief Ambulance Services Commissioner (CASC) for Wales and Board Director CTUHB and subsequently took on the additional role of Director of Unscheduled Care for NHS Wales in 2015/16.

- Overseen the implementation of the approved 2018-21 three-year IMTP and actively involved in the development and approval of the 2019-2022 plan and approved quarterly updates regarding progress on the 2018-21 IMTP;
- Considered and discussed the organisational risk register and the monitoring and management of the assigned risks to key committees of the Board;
- In alignment with the Board's maturing Board Assurance Framework (BAF), routinely received assurance reports from the Committees and Advisory Groups of the Board;
- Considered and discussed financial performance and the related risks being managed by the Health Board;
- Routinely received updates on matters relating to workforce, including performance metrics, recruitment, and legislative changes e.g. the Nurse Staffing Levels (Wales) Act 2016;
- Received an update on the specific public health provisions covered by the Public Health (Wales) Act identifying potential implications for the organisation and received the Director of Public Health's Annual Report for 2017/18;
- Received and approved the terms of reference for the Bridgend Joint Transition Board and considered updates regarding plans to deliver the changes relating to Bridgend Boundary Change in terms of services and facilities transferring from ABMUHB to CTMUHB;
- Considered the 2018 [Structured Assessment](#) and the Auditor General for Wales' [Annual Audit Report](#) for 2018, and approved the Board's response;
- Received regular reports on patient experience and discussed the Public Service Ombudsman Annual Letter for 2017/18;
- Discussed and approved the Annual Carers Report for 2017/18;
- Routinely considered the Board's performance in relation to key national and local targets and agreed mitigating actions in response to improved performance where appropriate, this included actions to address and improve cancer target performance; stroke services; referral to treatment (RTT) waiting times, mental health measure compliance and workforce indicators;
- Discussed an evaluation of the robustness of the plans put into place for the winter of 2017/18 and approval of a Winter Planning & Preparedness Plan for 2018/19;
- Received an update on the uptake of screening and arrangements in place with Public Health Wales Screening Division to continue investigations for the early detection of disease;
- Received capital and discretionary programme updates;
- Received updates on a range of partnerships initiatives and updates on the work of the South Central and East Regional Planning and Delivery Forum and NHS Wales Collaborative;
- Received a position statement regarding the findings of the Gosport War Memorial Hospital inquiry into deaths from inappropriate prescribing of opiates and received an update on the [Infected Blood Inquiry](#) and approved a Charter for bereaved families;
- Received an overview of the work being undertaken in relation to Arts, Health & Wellbeing;
- Discussed the outcome of the consultation into the review of [Adult Thoracic Surgery](#) services and approved the recommended way forward;

- Discussed a report regarding the change to the organisation's escalation status to 'enhanced monitoring' and the plans in place to address the issues raised in order to return to 'routine' monitoring status (further information regarding this is on page 22;
- Received and approved the closure of Pantglas branch surgery in Aberfan
- Received a Performance Framework update regarding systems and processes in place to deliver Welsh Government requirements in respect of Continuing Healthcare during 2018/19;
- Received a report and approved a Funded Nursing Care rate uplift in line with the previously approved Inflationary Uplift Mechanism;
- Progress against the Social Services & Well-Being (Wales) Act 2014 (SSWB Act) and the Well-Being of Future Generations (Wales) Act (2015); and
- Routinely received updates from Board Champions, including those relating to Welsh Language, Equality, Patient & Public Engagement, Vulnerable Adults and Older People; and Staff.

The Health Board hosts two all-Wales Joint Statutory Committees:

- **The Welsh Health Specialised Services Committee (WHSSC)**, is a statutory joint committee of the seven Local Health Boards which was established in April 2010. WHSSC is responsible for the joint planning and commissioning of over £500m of specialised and tertiary health care services on an all-Wales basis.
- **The Emergency Ambulance Services Committee (EASC)**, is a statutory joint committee of the seven local health boards, with three Welsh NHS Trusts as Associate Members, which was established in April 2014. EASC is responsible for the joint planning and commissioning of circa £155m of emergency ambulance services, including Emergency Medical Retrieval & Transfer Service (EMRTS) on an all-Wales basis and commissioning non-emergency patient transport.

In 2017, the Welsh Government approved the business case for the development of an NHS Wales National Imaging Academy. The £3.4m Academy hosted by the Health Board was officially opened by the Minister for Health and Social Services, Vaughan Gething, in February 2019. It is training the next generation of radiologists, radiographers, sonographers and imaging professionals within a modern, innovative, specialist training environment.

1.1 Committees of the Board and Advisory Groups

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

The Health Board has a range of committees which are chaired by Independent Board Members and have key roles in relation to the system of governance and

assurance, decision making, scrutiny, development discussions, assessment of current risks and performance monitoring.

The Committees provide regular assurance reports to the Board to contribute to its assessment of assurance and to provide scrutiny on the delivery of key objectives. However, there is recognition that further improvement work is required in relation to quality governance in light of the WAO's Structured Assessment findings and the recently published external joint Royal Colleges' report on maternity services. There is also cross representation between Committees to support the connection of the business of committees and also to seek to integrate assurance reporting.

At a local level, NHS organisations in Wales must agree Standing Orders for the regulation of proceedings and business. They are designed to translate the statutory requirements set out in the local health board (Constitution, Membership and Procedures) (Wales) Regulations 2009 into day-to-day operating practice, and, together with the adoption of a scheme of matters reserved to the Board; a scheme of delegation to officers and others; and Standing Financial Instructions, they provide the regulatory framework for the business conduct of the Health Board.

These documents, together with the range of corporate policies set by the Board make up the Governance Framework and define - its ways of working.

The Health Board regularly seeks assurance through its committee reporting structure that the following disciplines are in place:

- High quality services are delivered efficiently and effectively;
- Risk management and internal control activities are;
 - proportionate to the level of risk within the organisation
 - aligned to other business activities
 - comprehensive, systematic and structured
 - embedded within business procedures and protocols and dynamic iterative and responsive to change
- Equality Impact Assessment is carried out in accordance with legislation and the Health Board's Equality Impact Assessment Policy;
- Performance is regularly and rigorously monitored, with effective measures implemented to tackle poor performance;
- Compliance with laws and regulations;
- Information used by the Health Board is relevant, accurate, reliable and timely;
- Financial resources are safeguarded by being managed efficiently and effectively; and
- Human and other resources are appropriately managed and safeguarded.

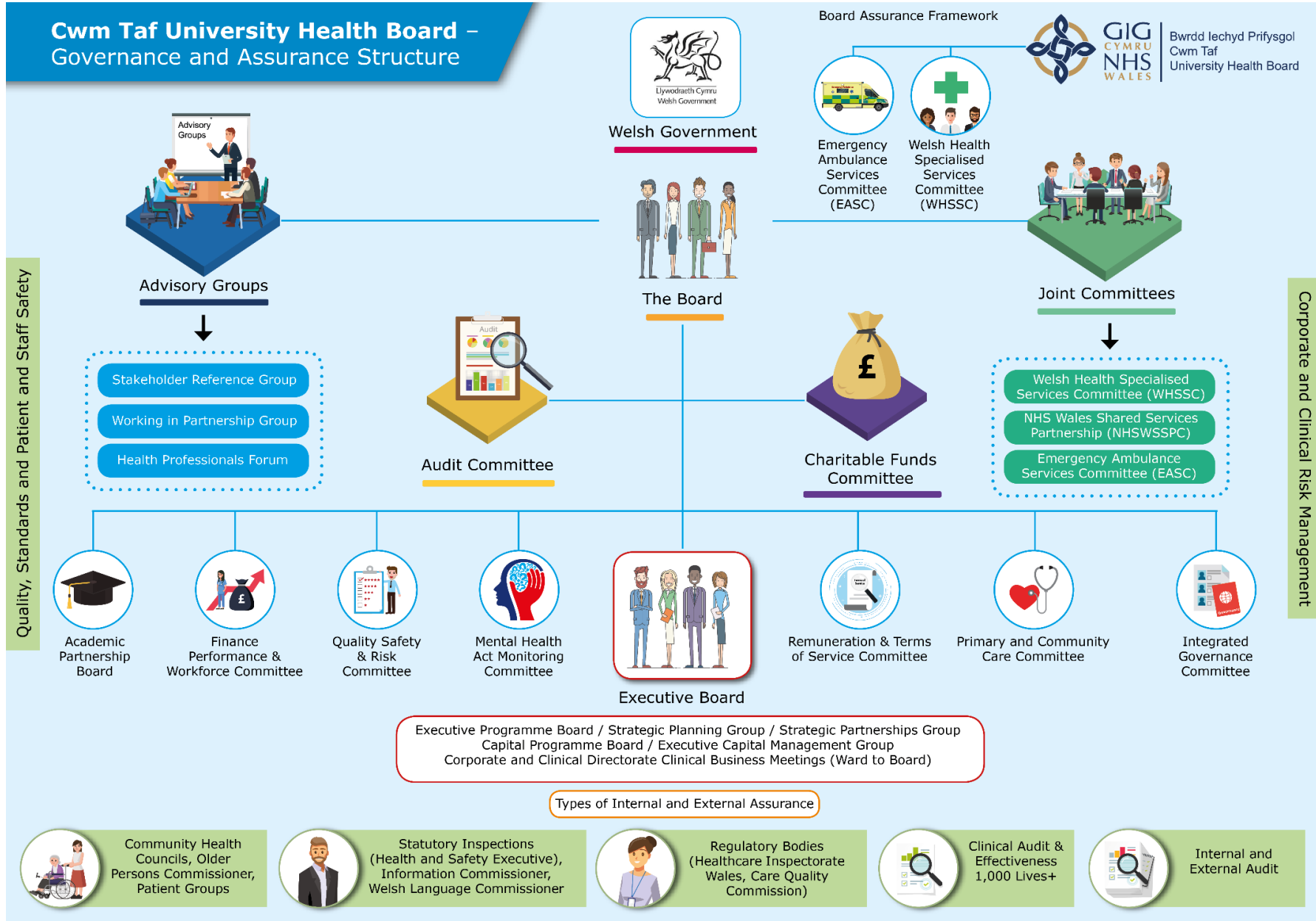
The committees have met regularly during the year, with update reports outlining key risks and highlighting areas which need to be brought to the Board's attention to contribute to its assessment of assurance and provide scrutiny against the delivery of objectives.

The committees, as well as reporting to the Board, also work together on behalf of the Board to ensure, where required, that cross reporting and consideration takes place and assurance and advice is provided to the Board and the wider organisation.

The WAO Structured Assessment 2018 acknowledged that the Board continues to be generally well-run, providing a good level of scrutiny and challenge. The Board recognises, however, that further work is required to improve its quality and safety governance arrangements and is committed to addressing these issues in the forthcoming financial year. Our system of governance and accountability during the year is therefore demonstrated in the following diagram.

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Cwm Taf University Health Board – Governance and Assurance Structure



The purpose of the **Integrated Governance Committee** is to provide assurance to the Board around the organisation's healthcare assurance and risk management frameworks, ensuring that there is an accurate reflection of existing risks, key controls, assurances, and action plans to deliver against gaps in assurance. In 2018/19 the Committee considered:

- Progress with implementation of its Integrated Governance & Accountability Action Plan;
- WAO and Internal Audit progress updates;
- Oversight and coordination of the Board's Governance & Accountability Module Annual Self-Assessment for 2018/19;
- Consideration of the schedule of referral of matters to Board committees; and
- Board Committee Chair reports.

The Board's Standing Orders require Board committees to undertake an annual assessment of their own effectiveness and report the outcome of these to the Health Board. Over the last year the following improvement actions (agreed through self-assessment) were progressed:

Feedback	Suggested Action	Progress with action
Ensure Terms of Reference are reviewed annually	The terms of reference are reviewed annually in tandem with the review of standing orders.	Completed
Committee member training	Develop bespoke local induction training sessions for new Independent Members and consider training requirements for long-serving IM's.	New IMs attended the national induction training organised by Academi Wales / NHS Confederation Wales and CTUHB held its own local induction training and site visits for new IM's.
More timely circulation of committee minutes / Action Notes	Minutes should be circulated to members in 'draft' format once approved by the Committee Chair.	The corporate services team endeavour to issue the minutes as swiftly as possible once approved by the Chair. Further progress is needed in this area.

The **Charitable Funds Committee** oversees the Health Board's charitable funds, as the Board is the corporate trustee for the Charitable Funds held by the organisation. This is reflected in the overall governance structure of the organisation to provide assurance that Charitable Funds are being appropriately considered and overseen.

An important Committee of the Board in relation to the overall Board assurance arrangements including development of the Annual Governance Statement is the

Audit Committee, which keeps the design and adequacy of the Health Board's governance and assurance arrangements under review on behalf of the Board. During 2018/19, key issues considered by the Audit Committee relating to the overall governance of the organisation have been:

- Overseeing systems of internal control;
- Reviewing reliable sources of assurance and being satisfied with the associated course of action;
- A continued focus on improvements in the financial systems, controls procedures and the monitoring of payments and trending processes, including improved compliance this year, with the Public Sector Prompt Payment duty and related target;
- Sponsored an increasing programme of compliance, including internal audit activity across corporate and clinical Directorates;
- Overseen the local arrangements for counter fraud and received regular update reports on related activity, including investigations;
- Keeping under review the Health Board's risk management strategy, risk appetite and related processes;
- Provided oversight and scrutiny to hosted bodies, namely Welsh Health Specialised Services Committee (WHSSC) and the Emergency Ambulance Services Committee (EASC);
- Overseen and recommended approval of the revised Standing Orders of the Board; and
- Internal and external audit reports, and tracking progress against internal and external audit recommendations, developing and strengthening related internal processes. Holding Executive Directors to account, where appropriate, in relation to internal and external audit activity.

The Audit Committee is therefore a key source of assurance to the Board that the organisation has effective controls in place to manage the significant risks to achieving its strategic objectives.

The **Remuneration and Terms of Services Committee**, is chaired by the Chair of the Health Board and includes all Independent Board Members and meets periodically throughout the year to consider matters relating to Director and Very Senior Managers (VSMs) Remuneration and Terms of Service and other related matters, which includes applications for Voluntary Early Release from employment and annual performance appraisals for the Chief Executive and Directors of the Board.

The **Quality, Safety & Risk Committee** is a key Committee of the Board, primarily aligned with assessment of the Health Board's overall quality, clinical governance and assurance and related risk management arrangements. During 2018/19, key issues considered by the committee were:

- The organisation's Quality Strategy (aligned with the Board's '*Cwm Taf Cares*' philosophy) developed for one-year only to ensure the quality agenda focuses on the key priorities of the Board and developed a quality dashboard to consider progress with key quality and safety related targets during the work to transition in relation to the Bridgend Boundary Change;
- The development of the Quality and Safety Framework and sub-groups to underpin and support the work of the committee;
- Received and considered reports on Bridgend Boundary Change;
- Considered planned and unannounced review and inspection activity by Healthcare Inspectorate Wales (HIW) and the Community Health Council (CHC), along with the Health Board's internal inspection processes and updates on key quality issues such as maternity services;
- Overseen the development of the Annual Quality Statement 2018/19;
- Development and review of the organisation's Corporate Risk Register;
- Monitoring the quality implications in relation to the Board's work on follow up appointments not booked;
- Monitoring and scrutiny of the arrangements with regards to compliance with legislative and regulatory requirements for workplace Health & Safety, including Moving & Handling, Violence & Aggression, Staff Surveillance including skin action plan and Fire Safety;
- Monitored and scrutinised delivery of the Action Plan in response to the findings of the Human Tissue Authority (HTA) Inspection;
- In addition to overseeing the risk registers of the Health Board and hosted bodies, also reviewed the Committee's assigned risks and provided risk management oversight and scrutiny to hosted bodies, namely WHSSC and EASC;
- Approved various annual reports and organisational policies;
- Received updates on progress relating to compliance in relation to quality, safety & risk, including patient experience, concerns, safeguarding, infection prevention & control, information governance, equality & diversity and Welsh language;
- Received the annual review of mortality report and other important audit work;
- Considered relevant reports referred by Audit Committee; and
- Routinely considered and discussed Directorate Exception Reports

As highlighted by WAO in their 2018 Structured Assessment, there are weaknesses in the Health Board's quality and safety governance arrangements, this factor being recognised by the Board, with action already being taken to address the situation. Work has already taken place to revisit and refine the Quality, Safety & Risk supporting groups and progress has been made in developing a Clinical Governance Framework and a Delivery Framework. The CTMUHB will be revising its Quality Strategy following the inclusion of the Bridgend locality within its catchment population having made a conscious decision to put an interim Quality Strategy in place in the year 2018/19. The Cwm Taf Morgannwg Quality Strategy will also address the weaknesses as detailed in the WAO's Structured Assessment review carried out in 2018.

Post April 2019, it is acknowledged that there will be a need to review the potential impact upon the Quality, Safety & Risk Committee following the Bridgend service transition and the actions arising from the review of maternity services. It is likely that meetings will increase from quarterly to monthly to accommodate the additional issues needing to be reported.

In response to the issues identified that have led to recent escalation of the Board's monitoring status, strengthening the overall organisational quality governance arrangements is the key priority for the Board going forward.

Additional detail on performance in relation to quality, safety and risk can be viewed in the Health Board's Annual Quality Statement which will be published on the CTMUHB website in July 2019.

The **Primary & Community Care Committee** was constituted by the Health Board in 2014, initially to support the development of a Strategy for Primary Care, which informed the IMTP submitted in 2015 and subsequent refreshed versions of the plan. The committee's focus is on scrutinising the delivery of key elements of the IMTP that relate to Primary Care. The committee is chaired by the Health Board's Vice-Chair.

Over the past year, the committee considered the following key areas of activity:

- The delivery and implementation of the primary care delivery plan (informed by the Primary Care Strategy) as it relates to the Board's IMTP
- Reviewed and monitored delivery of the oral and eye health delivery plans
- Reviewed and monitored delivery of agreed primary care investments
- Monitored progress on the delivery of the Oral Health and Eye Care Plans
- Overseen arrangements for Primary Care Contractor service developments and related cluster hub work particularly in relation to GP Sustainability and the GP Out-of-Hours service including Patient Experience;
- Reviewed and monitored actions being taken to sustain Primary Care Services
- Reviewed matters referred by Audit Committee such as Post Payment Verification and Discharge Planning
- Considered and discussed assigned risks from the Organisational Risk Register
- Considered the primary & community care Transformation Plan, and district nursing and medicines management issues
- Considered and discussed the Pacesetter Initiative – Advanced Training Practice
- Routinely reviewed Integrated Performance Dashboard as it related to Primary Care
- Reviewed, considered and discussed the Board's Inverse Care Law programme of work and related progress and
- Reviewed, considered and discussed the Board's Population Segmentation programme of work and related progress.

The [**Finance, Performance & Workforce Committee**](#) scrutinises the Health Board's performance, aligned to its IMTP commitments. The Committee's key areas of activity during the year were:

- Active involvement in the development and scrutiny of the refreshed 2019-2022 IMTP
- Routinely reviewed and scrutinised the Health Board's integrated performance dashboard, cancer service performance and primary care child & adolescent mental health service performance
- Routinely, reviewed and scrutinised financial performance, such as the development of savings plans and directorate budget setting and delivery of agreed savings plans including medical agency expenditure
- Reviewed and scrutinised key areas of workforce activity, including the increasing impact of workforce shortages, particularly within medical and registered nursing & midwifery staff groups, staff sickness and the mitigating actions being taken both locally and nationally
- Received annual updates regarding facilities, estates & energy performance
- Received various deep-dives analysis reports across various clinical services
- Reviewed and scrutinised the development of the Board's commissioning & contracting plan
- Reviewed and scrutinised ambulance performance and considered an update regarding winter pressures in terms of future plans and how the organisation worked with the Welsh Ambulance Services NHS Trust to improve systems
- Reviewed and scrutinised the demand and capacity plans for Ophthalmology and received an analysis on Follow-Up Not Booked outpatients
- Reviewed WAO and Internal Audit reports
- Received clinical efficiency reports in agreed key service areas
- Received deep-dive financial reports for agreed directorates and
- Reviewed assigned organisational risks.

The [**Mental Health Act Monitoring Committee**](#) is chaired by the Vice Chair of the Health Board and monitors the Health Board's compliance with the requirements of the Mental Health Act and met three times during 2018/19.

The work of the committee, including its terms of reference were reviewed and refreshed during the year and related processes and focus areas have been strengthened. Its key areas of activity during the year included:

- Quarterly review of statistical performance regarding compliance with the Mental Health Act
- Review and scrutiny of reported breaches relating to the Mental Health Act
- A business case between health boards and South Wales Police around use of Section 136 of the Mental Health Act
- Working with key partners such as South Wales Police, the Local Authorities and the Welsh Ambulance Services NHS Trust
- Oversee the work of the mental health act operational group and
- Bridgend Boundary Change.

In addition to these committees, the Board has three advisory groups.

Stakeholder Reference Group (SRG)

The Group is formed from a range of partner organisations from across the Health Board's area and engages with and has involvement in the Health Board's strategic direction, advises on service improvement proposals and provides feedback to the Board on the impact of its operations on the communities it serves. The SRG met on six occasions during 2018/19 and has been actively engaged in the development of the Board's IMTP 2019-2022, including supporting the development of a public facing 'easy-read' summary of the plan.

Working in Partnership Forum (WIPF)

The Board and staff-side representatives have a strong working relationship. The Board recognises the importance of engaging with staff organisations on key issues facing the organisation. The WIPF met regularly during the year, providing the formal mechanism through which the organisation works together with payers and professional bodies to improve health services for the population it serves. In addition, the Health Board engages with its Medical Workforce through its Hospital Medical Staff Committees (HMSCs). WIPF is the forum where key stakeholders engage with each other to inform debate and seek to agree local priorities on workforce and health service issues. During 2018/19, the Forum has worked closely with senior management in progressing the service redesign and change agenda, ensuring appropriate arrangements are in place to support staff.

During the year, significant strategic issues were discussed which include:

- progress on implementation of the 2018-2020 IMTP and the development of the 2019-2022 IMTP
- the outcome and actions arising from the NHS Staff Survey
- progress with Bridgend boundary change
- updates regarding quality governance issues in relation to maternity services;
- policies which impact on staff
- proposals around the NHS Transformation Fund and
- progress regarding new organisational structures.

Healthcare Professionals' Forum (HPF) The Forum comprises representatives from a range of clinical and healthcare professions within the Health Board and across primary care practitioners and provides advice to the Board on all professional and clinical issues it considers appropriate. The HPF met once during 2018/19, and considered a variety of issues including the initiative 'Stay well at Home', the consultation proposals on Thoracic Surgery, Bridgend Boundary Change and the General Data Protection Regulations. The HPF, under the guidance of a new Chair is currently reviewing and developing its work programme to inform its work over the coming year.

The Health Board also operates an **Academic Partnership Board (APB)** chaired by the Director of Public Health which includes representation from Cardiff University, Cardiff Metropolitan University and the University of South Wales. The APB oversees the work of the Health Board and partners in relation to the Health Board's University status and ensures that the related strategy of the Board in this area of its work is taken forward in partnership with academic providers. The Board is supported by the Academic Partnership Steering Group. The APB held a workshop in July 2018 looking at issues such as patient focussed research and innovation, the importance of clinical engagement and considered the joint work programme for the next three to five years. A further workshop was also held in November 2018 and plans are in place to clarify the direction for the next year.

2. GOVERNING THE HEALTH BOARD

The Board provides leadership and direction to the organisation and has a key role in ensuring that the organisation has sound clinical and corporate governance arrangements in place. However, the Board also recognises the need to strengthen arrangements in recognition of feedback in WAO's Structured Assessment, HIW's review work and the recent publication of the joint review of maternity services by the Royal College of Obstetricians & Gynaecologists and the Royal College of Midwives.

The Board promotes a culture of openness, honesty and transparency in decision making and has high standards in the quality of clinical care, financial stewardship, as well as responding to the health needs of the population it serves.

The Board takes its accountability for clinical governance, corporate governance, clinical risk management, risk management, serious incident reporting and matters of internal control seriously. It regularly reviews its structures and clinical and corporate procedures to support the achievement of the organisation's policies, aims and objectives, whilst safeguarding its patients, staff and the public, as well as the organisation's assets.

The Board:

- Determines its strategic direction and related objectives
- Identifies the principal clinical and corporate risks that threaten the achievement of its objectives
- Agrees its "risk appetite" recognising the interdependencies of objectives and the impact of mitigating clinical and corporate risks
- Agrees the key strategic and operational plans that will deliver those objectives and which encompass the controls and actions in place to manage the identified risks
- Monitors delivery through robust performance, scrutiny and assurance arrangements

- Ensures that plans are in place to take corrective action where there is minimal assurance that agreed objectives will be fully delivered and
- Sustains and upholds dynamic clinical and corporate risk management arrangements across the Health Board.

Together, Board Members share corporate responsibility for all decisions and play a key role in monitoring the performance of the Health Board. The Health Board's performance across a range of associated areas including the management of risk, governance, financial and non-financial control is monitored by the Welsh Government.

The delivery of good governance and strong assurance arrangements is built on an organisational culture that is based on listening and learning. Significant matters identified, particularly within maternity services, will result in the Board re-evaluating its approach. This will direct the Board's role in determining policy and setting strategic direction and also ensure that there are more effective systems of internal control mechanisms for the organisation to support the delivery of high standards of clinical and corporate governance. This is set against a backdrop of the Health Board ensuring that it remains responsive to the needs of communities, which will also be reviewed in light of the failings identified within our maternity services.

The review of the effectiveness of the system of internal control is informed by the work of Executive Directors within the organisation. They have responsibility for the development and maintenance of the Risk Assurance and Internal Control Framework, supported by the Internal Auditors and comments made by the External Auditors in the Annual Audit Report and other reports received throughout the year. In addition, the work of HIW, both investigations and reviews, informs my opinion.

Various committees have overseen the delivery of key areas of the Board's strategic intent and statutory responsibilities, whilst the Audit Committee has overseen the related controls assurance arrangements. A plan will be developed to address weaknesses and ensure continuous improvement of the system in place and this will be built upon as part of the Board Assurance Framework (BAF), which now requires updating and refreshing.

The scrutiny of these arrangements is in part informed through the internal mechanisms but also through the independent and impartial views expressed by a range of bodies external to the Health Board.

These include:

- Welsh Government
- Wales Audit Office (WAO)
- Internal Audit & Assurance (NHS Wales Shared Services Partnership – NWSSP)
- Healthcare Inspectorate Wales (HIW)

- Welsh Risk Pool (WRP)
- Community Health Council (CHC)
- Health & Safety Executive (HSE)
- Human Tissue Authority (HTA)
- South Wales Fire & Rescue Service (SWF&RS)
- Postgraduate Medical & Training Board, Postgraduate & Undergraduate Deanery's, Royal Colleges and other academic bodies
- Other accredited bodies.

Welsh Government operates Joint Escalation and Intervention Arrangements, which are informed by twice yearly meetings with WAO and HIW to discuss the overall position of each Welsh health board and trust and a wide range of information and intelligence is considered to help identify any issues of particular concern in relation to quality or performance. As a result one of the following levels of escalation is allocated to each organisation:

- Routine monitoring
- Enhanced monitoring
- Targeted intervention
- Special measures.

Since March 2014, CTUHB has maintained a status of "routine monitoring" - the lowest level reflecting *normal* business. However, this changed in January 2019 to "enhanced monitoring" status as a result of a number of concerns relating to quality governance arrangements summarised as follows:

- Concerns regarding maternity services resulting in a joint Royal College of Obstetricians and Gynaecologists and Royal College of Midwives review
- IR(ME)R (Ionising Radiation (Medical Exposure) Regulations) compliance issues following a HIW inspection
- Pathology services following a Human Tissue Authority inspection
- Quality governance arrangements as set out in the WAO 2018 Structured Assessment work
- The quality of serious incident reporting, highlighted through meetings and other incidents, needing an external review of process to be commissioned;
- The health board's response to actions contained within HIW inspection reports and
- Compliance with the Nurse Staffing Levels (Wales) Act.

The change in escalation level enables focused attention on actions to remedy specific concerns and to improve assurance processes to enable a return to "routine monitoring" status as soon as is possible and appropriate. The Board fully accepted the need for strengthened assurance in a number of important areas and reaffirmed its top priority continues to be high quality patient care & safe services.

Immediate action was taken to address the issues raised and a de-escalation plan agreed by the Board which describes the necessary key actions. Progress against this plan is being monitored on a weekly basis and via the Board, its Committees and the Executive Board.

Amongst the key actions already complete are:

- The development, approval and implementation of the Quality and Safety Framework – this was approved in February 2019, a related delivery framework is under development
- Approved a resource uplift to ensure compliance with the requirements of the Nurse Staffing (Wales) Act - additional resources necessary for implementation have been agreed
- The development and implementation of an action plan in response to issues with Ionising Radiation regulations compliance and
- Regular updates on progress with actions necessary to meet Human Tissue Authority requirements have been provided with the majority of these actions scheduled for completion during the spring of April 2019.

On 30 April 2019, aligned with the publication of a report on maternity services, commissioned by the Minister for Health & Social Services from the Royal College of Obstetricians & Gynaecologists and the Royal College of Midwives, the Minister increased the escalation status to “Targeted Intervention” and put maternity services (of the former CTUHB) into ‘Special Measures’, although any learning from the improvement actions will apply to the Bridgend locality maternity services, which from 1 April 2019, form part of the CTMUHB.

A summary of the concerns raised within the report and also considered by the Tripartite Group comprising of Welsh Government officials, Wales Audit Office and Healthcare Inspectorate Wales, included:

- Quality governance;
- Data accuracy;
- Serious incident reporting; and
- Critically leadership and organisational governance, with the group raising a high level of concern in relation to the Board’s governance arrangements for quality. This includes matters highlighted through serious incident reporting and regulatory visits.

The Health Board, with external support aligned with its enhanced escalation status, will need to secure immediate and sustained improvement in the quality and safety of maternity services, as well as in the overall effectiveness of Board leadership and governance – particularly in respect of quality.

The Minister also announced in relation to maternity services, the establishment of an Independent Maternity Oversight panel to:

- Seek robust assurance from the Health Board that the report recommendations are being implemented against agreed milestones
- Agree a process and establish an independent multidisciplinary clinical review of the identified 43 cases and a look back exercise to 2010, as recommended by the review;
- advise the Health Board on actions needed for effective public and user engagement in improving maternity services and rebuilding trust and confidence and
- Advise the Minister on progress, including the need for and timing of any follow up review.

As the Board works to strengthen quality governance within the organisation, alignment with the activities of the oversight panel and the application of learning across the whole organisation will be critical to success and sustainable improvement.

2.1 The Purpose of the System of Internal Control

The Board is accountable for governance and the system of internal control. As Accountable Officer, the Chief Executive has responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding public funds and assets for which they are personally responsible in accordance with the responsibilities assigned by the Accounting Officer of NHS Wales. The Chief Executive's performance in the discharge of these personal responsibilities is assessed by the Director General Health & Social Services/Chief Executive NHS Wales, Welsh Government.

Systems of internal control are informed by the work of internal auditors, clinical audit and directors within the organisation, who have responsibility for the development and maintenance of risk assurance and internal control frameworks. As external auditors, WAO provide comments on the Health Board's systems in their Annual Audit Report and other reports, including the Structured Assessment. The work of HIW also has an important and significant impact, from both their announced and unannounced inspections and reports making a significant contribution to improving service quality. The CHC also undertakes a comprehensive visiting programme and such feedback and engagement is a key assurance tool used by the organisation.

As well as responding to the actions arising from such reports, the Health Board strives to ensure that general lessons are learned. For example, the issues identified within maternity services has resulted in a change to the Board's approach with more consideration and discussion regarding how scrutiny and assurance is best achieved.

Discussions at the December 2018 meeting of the Integrated Governance Committee centred on how the Board could more proactively assess itself and use the evidence provided from external reports and reviews to assure itself in relation to the quality and safety of services, as well as ensuring the best governance route for assurance. This will now be helped by the external support offered as a consequence of our increased escalation status.

The aim of the organisation's BAF is to map the business of the Board and its Committees against its five key organisational objectives. It is aligned to its three-year plan and continues to mature, providing a useful tool for the organisation being used by the Board Members for scrutiny and assurance on clinical and corporate matters. However the Board recognises that this requires further update and refresh particularly in light of recent events.

The Board has agreed to hold a development session in the new financial year to discuss its approach to the BAF and Risk Management including its risk appetite. The BAF supports the Board to deliver its strategy as outlined within the IMTP informing the Board regarding the principal clinical and corporate risks to the delivery of its objectives. The BAF aligns principal risks, key controls, its risk appetite and assurances on controls alongside each objective. Gaps are identified where key controls and assurances are insufficient to mitigate the risk of non-delivery of objectives. This enables the Board to develop and monitor action plans intended to close the gaps.

Each principal clinical and corporate risk is assigned to the Board or a Board Committee, which has responsibility on behalf of the Board to seek assurance and provide scrutiny, so that those risks are being managed in accordance with the agreed risk appetite, approved plans and the organisations values. Each risk has a lead director allocated in order that the mitigation actions are owned and acted upon and regularly reviewed and updated. (Further details around risk management is set out on page 27 onwards.



To ensure appropriate scrutiny and assurance arrangements are in place, the Board is supported by a number of committees, namely, Integrated Governance; Audit; Quality, Safety and Risk; Remuneration and Terms of Service; Mental Health Act Monitoring; Finance, Performance and Workforce; Charitable Funds and the Primary and Community Care Committee. These Board Committees undertake scrutiny and assurance in relation to the delivery of the Board's strategic priorities, compliance with legislation, providing safe and effective services, learning lessons, sharing good practice and delivering other key targets identified within this IMTP.

During 2018/19 an additional Committee was established to scrutinise and oversee the changes required to deliver the Bridgend Boundary Change – the Joint Transition Board (joint in terms of working with ABMUHB).

The organisation recognises the important role that patients, public and staff have in proactively participating in their care and therefore work is underway to introduce a more co-ordinated approach to ensure that the patient's voice is underpinning all that the organisation does in providing high quality safe and effective services. A one-year Interim Quality Strategy has been developed to last until July 2019, to take account of the Bridgend Boundary change. Further information on this is on page 48 onwards.

A Quality and Safety Framework has been approved and a delivery framework to support its implementation is under development. Both will be further refined in line with best practice arising from the 2019 WAO Thematic Review of Quality Governance, the forthcoming HIW Review and further work in response to local reports and audits. Public and service users will be engaged on the development of the follow on Quality Strategy in line with the WAO Structured Assessment recommendation aimed at improving quality governance arrangements. Further changes to the quality governance such as the Quality and Safety Framework, as well as the arrangements to underpin the work of the Quality Safety and Risk Committee is scheduled for within the first three months of 2019/20 to ensure that there is pace to the changes planned.

This work will be further informed by the important lessons that the Board learns from reviews undertaken by external bodies and regulators on services and systems within the Health Board and from external reports and specifically the most recent report on maternity services.

The Health Board's governance and assurance arrangements have a strong focus on performance and delivery. Whilst challenges remain going forward, good progress is being made in this area of our work. Robust scrutiny through the Board's Finance, Performance and Workforce Committee will remain the focus going forward. The Health Board through its established clinical/corporate business meeting model, has strengthened its arrangements for reviewing delivery and holding Directorates to account, reflecting the move to integrated planning and delivery.

Independent Members and Directors recognise the important role they have to play in ensuring there is a connection between the Board and all levels of the organisation, particularly given the increased level of escalation status. There is a programme of Independent Member and Executive Director visits, as well as drop-in sessions for staff to meet the Board.

The Health Board will ultimately approve and oversee implementation and delivery of the organisation's three-year Plan.

Central to implementation and delivery of the Plan is robust local scrutiny and assurance arrangements endorsed by the Board that provide assurance in relation to contractor services, directly provided services and commissioned services.

The organisation's systems of internal control are designed to manage risk to a reasonable level rather than to eliminate all risks within the organisation. It therefore provides reasonable and not absolute assurance of effectiveness. It is based wherever possible on best practice and is an ongoing process designed to identify and prioritise risks to the achievement of the organisations policies, aims and objectives and to evaluate the likelihood of those risks being realised.

The impact of these risks is then assessed in order that they can be managed efficiently, effectively and economically. The system in place across the Health Board is in accordance with Welsh Government guidance.

The system of internal control has been in place for the whole of the financial year ending 31 March 2019 and up to the date of approval of the annual report and accounts for 2018/19.

In June 2018, following a review of the Executive Programme Board, reporting through to Executive Board, the Efficiency, Productivity and Value Board was established which primarily oversees the Board's delivery of its Financial Savings Plan and related Cross-Cutting work.

Capacity to Handle Risk

The Board has overall responsibility and authority for the Risk Management Programme through the receipt and evaluation of reports indicating the status and progress of Health Board-wide risk management activities. The lead Director for risk is the Director of Corporate Services and Governance / Board Secretary, who is responsible for establishing the policy framework and systems and processes that are needed for the management of risks within the organisation. Depending on the nature of the risk, other directors will take the lead, for example, patient safety risks fall within the responsibility of the Medical Director and the Director of Nursing, Midwifery & Patient Services.

Board Committees comprise a variety of Independent Members with Executive Directors 'in attendance' and oversee the Health Board's risk management arrangements making recommendations for change as appropriate. Representatives from the CHC attend Health Board meetings and have speaking rights at Board meetings. They also attend other committees and sub-groups as appropriate.

Work continued to strengthen and mature the BAF which includes the organisation's risk appetite and process for ensuring that the Board's plans are built on a foundation of risk assessment that informs mitigating actions.

To support this, an organisational risk register is in place which is approved by the Board, published quarterly and considered by the Executive Board and the Quality, Safety & Risk Committee, with specific risks assigned to key Board Committees, as appropriate.

Case studies and patient stories are routinely used at the Quality, Safety & Risk Committee and some of its reporting scrutiny panel(s) in order that lessons can be disseminated and shared. By linking together issues arising from complaints, claims and concerns, it has also been possible to identify important points of learning and areas of best practice.

Arrangements at a directorate level are in place to ensure that health and safety issues are properly considered and managed in line with the Board's Risk Management Strategy and Policy. In addition to reporting risks via the meeting arrangements within the organisation, operational managers and directors are able to notify a significant risk to the appropriate Executive Director for consideration and where necessary, notification to the Board. Regular audits are undertaken on prioritised areas and this information is then used to ensure necessary improvements are introduced and implemented. A training programme is in place and to ensure improved compliance and uptake of statutory and mandatory training. Staff awareness of the need to manage risks continues to be reinforced as part of routine communication and briefing and specific senior management discussions around risk reporting and the 'DATIX' risk module continues to be rolled-out to better capture assessed risks and the actions being taken in mitigation. There is an organisational risk register in place, which is regularly reviewed.

In reviewing the robustness of a developing Organisational Risk Register, Board Members consider whether the top recorded risks are those that Members of the Board can relate to and indeed evidence that they are informing the work of the Board and its Committees in delivering its related strategy. Work by internal audit has indicated there is an opportunity to improve the timeliness of risk reviews and associated actions to mitigate risks. This work found that the review of risk registers at Directorate level is not happening consistently and this will be addressed.

Going forward, it is recognised that the Bridgend boundary change means that 2019/20 is an atypical year for the organisation. Whilst the legacy and handover statements pertaining to the Bridgend component of the organisation should ensure high visibility of all risks and opportunities, there will need to be a more detailed piece of work over the next 12 months to ensure all issues are identified and mitigations in place.

2.2 The Risk and Assurance Framework

The organisation's commitment to the principle that risk must be managed means that the organisation will continue to work to ensure that:

- There is compliance with legislative requirements where non-compliance would pose a serious risk
- Evidence based guidance and best practice is utilised in order to support the delivery of clinical practice
- All sources and consequences of risk are identified and risks are assessed and either eliminated or minimised
- Information concerning risk is shared with staff across the Health Board and, where appropriate, partner organisations
- Damage and injuries are minimised, and people's health and wellbeing is optimised
- Resources diverted away from patient care to fund risk reduction are minimised
- Lessons are learned from compliments, incidents, and claims in order to share best practice and reduce the likelihood of a recurrence.



The critical and significant adverse findings from quality governance related reviews and the more recent publication of the maternity reviews will need to be reflected in strengthened arrangements going forward.

Patients and the public have an important part to play by proactively participating in their care and the organisation addresses this requirement within its risk management and other strategies. Case studies and patient stories are presented to the Quality, Safety & Risk Committee and Concerns/Claims scrutiny panels, in order that lessons can be disseminated and shared.

Health care professionals, including GPs, pharmacists, dental practitioners, optometrists and nursing care homes, voluntary organisations and those where we have partnership relationships for service delivery, e.g. local authorities and other health boards, are responsible for identifying and managing their own risks through contractual processes.

Clinical governance processes are intended to provide assurance to the Board that services are safe and meet organisational, external and professional standards. Work continues, to embed the Health & Care Standards framework into the everyday working of the organisation and to ensure appropriate links are made to other key strategies, including the Board's Quality Delivery Plan. Work to strengthen the arrangements including the development of a Quality & Safety Framework for Governance has been approved and work commenced on its implementation.

This will be informed by the feedback arising from WAO's Structured Assessment review and the recent publication of the maternity review. The planned governance review via WAO/HIW will also inform our development work in this area.

The Health Board's quality improvement plans are aligned both nationally and locally. In respect of the other areas of primary care, including dental and optometry, annual visits and monitoring, similar to that for general practice also take place. Concerns across primary care are also monitored for trends and issues are addressed and where appropriate reported into the Board, with improvement actions agreed.

The Health Board is committed to listening to patients, service users and carers to ensure that feedback on service user experiences are obtained, published, and acted upon to harness the learning in order to inform developing quality improvements. The organisation has also pledged to create a culture that welcomes and facilitates the involvement of patients, service users and carers in the development, improvement and monitoring of the patient care and frontline services.

The Health Board has a scrutiny process in place, overseen by Independent Board Members, to review and ensure lessons are learned when things go wrong. However, in light of the recent publication of the review of maternity services and other planned Board / Quality Governance reviews, the Board will need to review and refresh its arrangements.

2.3 Mortality Review

The organisation has continued to develop and strengthen robust processes for undertaking mortality reviews that span all hospital inpatient deaths. This process also includes General Practitioners, in addition to multi-disciplinary hospital teams.

This work has been recognised nationally, following the publication of Professor Stephen Palmer's review of the use of risk adjusted mortality index (RAMI) data within NHS Wales, on behalf of the Health Minister in 2014 and this work continues to evolve and is routinely reported to Quality, Safety & Risk Committee and the Board.

2.4 Integrated Performance Dashboard

The organisation has a comprehensive [Integrated Performance Dashboard](#) that is presented to the Executive Board monthly. The dashboard is also presented to the public Board meeting as part of our commitment to openness and transparency, and it is presented to a number of Board committees for scrutiny and assurance.

Since its inception in October 2012, the Integrated Performance Dashboard has continued to evolve and develop. The dashboard report is categorised into segments to highlight any specific areas which may be under formal escalation measures by the Welsh Government and is accompanied by a narrative to provide detailed explanation on key areas, as well as to highlight areas of best practice within the organisation. During this year an agreed set of workforce performance metrics, were developed and are also being routinely reported to Board.

The Board recognises the importance of high quality data to inform its decision making at Board and committee level and has invested significant resource to strengthen and develop reporting mechanisms and business intelligence.

2.5 Organisational Vision

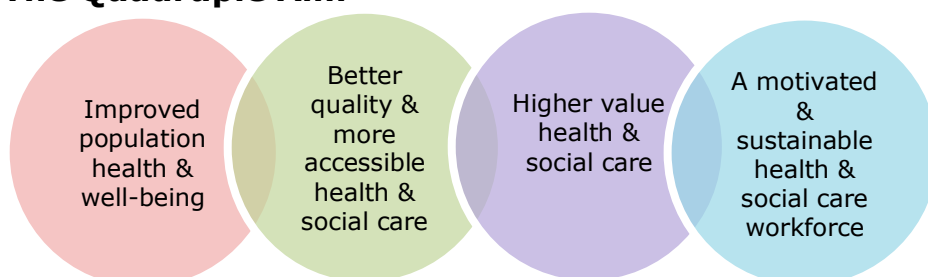
For the year 2018/19 this has been:

“To be recognised as a population well-being organisation that continually makes a positive contribution to improving the lives of all Cwm Taf residents”.

- We will work with communities to prevent ill-health, protect good health and promote better health and well-being.
- We will provide high quality care as locally as possible wherever it is safe and sustainable.
- Our service delivery will be innovative, reflect the principles of prudent health care and promote better value for users.
- We will work collaboratively with our public service partners and a broader range of partners to join up health and other services where this potentially represents better value for our residents and care users.
- Through our commitment to corporate social responsibility and to improving health and social equity, we will work with our staff, partners and communities to build upon strong local relationships and solid foundations of the past.

The University Health Board Quality Strategy (approved in December 2018) builds on a long standing commitment by the University Health Board to create and maintain the best possible environment for the people of Cwm Taf to realise their potential in terms of health and wellbeing, along with countless conversations, spanning all population groups and services, between the people of Cwm Taf, the Health Board, and key stakeholders over the last year. Simply, we want to achieve the Institute for Healthcare Improvement’s Quadruple Aims.

The Quadruple Aim



The following key priorities feature in the business of the Board:

- Ensure the Board learns from and implements the improvement actions identified as part of the internal and external reviews of maternity services
- Continue to improve patient experience throughout the organisation
- Embrace the prevention agenda, for example by encouraging our patients and staff to adopt 'one more healthy behaviour' and support the well-being of our communities with our partners
- Demonstrate greater integration across health & social care, particularly in the way in which services are provided to our more vulnerable client groups with increased joint commissioning arrangements, pooled budgets and making better use of our estate in partnership
- Implement our refreshed primary and community care plans including improving the sustainability of primary care; further development of our Clusters and Cluster Plans, improved demand management and evidencing the shift of service from secondary to primary and community care
- Implementation of our next step mental health service improvements, including the next phase of older adult mental health service redesign and new approaches to dementia care
- Further develop our clinical service strategy, including the implementation of the outcomes of the South Wales Programme (specifically paediatrics, obstetrics and neonates 2018/19) following the Bridgend boundary change
- Continue to improve scheduled and unscheduled patient care, patient flow and urgent care processes including: maintaining and improving upon the target of no patients waiting for treatment over 36 weeks; maintaining and improving upon the target of no patients waiting over 8 weeks for diagnostics, continuing to work to the 95% 4 hour target (maintaining wherever possible at least 90% performance) and having no patients waiting over 12 hours
- Continue to meet the 31 day target and work to meeting the 62-day cancer target, maintaining at least a 90% position
- Development of regional service planning and delivery where appropriate in areas such as regional treatment centres such as diagnostics, ophthalmology and orthopaedics, as well as vascular and Ear, Nose & Throat service redesign
- Address recruitment and retention challenges with a priority on workforce planning and redesign and development/implementation of new roles such as Physician Associates
- Further developing leadership and delivery capacity across the organisation
- Continue our strong involvement and approach to the commissioning of specialist services working with partners such as the WHSSC, EASC and Velindre NHS Trust
- Engage with an increasing number of members of the public and staff through a variety of accessible platforms to involve people in the design and development of new clinically-led and patient focused services, both in and out of hospital
- Improve data quality, including reporting and transparency
- Ensure compliance with legislation and
- Achieve financial balance.

3. REVIEW OF GOVERNANCE ARRANGEMENTS

The organisation has an Integrated Governance & Accountability Action Plan, which takes account of lessons learned from the Betsi Cadwaladr University Health Board joint review undertaken by the WAO and HIW "An Overview of Governance Arrangements - Betsi Cadwaladr UHB"³ (HIW) review and the 'Andrews' Report on the external independent Review of the Princess of Wales Hospital and Neath Port Talbot Hospital within ABMUHB. The lessons learned from these reports assisted CTUHB in the development of its governance arrangements.

The Integrated Governance Committee has routinely reviewed and monitored progress against the action plan and the majority of the outstanding management actions were completed during 2018/19 and the action plan closed by the committee.

A significant amount of work has been undertaken in recent years to strengthen and develop the governance and accountability arrangements supporting the delivery of the quality, performance and financial targets within CTUHB and this progress had also been recognised by the WAO within previous annual structured assessment reports. However, in the 2018 Structured Assessment, WAO raised concerns about some aspects of quality governance, risk management and oversight of ICT arrangements that require improvement, which are also cited in the Minister's decision to escalate the monitoring status of the CTMUHB.

The Health Board's governance and assurance arrangements also have a strong focus on sustained performance and delivery, and whilst some challenges remain, good progress is being made in this area of our work which ultimately improve service delivery for our communities. The Board's Finance, Performance & Workforce Committee will continue to apply robust scrutiny for all work areas going forward.

4. THREE-YEAR INTEGRATED MEDIUM TERM PLAN (IMTP)

The NHS Finance (Wales) Act 2014 was introduced on 27 January 2014 and changed the financial duties of Local Health Boards (LHBs) under the NHS (Wales) Act 2006 from an annual statutory requirement for expenditure not to exceed resource limit, to a regime which considers the financial duty to manage its resources within approved limits over a three-year period.

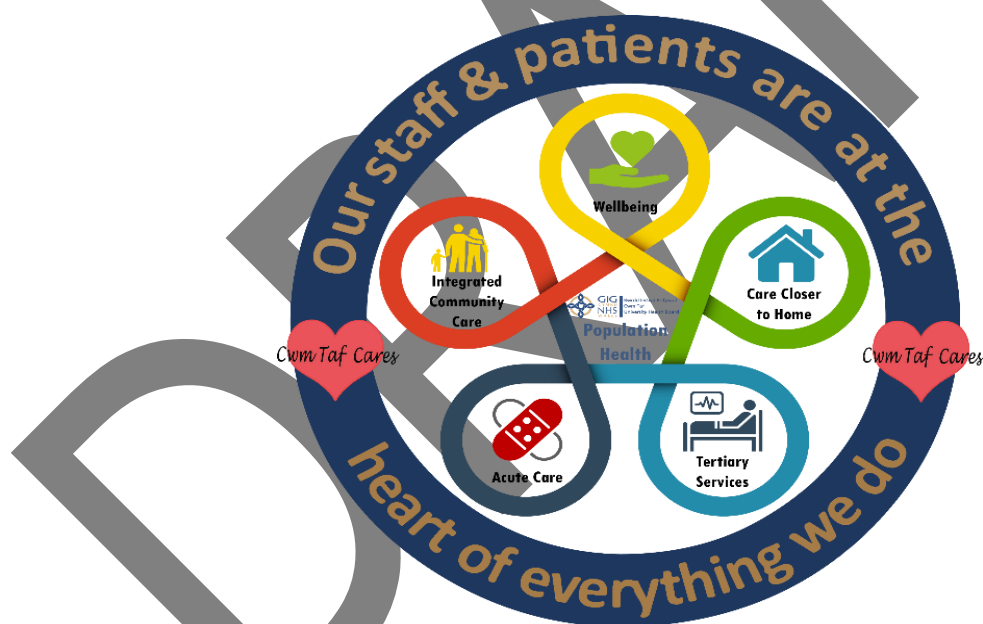
³ WAO & HIW Joint Report – "Overview of Governance Arrangements at BCU"
<http://www.audit.wales/publication/overview-governance-arrangements-betsi-cadwaladr-university-health-board-0>

The Welsh Government issued a Welsh Health Circular 2015/014 in December 2016⁴ providing further clarity on the financial duties specifically from 2016-2017 onwards LHB's have:

- A duty under section 175 (1) to secure that its expenditure does not exceed the aggregate of the funding allotted to it over a period of 3 financial years
- A duty under section 175 (2A) and the directions issued by the Welsh Ministers under section 175(2), to prepare a plan to secure compliance with the duty under section 175 (1) while improving the health of the people for whom it is responsible, and the provision of health care to such people, and for that plan to be submitted to and approved by the Welsh Ministers.

The WHC retains these duties and exercises the powers of direction in the NHS (Wales) Act 2006 section 175 (6) to set the statutory financial duty in section 175 (1) for both revenue and capital funding allocations.

The Health Board's IMTP has been refreshed following extensive engagement within the organisation and builds upon CTUHB's approved plans over the last three years. The structure of the Plan has been revised to reflect both changes



within the organisation and revised Welsh Government guidance. The Board has undertaken a significant amount of work to plan, design, develop and improve the delivery of safe and high quality preventative, primary, community, hospital care services and specialised and tertiary services for the population of Cwm Taf, and continues to ensure that the organisation maintains progress to develop its three-year Integrated Medium Term Plan (IMTP).

⁴ WHC/2015/014, December 2016

<http://www.wales.nhs.uk/sitesplus/documents/863/12b%29%20Statutory%20Duties%20of%20Welsh%20Health%20Boards.pdf>

In accordance with the legislative duty the IMTPs for 2015-2018, 2016-2019, 2017-2020 and 2018-2021 were approved by the Board and submitted to Welsh Government within the required timescale and approved by Welsh Ministers.

A copy of the Board approved IMTP 2018-2021, was submitted to Welsh Ministers on the 31 March 2018 and the submission was supported by correspondence outlining the associated risks and basis on which the Board had approved its submission. The document can be viewed on our website: [CTMUHB Approved 2018 - 2021 IMTP](#).

A public facing summary of the IMTP has also been developed with input from the SRG and the CHC representing our staff and local communities.

The Health Board has adopted a truly integrated planning approach with a 'golden thread' running through our Plan which links quality to population need, service planning, demand and capacity, workforce, digital, capital and financial planning. To support this approach, the Health Board has an integrated Business Partner Model. This model is embedded and maturing. Support is in situ from our corporate departments, namely: Patient Care and Safety; Planning; Workforce and Operational Development; Finance; Procurement; IT and Performance and Information.

The Plan has been developed as part of a 'bottom-up' planning process, building upon our Directorate, Locality, Corporate Department and Cross-Cutting Theme plans, which includes Bridgend Service Groups. It integrates our service, workforce and financial plans and makes explicit links with the performance and quality improvements intended over the coming three year period.

The Board recognises the significance of developing its culture, both in response to the increased level of escalation and the inevitable change as a consequence of the Bridgend boundary change. This is a top priority for the Health Board in 2019/2020 in order that it can realise the benefits associated with delivering this IMTP taking into account the wider population that we will serve.

The Director of Workforce and Organisational Development is leading on the development of bespoke organisational development approaches across the Health Board to address issues of culture and behaviour, an example of this has commenced within maternity services. This approach will be replicated across the Health Board within key services. The Board approved plan was ratified at its public Board meeting with a copy made available to the public via the website. The Board has received confirmation from Welsh Government that it has approved its IMTP for 2019-2022 plan (approved by the Board on 28 March 2019).

Robust local scrutiny is central to the implementation and delivery of the Cwm Taf plan, which provides assurance that the Board are actively involved in decision making processes in relation to performance, contractor services, and services that are provided directly or which are commissioned. Overall, the Health Board continues to make solid and steady progress in delivering against its IMTP.

The Plan builds upon and updates the Health Board's previously approved Plan and in doing so, it recognises the growing responsibilities following the Bridgend boundary change. The Plan describes the entirety of the Health Board's business, explaining how its budget and workforce will be deployed over the coming three-year period. From April 2019, a number of existing Cwm Taf and Bridgend health functions and services will be fully integrated, whilst others will integrate over the life of this Plan. Hence, in developing the Plan, business is described threefold, i.e. from either an integrated perspective, Cwm Taf perspective or Bridgend perspective, underpinned with a commitment that the 2020-23 document will be for a truly integrated CTMUHB.

Whilst the positive developments reflect the hard work and commitment of the Health Board's workforce and contractor professions, there is no room for complacency, and with ongoing challenges in relation to performance and recruitment, our Board maintains a strong focus on quality, performance and delivery.

The Health Board achieved a break-even position for its 2018/19 financial plan in revenue expenditure terms, with a small surplus, in line with the financial plan element of the IMTP, which was a success given the challenging nature of our plan. Capital expenditure was managed closely to plan and the Capital Resource Limit target was met, with a small under spend against planned expenditure.

Further detail on the Health Board's achievements and actions being taken to address continued operational challenges anticipated in 2019-2020, can be found in our new Integrated Medium Term Plan for 2019-2022, particularly in Chapter 2, which outlines progress in delivering the Plan.

5. AREAS OF RISK

The Health Board has an approved Risk Management Policy, a Board Assurance Framework (BAF) and an Organisational Risk Register. The organisational risk profile changes over time and the risk register is reviewed by the Board and regularly considered at committee meetings, capturing the key risks that could impact upon the Health Board's achievement of its objectives if not adequately assessed, mitigated and monitored.

The organisational risk register currently includes extreme / high risks which are categorised into the following groupings:

Categories / Risk Rating	Extreme (rated 15 -25)	High (rated 8-12)
Setting the direction and performance and operational efficiency	5	4
To improve quality, safety and patient experience	11	1
Statutory Compliance	8	2
Finance (including claims)	1	1
Workforce / Organisational Development / Innovation	0	1
Business continuity	2	1
Total Risks	27	10

High / Extreme Risks (Rating 20 and above)

In considering the robustness of a developing organisational risk register, Board Members regularly review whether the top recorded risks are those that Members of the Board can relate to and indeed evidence that they are informing the work of the Board and its Committees in delivering its related Strategy.

As at March 2019, the top risks outlined within the Health Board's risk register were:

- Under reporting of clinical incidents/serious adverse incidents in maternity services
- Risk of poor quality unsafe services providing unsatisfactory patient experience and unable to de-escalate to meet the expectations and scrutiny of the Welsh Government and regulators leading to increased levels of escalation;
- Failure to recruit sufficient numbers of medical & dental staff and its related impact on staffing rotas and finance going forward (also aligned with South Wales Programme outcome)
- Failure to recruit sufficient numbers of registered nursing and midwifery staff
- Reduction in medical staff training posts
- Increasing dependency on agency staff to cover registered nursing, midwifery and medical staff gaps
- Fire Safety compliance and ongoing issues with Prince Charles Hospital site (Ground & First Floor)

- Lack of control and capacity to accommodate all hospital follow up outpatient appointments
- Failure to ensure delivery of a viable balanced/break even 3 year integrated medium term plan
- Achieving financial break even on a recurring basis and
- Failure to continue to provide GP out-of-hours services as currently configured.

The Health Board has received a number of updates on matters relating to maternity services, following the identification of under reporting of incidents and serious untoward incidents. The associated issues raised by the recent (30 April 2019) publication of the Royal College of Obstetricians & Gynaecologists and Royal College of Midwives report, commissioned by the Minister for Health & Social Services will necessitate a review of the organisation's risk register.

The Chair of the Health Board has been working with the Board Members to plan the board development programme for 2019/20. A discussion on risk management, the risk appetite and its link with the BAF, to demonstrate how this underpins the governance of the organisation. The Board Secretary is working with external providers to assist the Board in developing its risk approach in line with the recommendations within the Structured Assessment and to assure the Board and its external regulators that the Health Board has a clear and open approach to managing risk effectively.

Plans are being developed by the Head of Health, Safety & Fire to review risk management arrangements at the directorate level to ensure that risks are recorded and regularly updated, mitigation clarified and management action taken. The Health and Safety Coordinators group ensure that health and safety issues are properly considered and managed. Regular audits are being planned on prioritised areas with the results being used to inform necessary improvements.

It is important to note that there are mitigating actions and scrutiny arrangements in place for all the risks contained within the organisational risk register that are also subject to regular review. During the year, eight risks were added and two risks removed. The following risks were added:

- **Risk 039:** Failure to ensure sufficient storage capacity (or alternative solutions) are in place to safely store and secure patient records.
- **Risk 040:** Failure to fully comply with all the requirements of the Welsh Language Standards, as they apply to the organisation.
- **Risk 041:** Failure to fully meet all the licensing requirements of the Human Tissue Authority in relation to Mortuary & Services for the Deceased.
- **Risk 042:** Failure to ensure successful implementation of the Welsh Governments decision to realign the Health Boundary, as it applies to the resident population of the Bridgend County Borough.
- **Risk 043:** Under Reporting of Clinical Incidents/Serious Adverse Incidents in maternity services.

- **Risk 044:** Risk of information technology failures following national outages during 2018 and cyber security risk, which could lead to loss of information or information governance issues.
- **Risk 045:** Risk of interruption to service sustainability, provision and de-stabilising the Board's financial position as a result of Brexit.
- **Risk 046:** Risk of poor quality unsafe services providing unsatisfactory patient experience and unable to de-escalate to meet the expectations and scrutiny of the Welsh Government and regulators.

During the year, the Board supported the removal of the following risks:

- **Risk 038:** Inconsistent approach and arrangements in place for the management and monitoring of patients requiring anticoagulation management. Committee members agreed with the Director of Primary Community and Mental Health that the risk was being managed and anticoagulation was added to the forward look to ensure that the service continued on its improvement trajectory.
- **Risk 029:** Failure to invest in and develop Primary Care Services, across Rhondda Cynon Taf and Merthyr Tydfil but particularly in the Rhondda Valleys. Following discussion at the October and January meeting of the Primary and Community Care Committee members agreed that the risk identified would be more appropriately managed and identified within Risk 036 which relates to the recruitment and retention of all staff groups.

5.1 Maternity Services Review

Following changes in the senior management team and a review of clinical governance arrangements in the Cwm Taf maternity services early in 2018, concern was expressed internally that there was potential variation in the reporting arrangements and investigation of incidents.

This meant that the Board could not be wholly assured that all serious incidents had been appropriately investigated and any learning fully addressed. The position was initially escalated to the responsible Executive Directors early in the summer 2018 and subsequently discussed with Welsh Government and reported to the Quality, Safety & Risk Committee (QSR) and to the Board at each of its meetings during the remainder of 2018/19.

In addition, HIW undertook an unannounced inspection of Maternity in October 2018, in response to a number of concerns highlighted regarding the provision of safe care, staffing issues, incident reporting and the stability of the service. HIW reported concern about the sustainability, resilience and the ability of the service to provide care and treatment in a safe and effective way.

HIW, whilst recognising that the organisation had attempted to make changes to improve staffing, culture, training and governance of the service, changes made were in their infancy and yet to be fully embedded and as a consequence they

were not assured and recommended priority actions were taken to address the findings.

An internal review, commissioned from a secondee Consultant Midwife, was also undertaken, which identified significant issues, but this was not handled appropriately in line with the Health Board's usual governance processes. As a consequence the Chair has commissioned an external, independent review of the handling of the consultant midwife report, to understand why this occurred and to ensure related learning takes place.

A Maternity Improvement Board (MIB) was established on 6 November 2018, with an independent external Chair to monitor the actions and oversee the improvements within the service.

As part of the support arrangements for concerned patients a telephone helpline was set up in October 2018 along with a dedicated email address and all contacts have been provided with a named individual providing ongoing support.

The reference period for the initial review was identified as 1 January 2016 to end September 2018, covering around 10,500 births which highlighted a total of 43 cases. A multidisciplinary clinical review process, involving midwives, obstetricians and anaesthetists, was initiated to review these cases, 18 were reported as serious untoward incidents at the time of the incident with a further 25 potential cases being identified and submitted retrospectively, pending further review and confirmation of status.

Regular updates have been provided to the Board since September 2018. An outline report in respect of the outcomes, trends, themes and actions taken, has been presented to the full Board and more detailed discussion will take place in the Quality, Safety & Risk Committee to inform further improvement actions as appropriate. Where reviews have identified omissions in care, the women affected, have been informed.

A Review by Royal College of Obstetricians & Gynaecologists (RCOG) and the Royal College of Midwives was commissioned by Welsh Government and this visit was undertaken in January 2019; a number of actions were put into place soon after which were set out in a report to the Board in March 2019. The final report from the Royal Colleges' was published on 30 April 2019 and as a consequence of the significant findings and recommendations, a decision was taken by the Welsh Government to increase the organisational escalation status (from 'enhanced' to 'targeted intervention' and maternity services for the former CTUHB were raised to 'special measures' status. Further details of the various levels of escalation status are set out on page 22).

The Health Board will work with the proposed Welsh Government arrangements to update its Maternity Improvement Plan to reflect new issues raised from the

report and the Health Board response will be shared in full with stakeholders and made available to the public through the Board papers and the CTMUHB website.

5.2 Fire Safety

The University Health Board continues to work in partnership with South Wales Fire and Rescue Service (SWFRS) in managing the fire risks across its estate. In addition to the measures undertaken to the Ground and First Floors in the Merthyr Block at Prince Charles Hospital, Merthyr Tydfil, which remains the subject of a Fire Enforcement Notice.

The organisation has also had to consider fire safety measures across all of its other buildings and key work has continued to be undertaken to support fire safety compliance across the organisation with regular dialogue with senior officials in SWFRS.

Following meetings between Senior Officers and members of the SWFRS, the Director General/Chief Executive NHS Wales and officials from Welsh Government have discussed the capital works progressed to date, and what further work is planned to manage and mitigate the fire safety related risks associated with the Prince Charles Hospital building.

Detailed plans for a phased approach to progressing with the remainder of the Capital Scheme at the hospital site continue to be developed with Welsh Government in accordance with an agreed phased process for submission and approval of business cases. The first phase of the remaining works has commenced which will, over time, allow the Health Board to comply fully with the requirements of the Fire Safety Enforcement Notice. It is important that the sequencing and inter-dependency of each of the scheme's business cases, run concurrently in order to ensure there is no delay to achieving full compliance with the enforcement actions identified.

It is also important for the Board and other Stakeholders to understand the implications of the phasing of the Schemes, including noting that Internal Audit & Assurance Capital & Estates Audit have undertaken an initial high-level review of the Health Board's management of major capital, with a focus on the project at Prince Charles Hospital to redevelop the ground and first floor. However, noting the size and challenges related to the project, audit work in relation to this project is still ongoing, with agreement that further related fieldwork, will be undertaken during 2018/19.

5.3 GP Out-of-Hours (OOH) Services

An alternative model for GP (OOH) services implemented in 2015-2016 has been evaluated and the Board received a report in May 2017 to endorse the adoption of the current model as the way forward. The public were kept updated on progress through the established public fora meetings and ongoing engagement

with the CHC. Sustainability of GP OOH Services remains a key risk and an area of focus for the Health Board and work continues to develop innovative solutions for the future.

The WAO undertook a review of these services in 2017 and good progress has been made across all recommendations. With regard to the issues relating to staff engagement good progress has been made enabling staff the opportunity to discuss service and operational issues. A Clinical Reference Group has also been established providing an opportunity for clinical staff to come together with operational staff to discuss key issues. With regard to the actions required relating to public information, there has been significant progress particularly with the launch of the Health Board's new website which provides specific service information regarding GP OOH services. GP practice phone messaging has also been checked for consistency and further changes will be made following the roll-out of the national 111 programme which is scheduled for September 2019 in relation to Cwm Taf Morgannwg. There has been good progress relating to the recommendation on data integrity and a new IT system is also being procured as part of the national 111 roll-out with expected implementation in 2020/21. Recommendations relating to increasing management team capacity and on-call arrangements have been completed.

5.4 Primary Care Services

As reported in previous years, there remains an increasing risk of the Board's ability to sustain effective Primary Care Services as currently configured across all areas of the Health Board. A small number of practices have merged or become directly managed by the Health Board over recent years. Primary Care Cluster leads are working on outline plans for sustainability, which could result in new models of closer collaborative working, and potentially further agreed mergers. This work will continue to be taken forward by the Board in 2019-2020.

In addition the findings from the WAO National (and local) review of Primary Care Services are also being factored into work to strengthen and sustain primary care services and this was considered by the Audit Committee in January 2019.

The WAO in summary concluded that the Health Board has a sound plan for primary care and is making reasonable progress towards implementing key elements of the national vision. Oversight arrangements are strong and performance against some indicators is above average. However, there is further scope to raise the profile of primary care, shift more resources towards primary care and to address workforce challenges.

5.5 New Legislation

Following the introduction of the Social Services and Well-being (Wales) Act 2014 ("the Act"), and the Well-Being of Future Generations (Wales) Act 2015, the organisation has worked closely with the Cwm Taf Public Services Board (PSB), which was the first in Wales to agree a co-terminus approach to collaborative working across health and local authority boundaries.

The Well-Being of Future Generations Act stipulates that public bodies must publish a Well-being Statement including an explanation as to how the objectives will help achieve the well-being goals and how the sustainable development principle has been applied.

Under the leadership of the Director of Public Health, the Cwm Taf PSB developed its Well-being Plan which was published in May 2018. In line with the 2018/19 Cwm Taf Internal Audit Plan a review of arrangements for ensuring the requirements of the Well-being of Future Generations Act (WFGA) (Wales) 2015 are being met, was carried out in 2018 which found that the Board could take reasonable assurance as regards secure governance, risk management and internal control.

Whilst the Health Board is proud of the early work completed to embrace the principles of the Act and to embed the Well-Being Objectives within the IMTP, we recognise that there is much work left to do to strengthen and mature our approach even further. This will therefore continue to be a key area of activity within delivery of the IMTP and progress against delivery of the Well-Being Objectives is also being monitored via the quarterly IMTP progress reports, which are prepared for the Executive Board, the Board and Welsh Government, and will also be reported on formally via the Health Board's Annual Report.

From April 2018, Health Boards are required to calculate the nurse staffing level for every adult acute medical and surgical inpatient area as defined under section 25B of the Nurse Staffing Levels (Wales) Act 2016 Act. An adult acuity tool was developed to enable continuous monitoring against a baseline assessment and action plan to ensure full compliance with the requirements of the Act.

A report as to progress was received by the Board at its March 2019 meeting which confirmed investment for this issue has been included within the IMTP and that compliance actions are being developed linked to workforce plans.

5.6 Human Tissue Authority (HTA)

Following an inspection by the HTA at the end of March 2018 updates on progress with actions have been provided to the Quality, Safety & Risk (QSR) Committee with 25 of the 32 recommended actions completed, with the remaining outstanding seven recommendations being monitored on a weekly basis. These last seven will be under consideration during the HTA corrective

and preventative action (CAPA) closure inspection visit, taking place on 8 and 9 May 2019.

Confirmation has been sent to the HTA confirming that Swansea Bay University Health Board will continue to take responsibility for mortuary services in Princess of Wales hospital from April 2019 with a transition plan over 2019/20 focusing on ensuring that the lessons learned being applied within CTMUHB prior to its full adoption in 2020.

5.7 Healthcare Inspectorate Wales (HIW)

Following a HIW inspection regarding Ionising Radiation (Medical Exposure) Regulations in Prince Charles Hospital's radiology department in December 2018 an action plan was approved and reported to the Board in January 2019. Following revisions an amended action plan was submitted to HIW at the end of February 2019 and in March 2019 HIW confirmed that this provided sufficient assurance and therefore the improvement plan was accepted. This is because the improvements identified by HIW have either been addressed, and/or progress is being made to ensure that patient safety is protected. Progress on the on-going actions is being monitored on a weekly basis and will be reported back to the Board and the Quality, Safety and Risk Committee.

In addition, work is being progressed to review responses made to HIW reviews by other organisations, in order that any lessons can be learned and regular engagement meetings are being put into place between HIW and the Health Board.

5.8 Director Posts/Portfolios

From December 2018, John Palmer formally took-up the post of Chief Operating Officer after a period acting into the role. This portfolio includes business support and information technology. The new Director of Nursing, Midwifery and Patient Services Greg Dix took-up post as of 1 April 2019 taking over from Angela Hopkins who was the interim Director of Nursing, Midwifery and Patient Services until 31 March 2019. The post of Director of Primary, Community and Mental Health was taken up by Alan Lawrie from December 2018 following a period of acting into the role.

5.9 Workforce

The workforce is the Health Board's biggest asset, not least because of the direct impact on the patient experience and pay represents such a significant proportion of expenditure. Staff retention is a key focus and complements recruitment activity. We continue to work hard in addressing local, national and international recruitment to address significant workforce shortages and also to reduce the current expenditure on locum staff by use of 'retire & return' for nurses and the introduction of e-rostering and e-job planning with progress

being reported to and scrutinised by the appropriate committees of the Board. Whilst retention rates are not an outlier in terms of NHS Wales, averaging 9.6% for all staff groups, the distribution of turnover is a concern in specific areas including ward nursing and midwifery at district general hospital sites, within estates and some of our medical professions. Many of these correspond with the areas of current recruitment challenge.

The contractual provisions and changes to NHS pension and taxation requirements coupled with the higher age profile of our workforce in general, are impacting on the organisation's ability to retain some skilled staff. Over 50% of our staff turnover is due to retirement. Managed agency contracts are in place for medical and nursing staff and an all-Wales framework for nurse agency contracts is in place.

HIW and the CHC have shared their related concerns about levels of registered nurse staffing cover in some areas of the Health Board, when feeding back on announced and unannounced visits to clinical areas and action plans are in place to mitigate the concerns raised, whilst the Health Board continues to address, what is, a national recruitment shortage.

The Health Board works closely with Careers Wales and local schools and colleges, and has developed a framework of careers support and work experience activities that support the needs of our local school children and students whilst also supporting the future workforce agenda.

The Cwm Taf Graduate Growth programme has continued to run successfully, having its fourth cohort in February 2019. This seeks to continue to enhance the introduction and development of new management talent into the organisation at pace.

Staff continue to be supported by a multidisciplinary Occupational Health & Wellbeing service which can be accessed via a self or line manager referral. Service provision includes access to Occupational Health nurses and a medical consultant as well as 'in-house' physiotherapy and counselling.

The organisation routinely engages with staff-side colleagues via the formal partnership arrangements at the bi-monthly meeting of the Working in Partnership Forum. These meetings are usually attended by the Chief Executive, Directors, service managers and representatives from the Workforce and Operational Development team. Key issues including service changes are considered at this forum. There are also a number of other informal and formal fora for joint working within the Health Board where staff-side play a key role. Through a strong working relationship, there is respect for the challenges the organisation faces.

5.10 Paediatrics Neonatal & Obstetric Services

In progressing the service outcomes associated with the South Wales Programme and specifically the development at Prince Charles Hospital, a new model of maternity services was put into place as of early March 2019 (with a Consultant led service at Prince Charles Hospital with an 'Alongside Midwifery-Led Unit', ante-natal and post-natal facilities, a day assessment unit, an early pregnancy assessment unit and two integrated theatres dedicated to obstetrics within the footprint of the new maternity unit with obstetric services at Prince Charles Hospital co-located with a new Neonatal Unit).

Clinical teams, estates and facilities teams, communication team, managers and support staff all worked together to ensure a seamless service transfer. In addition, staff at Royal Glamorgan Hospital implemented provision for women with lower risk pregnancies, where care can be provided in the free-standing Midwifery Unit that will manage 200-250 cases per annum. The service at Royal Glamorgan Hospital is complemented by consultant-led ante-natal clinics, a Midwifery Day Assessment unit with community midwifery services across the organisation supporting care in the home, including the option for women to choose a home birth.

The Board is considering the most appropriate timing for the transfer of the inpatient Paediatric service to Prince Charles Hospital, which was scheduled to transfer in June 2019.

5.11 Pensions

We continue to consider and monitor potential impact that the changes to the pension taxation regime at UK level is having on senior members of the workforce, both within our directly employed services and in relation to our Primary Care and OOH contractor services. The changes are impacting on the ability of NHS organisations to retain high earning employees and contractor staff. Furthermore, senior medical staff are indicating that they will no longer undertake additional contracted work such as Waiting List Initiatives or paid 'back-fill' sessions as the tax and pension implications are prohibitive. This presents a potentially significant risk to NHS organisations in respect of maximising productivity and delivery of some of its key performance targets.

5.12 IR35

The IR35 legislation which is also known as the 'intermediary's legislation' is a set of rules that aid in the determination of the tax and national insurance contributions a candidate working through an intermediary should pay, based on the substance of that working arrangement. The key change is that the Health Board is required to apply these rules and has been working with other NHS bodies and the NHS Wales Shared Services Partnership to ensure a consistent approach. Contracts have been changed to include clauses giving the right for engagers to

seek assurances and information and evidence to show that income is being treated correctly for the purpose of tax and national insurance contributions and especially with regard to IR35.

5.13 Information Communication & Technology

The Health Board also experienced a number of network outages during the year, which impacted on access to clinical systems. These were NHS Wales Informatics Services (NWIS) related. Reviews of all such incidents are undertaken and the related findings used to address any identified improvement actions either locally or nationally.

In light of comments raised within the WAO 2018 Structured Assessment, the Board has agreed to establish an ICT Committee of the Board, to raise the profile, monitoring and scrutiny of delivery of the related Strategy.

5.14 Health & Safety Executive (HSE)

In the last twelve months the Health Board has been working closely with the HSE to address three specific issues that have come about following the submission of reports to them under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR). The first issue involved the suspected case of occupational dermatitis to a Healthcare Support Worker. Following the HSE investigation into this case, a Notification of Contravention was issued to the Health Board to highlight several areas of improvement required by the HSE. The Health Board has reviewed the non-conformances and produced an action plan to demonstrate compliance in the timescales set by the HSE (end April 2019). The Quality, Safety & Risk Committee have also been kept updated on related progress. The Health Board is currently awaiting a further visit from the HSE to confirm they are content with the improvements implemented.

The remaining two interactions with the HSE were both involving high risk needlestick injuries to staff. Following a request for information from the HSE, the Health Board provided comprehensive information on both these incidents. The HSE as a result of this information have closed down one of these incidents with no action and the other remains open. The Health Board are awaiting to hear from the HSE the outcome from their investigation of this remaining incident.

More recently, the HSE has informed the organisation of staff safety matters relating to Bridgend staff, following the issuing of an Improvement Notice with regards Electrical Safety Dynamic Air Mattresses. An action plan has been submitted prior to the boundary transfer taking place in April 2019 and further work is being progressed to monitor and ensure corrective actions are being implemented.

5.15 Unscheduled Care

The Health Board, like all NHS organisations across the United Kingdom, experiences sustained excess pressures, between January and March, in its unscheduled care activity. However, this year performance against the 4, 8 and 12 hour tier 1 accident & emergency (A&E) targets along with delays for inpatient admission improved when compared with the previous year.

Whilst the Health Board with partners put plans in place to respond to the expected increase in activity, the Health Board will review its plans with partners in order to learn from and strengthen planning for next winter. This will be particularly challenging in respect of Princess of Wales Hospital given differences in culture, practice and partnership infrastructure.

There remains an increasing and heavy reliance on locum medical staff, particularly at Royal Glamorgan Hospital, but across A&E generally, in order to continue to maintain and sustain safe A&E services across all three hospital sites.

5.16 Clinical Service Sustainability

The current arrangements to support the NHS System delivery of sustainable clinical services needs to be strengthened to address the very real requirement to redesign clinical services across organisational boundaries. Whilst the NHS Wales Collaborative and the South Central & East Regional Planning & Delivery Forum are in place, there remains a need for a system that addresses and simplifies some of the current complex governance and accountability arrangements.

5.17 Bridgend Boundary Change

The Minister for Health and Social Services announced on 14 June 2018 that from 1 April 2019, the responsibility for commissioning healthcare services for the people in the Bridgend County Borough Council (Bridgend CBC) area would move from ABMUHB to CTUHB.

This local government boundary change means that Bridgend CBC would be established within the south east Wales regional footprint for healthcare provision and social services complementing existing economic and education partnerships. As a result, the Bridgend CBC's partnership arrangements would become broadly comparable with all other local authority partnership arrangements in Wales.

The secondary impact of the boundary change was a name change for both organisations. From 1 April 2019, ABMUHB became known as Swansea Bay University Health Board and CTUHB became known as Cwm Taf Morgannwg University Health Board (CTMUHB).

As agreed by both the Health Boards, a Joint Transition Board (JTB) was established as a sub-committee of each health board to oversee the implementation of the boundary change. The JTB met monthly during 2018-19 and received regular updates via the Transition Director on the programme of work from the Joint Transition Programme Group (JTPG). The programme of work has been taken forward by a number of work streams that report into the JTPG, each jointly chaired by representatives of ABMUHB and CTUHB. The JTPG met monthly during 2018/19.

In order to enact the decision by the Welsh Government to implement the boundary change there was a legal requirement to lay an Area Change Order before the National Assembly for Wales. The Area Change Order was laid on 25 February 2019 and a copy of the Order is available online:

[The Local Health Boards \(Area Change\) \(Wales\) \(Miscellaneous Amendments\) Order 2019.](#) A Transfer Order has also been completed that covers the transfer of property, staff, assets and liabilities has also been completed.

Colleagues across both organisations worked closely together, to identify all clinical services that fall within the scope of the transfer, working through every identified service, and both Health Boards have agreed the future service provider arrangements, the final clinical service listing was reported to the Health Boards in March 2019. For some services, a Service Level Agreement (SLA) has been put in place and ABMUHB will continue to provide services to the population of Bridgend on behalf of CTUHB and vice versa.

In practice, this was an administrative change and not a service change and thus patients should not notice any changes to their healthcare services. Services are not being lost or reduced, and how patients access services and receive their care remains the same from 1 April 2019. Patients will continue to travel to the same place as they do now to receive their care, there are no changes to patient flows or referral arrangements. Whilst health boards cannot guarantee that services will never change, if they do need to change an undertaken has been given to consult with Community Health Councils and local populations.

A workforce transfer process was agreed through both Health Board Partnership Committees and has informed and guided the decision making regarding all staff posts impacted by the change. The process of transferring identified services and the staff affected was led by the requirements under the TUPE as amended by the Collection Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014 and those laid out in the All Wales Organisational Change Policy (OCP).

A legacy statement has been to provide a comprehensive summary of work which identifies known quality and patient safety issues and good practice. The information within the statement has been used by CTUHB to ensure a smooth transition and mitigate risks to quality and patient safety.

A comprehensive handover statement has been developed following existing best practice guidance. It includes an overarching summary of key information in relation to:

- How the Joint Transition Programme was established and managed
- Key decisions made in relation to staffing, finance and corporate governance issues
- Functions that have transferred and the governance framework in place for partnership working
- The resources, assets, functions and liabilities that will transfer to CTUHB; and
- Residual issues and opportunities that require further work beyond April 2019.

The JTB met for the last time on 23 April 2019 to draw the Joint Transition Programme to a close. A Memorandum of Understanding (MoU) has been completed, incorporating the principles that the JTB has used to work together to manage the transition and boundary change thus far. The aim of the MoU is to set out the agreement reached by the two organisations in relation to the future co-operation, sharing of sites, staff and other resources and the exchange of information.

It is intended to complement and not override any long-term agreements and service level agreements entered into by the two organisations. It reflects that both organisations agree to adhere to its principles and to show proper regard for each other's activities and responsibilities.

The key principles underpinning the service and financial basis for the transfer were agreed at the outset of the Transformation Programme and it is expected that the final detail of the changes to the financial allocation will be confirmed in May 2019.

Pay Policy

The Pay Policy across NHS Wales is determined nationally. The Agenda for Change national pay system is the guiding framework, and was introduced across the NHS in October 2004 for all staff with the exception of doctors, dentists and very senior managers. Collective negotiations in terms of pay policy are undertaken via the Welsh Partnership Forum, which sits at an all-Wales level, and is managed via the Welsh Government. The framework was reformed nationally and adopted by WPF for NHS staff in Wales on 20 September 2018 following consultation and agreement with the constituent parties in Wales.

6. MANDATORY DISCLOSURES

In addition to the need to report against delivery of the Health and Care Standards and the Standards for Health Services in Wales, the Health Board is also required to report that arrangements are in place to manage and respond to the following governance issues:

6.1 Health and Care Standards for Health Services

On 1 April 2015, the Health and Care Standards came into force, published by the Welsh Government to bring together and update the expectations previously set out in 'Doing Well Doing Better Standards for Health Services in Wales' and the Fundamentals of Care in conformity with the Health and Social Care (Community Health and Standards) Act 2003.

The organisation uses the Health and Care Standards as part of its framework for gaining assurance on its ability to fulfil its aims and objectives for the delivery of safe, high quality health services. This involves self-assessment of performance against the standards across its activities and application of the standards at all levels throughout the organisation. The standards form an important part of the assessment required during the development of all Board and Board Committee papers (contained within the house style template).

The Board had planned to complete a self-assessment against the Governance and Accountability Module at its April 2019 Integrated Governance Committee meeting. However, due to the serious and important report into maternity services, this has been deferred pending discussion with HIW regarding the proposed quality governance review.

6.2 Equality, Diversity and Human Rights

The Health Board is committed to the principles of equality and diversity and the importance of meeting the needs of the nine protected groups under the Equality Act 2010. The policy on equal opportunities and in relation to disabled employees is made equally accessible to staff and the public.

Control measures are in place to ensure that all obligations under equality, diversity and human rights legislation are complied with. The Health Board has been successful in being accredited as a level 3 Disability Confident Employer under the UK Government's Disability Confident Scheme being the first Welsh health board to do so. This aims to support the recruitment and retention of staff who have a disability. Staff are working to promote this scheme and ensure it is embedded throughout the organisation.

The Health Board has a Policy on Recruitment and Retention of Disabled Staff. The purpose of the policy is to state the University Health Board's (UHB) approach to the recruitment and selection of people who have a disability and to

describe the arrangements for retaining staff who have or develop a disability during their employment. The main objectives of the policy are :

- To ensure that the organisation complies with its legal duty under the Equality Act 2010
- To make reasonable adjustments for disabled people applying for a job with the organisation or have indicated they are thinking of applying for a job with us
- To commit to the employment and retention of staff and candidates who have a disability
- To support and implement the government's 'Disability Confident Scheme'
- To signpost managers to appropriate resources in their management of staff and candidates who have or develop a disability and
- To promote disability equality awareness.

Equality issues are monitored by the Health Board's Equality and Welsh Language Forum which reports through the Quality, Safety & Risk Committee to the Board. Progress has continued to be made with the Strategic Equality Plan 2016-20 which includes the equality, Welsh language and sensory loss. One of our fundamental aims is to embed equality throughout the organisation and this focusses on continuously improving our equality impact assessment processes and mainstreaming and raising awareness at every opportunity. There has been a focus on specific initiatives such as meeting the needs of patients with hearing loss as this currently affects 1 in 6 patients and 70% of those aged over 70. Hearing equipment is available in every ward, department and GP practice and many areas use it daily to communicate with patients. This has been life changing for some individuals and helps to ensure patient care and safety.

Following a successful pilot of on-line interpretation, this is now being used on designated site based iPads which allows easy access to interpreters for any patient who cannot communicate in English or who uses British Sign Language.

The Health Board has continued to promote our Lesbian, Gay, Bisexual and Transgender (LGBT) network which has grown to over 80 members and we moved up 105 places on this year's Stonewall employers index which show existing staff and potential recruits our commitment to being an LGBT friendly place to work. Holocaust Memorial Day was marked at the end of January 2019 with an LGBT conference which also celebrated LGBT History Month. The dedicated helpline put into place for staff and those with LGBT families or friends has gained a Healthcare People Management Association award and there is also a regular newsletter and support a wide range of community events and link with other networks.

6.3 Emergency Preparedness / Civil Contingencies / Disaster Recovery

The organisation continues to maintain its duties as a Category 1 responder and has strengthened its level of compliance with the addition of a Critical Threat Level Response Protocol. The Civil Contingencies Act requires organisations to maintain emergency plans to ensure that should such a situation arise, the organisation is fully prepared so that it can respond in conjunction with its partner agencies whether this is in the form of action to prevent or reduce the risk of an emergency or its effects.

The Chief Executive has responsibility for discharging the Health Board's obligations under the Act, however on a day-to-day basis, lead managers ensure existing plans are updated in line with legislative changes and national guidance.

The Health Board has a Major Incident Plan that takes full account of the requirements of Welsh Government guidance to NHS Wales and all associated guidance and Major Incident Exercises have been attended by Executives, senior managers, senior nurses and support managers. The organisation continues to maintain its duties as a Category 1 responder and has strengthened its level of compliance with the development of a Silver Commander Training package delivered to senior managers and executives attending Wales Gold training.

The Health Board has an all-Wales NHS Mass Casualty Response plan designed to coordinate NHS resources and communication across Wales to manage a major incident involving a large number of casualties. This work has involved Welsh Government, Health Boards, Welsh Ambulance and specialist resources and is incorporated in our Major Incident plan.

Medical Emergency Response Incident Team have continued to receive training and development for attendance mass casualty incidents, with a high level of re-certification achieved through attendance and assessment at 'Exercise Leopold'. There have also been business continuity exercises addressing issues such as staff shortages, supply chain failure and social care sector.

The Health Board has fully participated in NHS planning preparations around Brexit and is compliant with the reporting requirements of Welsh Government and the South Wales Local Resilience Forum. A Joint Emergency Services Interoperability Protocol awareness package has been delivered for staff and training and exercising session have been provided to train staff in the use of the decontamination tents and use in the decontamination of casualties. Training has included and emphasised the separate personal protective equipment requirements for treating highly contagious infectious diseases and training in the use of powered respiratory protective suits and masks.

6.4 NHS Pension Scheme

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations. The Scheme is managed on our behalf by the NHS Wales Shared Services Partnership (NWSSP).

6.5 Carbon Reduction Delivery Plans

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

6.6 Ministerial Directions and Welsh Health Circulars (WHC)

[Ministerial Directions](#) issued by the Welsh Government during 2018/19 have been considered and where appropriate implemented. The [WHCs](#) published by Welsh Government during 2018/19 are centrally logged with a lead Executive Director being assigned to oversee implementation of any required actions. Where appropriate, the Board or one of its Committees is also sighted on the contents of WHCs.

The Safety Alert Broadcast System Procedure has been developed and implemented to ensure that each WHC is followed up until all actions are completed. All WHCs have been fully considered and implemented as appropriate.

6.7 Data Security and Information Governance

The Board has strict responsibilities to ensure personal data and information is held securely. All information governance related incidents are investigated and reviewed by the Information Governance Group. During the period April 2018 and March 2019 there were two personal data security incidents which needed to be reported to the Information Commissioners Office (ICO). The first related to a letter with a partial address which did not arrive with the intended recipient. The other related to community pharmacy vehicle which was stolen affecting five Health Boards due to theft of delivery information. The ICO was satisfied by the actions taken as a result.

A planned approach was undertaken to ensure organisational preparedness for the General Data Protection Regulation (GDPR) implemented in May 2018 which marked the biggest change to data protection legislation in the last 20 years.

GDPR builds upon the previous Data Protection Act, strengthening individual's rights and the requirements for the appropriate and secure processing of personal data.

Key areas progressed include raising awareness across the organisation and communicating with all staff, developing and implementing a comprehensive Information Asset Register and ensuring good information governance practices by increasing the awareness and requirements for completion of mandatory training via an e-learning package. Staff training numbers have steadily increased over the year with the current compliance at the end of March 2019 reaching 70.46%, an increase of 10% over the past 12 months.

There has been a focus on key areas that have the most impact in terms of compliance with the following key areas being progressed:

- Establishment of a GDPR Task & Finish Group, reporting through the Information Governance Group and Quality, Safety & Risk Committee
- GDPR Communications Campaign for managers and staff including intranet site, briefings, newsletters and posters
- Development and on-going population of an organisational-wide Information Asset Register
- Personal Data Breaches Procedure (to meet the requirement to report data breaches within 72 hours)
- Data Protection Impact Assessment (DPIA) Procedure (to meet the requirement to ensure a "privacy by design" approach and accountability requirements)
- Development of privacy notices
- Contractual reviews by local procurement.

In addition, advice and support is available to contractor professions, who as independent contractors, retain legal responsibility for the personal identifiable data that they hold.

6.8 The Corporate Governance Code for Central Government Departments

The organisation has undertaken an assessment against the main principles of The Corporate Governance Code for Central Government Departments as they relate to an NHS public sector organisation in Wales. This assessment has been informed by the Health Board's assessment against the Governance and Accountability Module undertaken by the Board in April 2019 and also evidenced by feedback received from internal and external audits. The Health Board considers that there have been no departures from the code as it applies to the NHS bodies in Wales. The Health Board is clear that it is complying with the main principles of the Code, is following the spirit of the Code to good effect and is conducting its business openly and in line with the Code. Declaration of interests received from Board Members are set out at page 76 onwards.

6.9 Welsh Language

The Health Board is committed to ensuring that the Welsh and English languages are treated on the basis of equality in the services we provide to the public and other NHS partner organisations in Wales. This is in accordance with the Health Board's Welsh Language Scheme, Welsh Language Act 1993, the Welsh Language Measure (Wales) 2011 and the Welsh Language Standards (No7) Regulations which were approved by the National Assembly for Wales on the 20 March 2018.

The quality of care, patient safety, dignity and respect can be compromised by the failure to communicate with patients and service users in their first language and it is recognised that many people can only communicate and participate in their care as equal partners effectively through the medium of Welsh. The Health Board is therefore committed to meeting the Welsh language needs and preferences of service users and has made good progress implementing its statutory Welsh Language Scheme and the Welsh Government's strategic framework for Welsh language services in health, social services and social care: 'More Than Just Words'. The aim of this work has been to improve the availability, accessibility, quality and equality of our Welsh medium services.

Following the confirmation of the requirements of Welsh Language Standards at the end of November 2018 the Health Board put into place an action plan to deliver the necessary requirements during 2019/20 into 2020/21. This is based upon joint working with other health boards to ensure a consistent approach making best use of resources. A further Welsh Language Translation post has been established in anticipation of an increase in translation demand. Progress against Welsh Language Standards is reported to our internal Welsh Language and Equality Forum, the Board, the Welsh Language Commissioner and Welsh Government with Annual Monitoring and statistical reports being submitted to the Welsh Language Commissioner and Welsh Government.

7. REVIEW OF EFFECTIVENESS

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

I have overall responsibility for risk management and report to the Board regarding the overall effectiveness of risk management across the Health Board. My advice to the Board is informed by reports on internal controls received from all its Committees and in particular the Audit Committee, Quality, Safety & Risk Committee and the Finance Performance & Workforce Committee, with the Integrated Governance Committee ensuring alignment and connections with the Board's business. The Quality, Safety & Risk Committee also provides assurance

relating to issues of clinical governance, patient safety, patient experience and the application of the Health and Care Standards. In addition, reports submitted to the Board by the Executive Team identify risk issues for consideration.

Each of the Health Board's Committees have considered a range of reports relating to their areas of business during the last year, which have included a comprehensive range of internal audit reports and external audit reports and reports on professional standards and from other regulatory bodies. The Committees have also considered and advised on areas for local and national strategic developments and new policy areas.

Each Committee develops an annual report of its business and the areas that it has covered during the last year and these are reported in public to the Board. Overall I consider the arrangements supporting the system of internal control in place within CTUHB to be appropriate. However, recognising the issues raised within the 2018 WAO Structured Assessment and significant matters of concern raised within the maternity services, external review reports, it is clear we have areas where internal control and quality governance need to be strengthened.

In response to the change in escalation status, the additional governance advice provided to the Board will positively support the organisation to improve culture, systems and processes. We will use this opportunity, together with the learning from the 2019 WAO national thematic audit on quality governance and the proposed HIW local governance review, to further strengthen systems of internal control going forward.


7.1 Internal Audit

Internal audit deliver an agreed Internal Audit & Assurance Plan for the year and provide an overall opinion on the system of internal control to me and the Board through the Audit Committee. I have commissioned a programme of audit work which has been delivered in accordance with Public Sector Internal Audit Standards by the NHS Wales Shared Services Partnership (NWSSP). The scope of this work is agreed with the Audit Committee and is focussed on significant risk areas and local improvement priorities.

The overall opinion received from 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 Head of Internal Audit opinion for 2018/19 is that the Board can take **Reasonable Assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.

The Head of Internal Audit has concluded:

Reasonable Assurance		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.
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In reaching the opinion the Head of Internal Audit has applied both professional judgement and the Audit & Assurance 'Supporting criteria for the overall opinion' guidance produced by the Director of Audit & Assurance and shared with key stakeholders, the details of which are contained within his Annual Report to the Audit Committee.

The Head of Internal Audit has concluded 'reasonable assurance' can be reported for seven of the assurance domains. However, the Capital and Estates management domain was allocated 'limited assurance' as, two out of the four reviews that we undertook in the domain during the year were given a 'limited assurance' rating. These reviews related to water safety (draft report), and to the capital project for the redevelopment of Prince Charles Hospital.

The audit work undertaken during 2018/19 and reported to the Audit Committee has been aggregated and explained further in the Annual Report:

The evidence base upon which the overall opinion is formed is as follows:

- An assessment of the range of individual opinions arising from risk-based audit assignments contained within the Internal Audit plan that have been reported to the Audit Committee throughout the year. This assessment has taken account of the relative materiality of these areas and the results of any follow-up audits in progressing control improvements.
- The results of any audit work related to the Health & Care Standards including, if appropriate, the evidence available by which the Board has arrived at its declaration in respect of the self-assessment for the Governance, Leadership and Accountability module.
- Other assurance reviews, which impact on the Head of Internal Audit opinion including audit work performed at other organisations.

These detailed results have been aggregated to build a picture of assurance across the eight assurance domains around which the risk-based Internal Audit plan is framed. In addition, the Head of Internal Audit has considered residual

risk exposure across those assignments where limited assurance was reported. During the year, one audit assignment was deferred to 2019/20, this was for consultant job planning. In addition, the audit resource for the review of GP OOH was used as part of our wider review of the Health Board's Primary Care directorate. Further, we undertook an additional review within the EASC relating to non-emergency patient transport services.

Where changes were made to the audit plan, the reasons were presented to the Audit Committee for consideration and approval. Notwithstanding that the opinion is restricted to those areas which were subject to audit review; the Head of Internal Audit has considered the impact of changes made to the plan when forming the overall opinion.





The Head of Internal Audit Annual Report provides a summary of the findings in each of the domains, and an assessment of the range of individual opinions arising from risk-based audit assignments contained within the Internal Audit plan that have been reported to the Audit Committee throughout the year. This assessment has taken account of the relative materiality of these areas and the results of any follow-up audits in progressing control improvements.





The results of any audit work related to the Health and Care Standards including, if appropriate, the evidence available by which the Board has arrived at its declaration in respect of the self-assessment for the Governance, Leadership and Accountability Module.

Other assurance reviews which impact on the Head of Internal Audit opinion, including audit work performed in relation to systems operated by the NHS Wales Shared Services Partnership.

These detailed results have been aggregated to build a picture of assurance across the eight key assurance domains around which the risk-based Internal Audit plan is framed. In addition, the Head of Internal Audit has considered residual risk exposure across those assignments where 'limited assurance' was reported. Further, a number of assignments planned this year did not proceed to full audits following preliminary planning work as either management acknowledged that the present situation would only offer 'limited assurance' or limited audit work has identified issues of concern – the significance of risk exposure for those has also been taken into account in forming the opinion across the Domains.

A summary of the related findings is outlined within the full Head of Internal Audit Annual Report.

Draft Audit Summary by Assurance Domain							
Assurance domain	Audit count	Overall rating	Not rated	No assurance	Limited assurance	Reasonable assurance	Substantial assurance
Corporate Governance, Risk and Regulatory Compliance	6		-	-	<ul style="list-style-type: none"> ● Raising concerns 	<ul style="list-style-type: none"> ● Risk management ● Wellbeing of Future Generations Act ● Primary care directorate - management arrangements ● Facilities directorate - management arrangements 	<ul style="list-style-type: none"> ● Primary Care Committee – Governance arrangements
Strategic Planning, Performance Management and Reporting	5		-	-	-	<ul style="list-style-type: none"> ● Facilities directorate - management arrangements ● Continuing Health Care ● Performance management – follow up ● Service Change plan 	<ul style="list-style-type: none"> ● Primary Care Directorate – Management arrangements
Financial Governance and Management	5		-	-	-	<ul style="list-style-type: none"> ● Commissioning ● Facilities directorate - Compliance ● Primary Care directorate - Compliance 	<ul style="list-style-type: none"> ● Main financial systems ● Welsh risk pool claims
Clinical Governance, Quality and Safety	4		-	-	<ul style="list-style-type: none"> ● Medical equipment and devices 	<ul style="list-style-type: none"> ● JAG accreditation – follow up ● AQS ● Patient experience 	-

Information Governance and Security	3		-	-	<ul style="list-style-type: none"> ● Cyber Security 	<ul style="list-style-type: none"> ● GDPR ● IT systems – continuity ● 	-
Operational Service and Functional management	3		-	-	-	<ul style="list-style-type: none"> ● Facilities directorate - Compliance ● Primary Care directorate – Compliance ● Mobile phone arrangements 	-
Workforce Management	5		-	-	<ul style="list-style-type: none"> ● Retention of staff 	<ul style="list-style-type: none"> ● Mandatory training ● Primary care directorate - management arrangements ● Management of absence targets ● Facilities directorate management arrangements 	-
Capital and Estates Management	4		-	-	<ul style="list-style-type: none"> ● Management of major capital - PCH 	<ul style="list-style-type: none"> ● 'Draft' Water Safety 	<ul style="list-style-type: none"> ● Environmental sustainability ● Carbon reduction commitment

WHSSC

Assurance domain	Audit count	Not rated	No assurance	Limited assurance	Reasonable assurance	Substantial assurance
WHSSC	4	-	-	-	<ul style="list-style-type: none"> ● High cost drugs ● Review of network groups and advisory boards ● Risk management ● Governance arrangements 	-

EASC

Assurance	Audit count	Not rated	No assurance	Limited assurance	Reasonable assurance	Substantial assurance
EASC	2	Non-Emergency Patient Transport Service – follow up of baseline review	-	-	<ul style="list-style-type: none"> ● Governance and performance arrangements 	-

Key to symbols:

Audit undertaken within the Annual Internal Audit plan

Italics

Reports not yet finalised but have been issued in draft

In terms of actions arising from reviews that were classed as having a 'limited assurance' rating the management action plans have been established to address the report recommendations, which are scrutinised by the Audit Committee and progress monitored via an audit tracker tool. Related reports and management responses are also available on the organisation's internet website, along with Audit Committee meeting papers. This is designed to provide assurance that actions are being completed within agreed timescales. The findings are summarised as follows:

- **Raising (Staff) Concerns** – there were three high and four medium level recommendations relating to staff training, availability of information, systems for logging staff concerns, guidance for undertaking investigations and the need for trend analysis.
- **Medical Equipment & Devices** – there were two high, 6 medium and 3 low level recommendations relating to updating of the medical equipment register, staff training in the use of equipment and non-compliance with regulatory guidelines
- **Retention of Staff** – there were three high and three medium level findings relating to the need to align nurse retention strategy with the retention action plan (both of which needed to be finalised) and engagement strategy, review of the exit questionnaire and interview process as well as systems for encouraging such feedback and improvements to meeting processes.
- **Management of Major Capital – Prince Charles Hospital** – there were 19 high and six medium level findings relating to Project Board arrangements, systems around expenditure/estimates/variances and reconciliation with budgets, documentation of risks and systems for confirming value for money. The specific findings and management actions in response, were also shared and discussed with the Board, such was the significance of the audit's findings. The Health Board has also worked closely with Welsh Government on related matters and improvement actions.
- **Cyber Security** – there were two high, four medium and one low level findings relating to the need to establish a Board ICT Committee, reporting on risks, the development of a strategy for system patching, processes around software, development of a data communications team and updates to the website on news/policies.

7.2 Structured Assessment 2018 and Annual Audit Report 2018

WAO undertakes its Structured Assessment to help discharge the Auditor General's statutory requirement to be satisfied that NHS bodies have made proper arrangements to secure economy, efficiency and effectiveness in their use of resources.

The 2018 review concluded that:

"...the Board continues to operate well, however, aspects of quality governance, risk management and oversight of ICT arrangements do require improvement. The Health Board has good arrangements for strategic planning, and effective support for directorates but tracking progress is difficult without detailed IMTP milestones. Overall, financial and asset management arrangements are sound, and the Health Board performs comparatively well on several key performance targets. There is a need for continued action to address several significant workforce challenges, including factors driving the relatively high use of locum and agency staff. The Health Board focuses on delivery of its key access targets and has examples of innovative ways of working to improve efficiency and productivity."

The Annual Audit report recognised discharge planning and primary care services had some aspects of good practice but that there were also opportunities to strengthen arrangements for securing efficient and economical use of resources. It said the Health Board was participating in the National Fraud Initiative although limited use had been made of data matches released in 2017. It noted the administration of the Board meetings to be good with positive levels of scrutiny and challenge evidenced at both Board and committee meetings. The Quality, Safety and Risk Committee was noted to have a large agenda and it suggested reports be made more succinct with a review required of the work of the committee to prioritising workload and refine the information it receives to help support effective scrutiny. As a result, a Quality and Safety Governance Framework was developed and approved in February 2019. An implementation plan is now being developed to deliver this.

Whilst the report noted the development of a BAF (which is currently under review) and that a risk management strategy in place, it referenced the need to improve the operational identification, review and mitigation of risk. It highlighted the need for the organisation to demonstrate organisational learning and assurance that issues such as those in maternity services are not more widespread.

7.3 Counter-Fraud

A Local Counter-Fraud Service (LCFS) is in place which includes both proactive (i.e. delivery of training, or review of internal policies/guidance) and reactive (review or investigation of specific allegations of fraud). Whilst the 2018/19 work plan was completed and covered all of the requirements in accordance with the Welsh Government Directions, an assessment in May 2018 found deficits in terms of standards relating to 'prevent and deter' as the organisation was unable to demonstrate sufficient proactive evaluation work.

This was partly linked to an increase in referrals in suspected fraud which caused delays in completing investigations and reduced the capacity for proactive counter-fraud work.

Until 31 March 2019, Counter-Fraud services were provided by the Cardiff & Vale University Health Board. From 1 April 2019 onwards this service will be delivered via Swansea Bay University Health Board with further investment made to increase resources from April 2019. The Counter Fraud Service provides regular reports and updates to members of the Executive Board and directly to the Audit Committee.

The Audit Committee received the Counter-Fraud and Corruption Annual Report for 2018/2019 and was updated on related work which was self-assessed and/or reviewed against the relevant "NHS Counter Fraud Standards for Providers – Fraud, Bribery and Corruption / NHS Standard" Contract.

8. CONCLUSION

This Governance Statement indicates that whilst progress continues to be made in some areas, the Health Board has faced a number of challenges with regards its quality governance and communication arrangements, which has contributed to, Welsh Government enhancing our organisational escalation status from 'Routine' to 'Enhanced' monitoring, in October 2018. During the year, the Royal College of Obstetricians & Gynaecologists and the Royal College of Midwives, jointly undertook a review of maternity services, commissioned by the Minister for Health & Social Services. The report, which was damning and identified a number of failures in our service, was published on 30 April 2019. As a consequence the Minister for Health and Social Services increased our escalation level to 'Targeted' for the Organisation as a whole and put maternity services into 'Special' Measures, the highest level of escalation.

In addition to the above, there have been five areas of the business of our organisation reviewed during the last year, that have received 'limited assurance' ratings from Internal Audit and as a consequence, management action has been taken. A summary of the 5 reports outlined above, which have been considered by the Audit Committee, along with the relevant management actions taken and planned, will continue to be monitored by the Audit Committee and a follow up review of progress is also scheduled into the 2019/20 Internal Audit & Assurance Plan.

As the Accountable Officer, I will ensure that we learn from recent experiences, seek help from others and take the opportunity to adopt best practice so that with robust management and accountability frameworks, significant internal control problems do not occur in the future. However, if such situations do arise, swift and robust action will be taken, to be open about any failings, manage the event and to ensure that learning is spread throughout the organisation.

The revised planning guidance and our approved three-year Integrated Medium Term Plan for 2018-2021 sets out the strategy for the University Health Board and outlines high level objectives and key priority areas for progressing over the next three-years.

The boundary change from 1 April 2019, incorporating the responsibility for the commissioning and delivery of healthcare services for the Bridgend community into CTMUHB, brings a new set of challenges and opportunities for the organisation. The increased scale and complexity of the organisation will demand new ways of working and further strengthening of systems of governance.

My review confirms that there have been internal control issues, which have been identified during the year and in most of the related areas, addressed with the remedial action taken. However, the external reports have identified significant issues associated with Quality Governance and the Board will need to address the identified learning and its application across the whole organisation.

The support provided by Welsh Government in light of our enhanced escalation status enables us to draw on the expertise of others to help improve and develop our governance arrangements and strengthen assurance internally and externally going forward.

MRS ALLISON WILLIAMS
CHIEF EXECUTIVE

Date: 30 May 2019



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Cwm Taf Morgannwg
University Health Board

Directors Report

2018/19

The Directors' Report

The following tables contain:

Table 1 Board Level Committees and Advisory Groups

Table 2 Detailed information in relation to the composition of the Board and including Executive Directors, Independent Members, Associate Board Members and who have authority or responsibility for directing or controlling the major activities of Cwm Taf University Health Board during the financial year 2018/19.

Table 3 Details of company directorships and other significant interests held by members of the Board which may conflict with the responsibilities as Board members.

Table 4 Details relating to membership of the Board level assurance committees and the Audit Committee.

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

BOARD LEVEL COMMITTEES AND ADVISORY GROUP MEETINGS (Table 1)

The Board and its Committees are fully established and operating in line with the Board's Standing Orders. The following table outlines dates of Board (including Board Development Sessions) and Committee meetings held during 2018/19.

Board/Committee / Group	April 18	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan 19	Feb	Mar
Board (*Board Development Sessions)	26.4.18*	31.5.18	28.06.18 28.6.18*	26.7.18	30.8.18 30.8.18*	27.9.19	31.10.18*	29.11.18	20.12.18*	30.1.19	28.2.19*	28.3.18
Academic Partnership Board			7.6.18			13.9.18			11.12.18			
Audit Committee	16.4.19	18.5.18 31.5.18		9.7.18			8.10.18			14.1.19	11.2.18	
Charitable Funds							31.10.18					
Finance, Performance & Workforce Committee	19.4.18	24.5.18	21.6.18	19.7.18		20.9.18	25.10.18	22.11.18		24.1.19	21.2.19	
Integrated Governance Committee	26.4.18				30.8.18				20.12.18			
Mental Health Act Monitoring Committee		10.5.18			9.8.18			8.11.18				
Primary & Community Care Committee	4.4.18		27.6.18				10.10.18			9.1.19		
Remuneration and Terms of Service			28.6.18				31.10.18	29.11.18			28.2.19	
Stakeholder Reference Group	19.4.18		15.6.18		16.8.19	6.9.18	18.10.18		13.12.19		20.2.19	
Working in Partnership Forum							23.10.18		11.12.18			
Healthcare Professionals Forum				12.7.18								
Quality, Safety & Risk Committee		9.5.18				6.9.18			6.9.18			7.3.19

All meetings of the Board were quorate. There was only one Board Committee meeting which was inquorate and that was the Mental Health Act Monitoring Committee which met on 8 November 2018.

Table 2

BOARD MEMBER	POSITION (AREA OF EXPERTISE)	BOARD COMMITTEE MEMBERSHIP	CHAMPION ROLE	BOARD & COMMITTEE ATTENDANCE 2018/19
Marcus Longley	Chair	Board Remuneration and Terms of Service Committee (Chair); Charitable Funds Committee; Integrated Governance Committee;	Welsh Language	8/8 4/4 1/1 3/3
Maria Thomas	Vice-Chair	Board Remuneration & Terms of Service Committee; Charitable Funds Committee; Integrated Governance Committee; Audit Committee; Quality, Safety & Risk Committee (Chair); Mental Health Act Monitoring Committee (Chair); Primary & Community Care Committee (Chair)	Safeguarding Volunteers Mental Health	7/8 3/4 1/1 2/3 7/7 4/4 3/3 4/4
Paul Griffiths	Independent Member (Finance)	Board; Remuneration & Terms of Service Committee; Charitable Funds Committee; Audit Committee; Finance, Performance & Workforce Committee.	Capital (Design) Capital (Environ) Energy Management	8/8 4/4 1/1 7/7 10/10
James Hehir	Independent Member (Legal)	Board; Remuneration & Terms of Service Committee; Charitable Funds Committee; Quality, Safety & Risk Committee	Equality and Diversity Violence & Aggression	7/8 4/4 1/1 3/4

BOARD MEMBER	POSITION (AREA OF EXPERTISE)	BOARD COMMITTEE MEMBERSHIP	CHAMPION ROLE	BOARD & COMMITTEE ATTENDANCE 2018/19
Jayne Sadgrove	Independent Member (University)	Board; Remuneration and Terms of Service Committee; Charitable Funds Committee; Audit Committee		6/8 3/4 0/1 6/7
Mel Jehu	Independent Member	Board Remuneration and Terms of Service Committee; Charitable Funds Committee; Integrated Governance Committee; Finance, Performance & Workforce Committee (Chair) Mental Health Act Monitoring Committee.	Veterans Health Armed Forces	6/8 4/4 1/1 3/3 10/10 2/3
Keiron Montague	Independent Member (Community)	Board; Remuneration & Terms of Service Committee; Charitable Funds Committee; Finance, Performance & Workforce Committee; Quality, Safety & Risk Committee; Primary & Community Care Committee	Cleanliness, Hygiene & Infection Control Corporate health standards	7/8 3/4 0/1 8/10 (1IP) 3/4 3/4
Robert Smith	Independent Member (Local Authority)	Board; Remuneration & Terms of Service Committee; Charitable Funds Committee; Finance, Performance & Workforce Committee; Primary & Community Care Committee	Organ Donation	5/8 4/4 1/1 7/10 (1IP) 4/4

BOARD MEMBER	POSITION (AREA OF EXPERTISE)	BOARD COMMITTEE MEMBERSHIP	CHAMPION ROLE	BOARD & COMMITTEE ATTENDANCE 2018/19
Chris Turner	Independent Member (Information Technology and Governance) (Until Jan 2019)	Board; Remuneration and Terms of Service Committee; Integrated Governance Committee; Charitable Funds Committee Audit Committee (Chair); Academic Partnership Board	Information Governance ICT Freedom of Information Raising Concerns	5/6 3/3 3/3 1/1 5/5 0/0
Gaynor Jones	Independent Member (Trade Union) (Until July 2018)	Remunerations & Terms of Service Committee; Quality, Safety & Risk Committee;		0/1 1/1
Nicola Milligan	Independent Member (Trade Union) (From August 2018)	Board; Remunerations & Terms of Service Committee; Charitable Funds Committee; Quality, Safety & Risk Committee; Primary & Community Care Committee		5/5 3/4 1/1 2/2 1/1
Dilys Jouvenat	Independent Member (Third Sector) (From August 2018)	Board; Remunerations & Terms of Service Committee; Charitable Funds Committee; Audit Committee; Finance, Performance & Workforce Committee; Quality, Safety & Risk Committee	Raising Concerns Carers Vulnerable Adults Older People	5/5 3/3 1/1 3/3 6/6 1/2
Gio Isingrini	Associate Board Member (Social Services)	Board		3/8
Phil White	Associate Member (Bridgend)	Board		1/2
Clare Llewellyn	Associate Member (Stakeholder Reference)	Board		4/7

BOARD MEMBER	POSITION (AREA OF EXPERTISE)	BOARD COMMITTEE MEMBERSHIP	CHAMPION ROLE	BOARD & COMMITTEE ATTENDANCE 2018/19
Allison Williams	Chief Executive	Board; Remuneration and Terms of Service Committee (IA); Charitable Funds Committee; Integrated Governance Committee; Emergency Ambulance Services Committee; Welsh Health Specialised Services Committee.		8/8 4/4 1/1 3/3 6/6 (3 IA only)
Steve Webster	Director of Finance & Procurement	Board; Charitable Funds Committee; Integrated Governance Committee; Audit Committee (IA); Finance, Performance & Workforce Committee (IA);		8/8 0/1 3/3 6/7 9/10
Stephen Harrhy	Board Director	Board; Charitable Funds Committee		6/8 1/1
Kelechi Nnoaham	Director of Public Health	Board; Charitable Funds Committee; Integrated Governance Committee; Quality, Safety & Risk Committee (IA); Primary & Community Care Committee (IA)		5/8 (1 IP) 1/1 1/3 (1IP) 1/4 3/4
Alan Lawrie (Acting until substantive appointment in December 2018)	Director of Primary, Community & Mental Health	Board; Charitable Funds Committee; Integrated Governance Committee; Finance, Performance & Workforce Committee (IA); Quality, Safety & Risk Committee (IA); Mental Health Act Monitoring Committee (IA); Primary & Community Care Committee (IA).		8/8 1/1 2/3 6/10 4/4 2/3 4/4

BOARD MEMBER	POSITION (AREA OF EXPERTISE)	BOARD COMMITTEE MEMBERSHIP	CHAMPION ROLE	BOARD & COMMITTEE ATTENDANCE 2018/19
Ruth Treharne	Deputy Chief Executive /Director of Planning and Performance	Board; Charitable Funds Committee; Integrated Governance Committee; Finance, Performance & Workforce Committee; Primary & Community Care Committee (IA)		7/8 1/1 3/3 8/10 (2 IP) 3/4
Joanna Davies	Director of Workforce & OD	Board; Remuneration & Terms of Service Committee (IA); Charitable Funds Committee; Integrated Governance Committee; Finance, Performance & Workforce Committee (IA); Quality, Safety & Risk Committee (IA); Primary & Community Care Committee (IA)		6/8 (1 IP) 4/4 1/1 2/3 9/10 (1 IP) 2/4 0/4
Kamal Asaad	Medical Director	Board; Charitable Funds Committee; Integrated Governance Committee; Quality, Safety & Risk Committee (IA); Primary & Community Care Committee (IA);		6/8 1/1 2/3 2/4 0/4
John Palmer (Acting until substantive appointment in December 2018)	Chief Operating Officer	Board; Charitable Funds Committee; Finance, Performance & Workforce Committee (IA); Quality, Safety & Risk Committee (IA).		6/8 0/1 10/10 (4 IP) 4/4
Lynda Williams (until August 2018)	Director of Nursing, Midwifery and Patient Services	Board; Integrated Governance Committee; Quality, Safety & Risk Committee (IA); Primary & Community Care Committee (IA)		3/3 1/1 1/1 IP 1/2

BOARD MEMBER	POSITION (AREA OF EXPERTISE)	BOARD COMMITTEE MEMBERSHIP	CHAMPION ROLE	BOARD & COMMITTEE ATTENDANCE 2018/19
Angela Hopkins (from September 2018)	Interim Director of Nursing, Midwifery & Patient Care	Board; Charitable Funds Committee; Integrated Governance Committee; Quality, Safety & Risk Committee (IA); Primary & Community Care Committee (IA)		3/4 1/1 0/1 3/3 0/2
Robert Williams (* long term sick from September 2018 to March 2019)	Board Secretary / Director of Corporate Services & Governance	Board; Remuneration & Terms of Service Committee (IA); Charitable Funds Committee (IA); Integrated Governance Committee; Audit Committee (IA); Quality, Safety & Risk Committee (IA); Also periodically attends a range of other Board Committee meetings on a regular basis.		2/8 1/3 0/1 1/3 4/7 1/4
Gwenan Roberts	Interim Board Secretary (From September 2018 onwards into 2019)	Board; Remuneration & Terms of Service Committee (IA); Charitable Funds Committee (IA); Integrated Governance Committee; Audit Committee; Quality, Safety & Risk Committee (IA);		5/6 2/3 1/1 2/3 (1IP) 2/3 1/3

Note – Where directors are unable to attend Board/Committee meetings an assistant director attends in their place

IA – in attendance

IP – present for part of meeting

N/A – Not applicable

Due to the appointment of a Board Member part way through a year they would only have been able to attend a proportion of the full number of meetings held. In such cases the level of meeting attendances has been reduced accordingly.

Associate Member Role	Name	Attendance
Social Services A Director of Social Services, nominated by local authorities in the CTUHB area.	Gio Isingrini, Group Director of Community & Children Services, Rhondda Cynon Taf County Borough Council	3/8 Public Board meetings
Stakeholder Reference	Claire Llewellyn Chair of the Stakeholder Reference Group	4/7 Public Board Meetings (stepped down in February 2019 prior to final Public Board meeting of the year)
Healthcare Professionals	(Vacant) Chair of the Healthcare Professionals Forum	Nil

DIRECTORS INTERESTS (Table 3)

Directors of the Board have declared the following interests which may be relevant to the business of the University Health Board.

Name	Designation	Nature of Interest
Marcus Longley	Independent Member Chair	Board Member, Professional Standards Authority for Health & Social Care.
Maria Thomas	Independent Member	Justice of the Peace. Executive Member, Macmillan Cancer Support Merthyr. Trustee Safe Merthyr Tydfil. Chair, Governors, Gwaunfarren School. Consultant Governor, South Wales Consortium. Executive Member, St John's Eye Hospital Jerusalem. Member of St Johns. Director of Winchfawr Investments Trustee - Voluntary Action Merthyr Tydfil January 2018 – July 2018.

Name	Designation	Nature of Interest
Keiron Montague	Independent Member (Community)	Staff member of Cynon Taff Community Housing ending on 31/1/19. Trustee of Merthyr and the Valleys MIND Trustee of Full Circle Education CIC Independent Member of the Supporting People National Advisory Board. Staff member of Trivallis starting 4 th February 2019.
Mel Jehu	Independent Member (Community)	Independent Member of the Police Crime Panel for the South Wales Police Force. Trustee, Cancer Aid Merthyr Tydfil. Chair, Rhondda Cynon Taf (RCT) Council Standards Committee. Trustee Safer Merthyr Tydfil.
James Hehir	Independent Member (Legal)	Director Llandarcy Park Ltd. Solicitor of the Supreme Court. HMCTS Clerk to the Dyfed Powys & North Wales Justices. Member, Law Society England & Wales. Member, Neath Port Talbot Law Society. Member, Swansea Law Society. Member, Neath Port Talbot Contact Centre. Council Member Justices' Clerks Society. Member Justices' Clerks Society. Associate Member Magistrates' Association. Honorary Vice President, West Glamorgan Magistrates' Association. Clerk to Neath Port Talbot Justices. Clerk to the Neath Port Talbot & Swansea Justices. Patron Neath YMCA.

Name	Designation	Nature of Interest
		Member of the Liberal Democrats.
Paul Griffiths	Independent Member (Finance)	Nil Return.
Jayne Sadgrove	Independent Member (University)	Member of staff at Cardiff University. Daughter-in-law is a member of staff at the Royal Glamorgan Hospital.
Dilys Jouvenat	Independent Member (Third Sector)	Chair of RCT Citizens Advice they may be involved in delivering projects via SLA with the Health Board.
Robert Smith	Independent Member (Local Authority)	Councillor for Rhondda Ward Rhondda Cynon Taff Borough Council Member of Pensions Committee RCT (Vice Chair) Member of audit Committee RCT Member of Children's Services Committee RCT Chair of Police and Crime Panel, South Wales Police August 2017 Vice Chair of Royal British Legion Pontypridd Retired member of Unison Trade Union August 2001 Member of Pendyrus Male Choir September 2012 Member of Labour Party 1995
Nicola Milligan	Independent Member (Staff Side Representative)	Royal College of Nursing (RCN) Welsh Board.
Allison Williams	Chief Executive	Trustee & Non-Executive Director – Workforce Development Trust (Formerly known as Skills for Health Limited) (Charitable Company- unpaid). Husband employed by Welsh Ambulance Services Trust.

Name	Designation	Nature of Interest
Ruth Treharne	Deputy Chief Executive / Director of Planning & Performance	Nil return.
Stephen Harrhy	Board Director	Chief Ambulance Services Commissioner for Wales.
Robert Williams	Director of Governance & Corporate Services / Board Secretary	Wife is an employee of CTUHB.
Gwenan Roberts	Interim Board Secretary	Partner works in the Blood Bank Pathology Dept., Royal Glamorgan Hospital.
Kelechi Nnoaham	Director of Public Health	Wife works for the Health Board.
John Palmer	Chief Operating Officer	Nil return.
Joanna Davies	Director of Workforce & Organisational Development	Nil return.
Steve Webster	Director of Finance	Nil return.
Alan Lawrie	Director of Primary, Community and Mental Health	Nil return.
Kamal Asaad	Medical Director	Nil return.

Name	Designation	Nature of Interest
Angela Hopkins	Interim Director of Nursing, Midwifery & Patient Services	Nil return.
Phillip White	Associate Board Member (Bridgend)	Director, The Clever Green Portal Company Ltd. Director, Whitedge Renewables. Trustee Board Member Care and Repair, Bridgend.
Gio Isingrini	Associate Board Member (Social Services)	Nil return.
Clare Llewellyn	Associate Member	Work as an Associate Trainer and external Quality Assurer for Agored Cymru. Freelance Internal Verifier for Valleys Kids. Husband works for ABMUHB at present and will transfer to CTMUHB.
Lynda Williams (left 12/8/18)	Director of Nursing, Midwifery and Patient Services	Nil return.
Gaynor Jones (left July 2018)	Independent Member	Chair RCN Welsh Board. Member RCN Trade Union Committee.
Christopher Turner (left 31/12/18)	Independent Member	Senior Professional Fellow (Honorary), Cardiff University. Independent Governor –Cardiff Metropolitan University. Interim Chair of EASC.
Collette Kiernan (left April 2018)	Chair, Health Professions Forum	Nil return.

Membership of the Board's Audit Committee (Table 4)

Paul Griffiths	Independent Member (Finance)	(Chair of Audit Committee) Member from October 2017
Maria Thomas	Vice Chair / Independent Member (Third Sector)	Member from 2014
Jayne Sadgrove	Independent Member (University)	Member from April 2016
Dilys Jouvenat	Independent Member	Member from August 2018

Environmental, Social and Community Issues

The Health Board as a large local employer and public service provider is cognisant of the impact it has on the environment and takes steps to minimise this, where possible. We take pride in running our healthcare services responsibly. We work hard to reduce our impact on the environment, to encourage staff to make healthy lifestyle choices and to strengthen our relationships with local people. Our strategic approach to sustainability ensures that we not only look at ways to reduce fixed costs such as energy, water and waste, but we also embed efficiency principles within our processes for procuring goods and services

In particular we shall:

- Ensure that all employees, including contractors, are responsible for working in a manner that protects the environment
- Integrate environmental management into operating procedures to ensure that long term and short term environmental issues are considered
- Ensure we remain committed to continual improvement and the prevention of pollution in all areas of potential environmental impact; and
- Ensure compliance with all relevant environmental legislation, Health and Care Standards for Wales and Welsh Government Directives.

Building on the good progress made over recent years, the organisation continues to bring together both the behavioural and technical elements of change and are improving communication through a variety of media platforms to strengthen our environmental, social and community responsibilities.

In reducing our environmental impact, we will:

- Reduce the consumption of finite resources, removing waste where possible
- Adopt a carbon based management approach specifically aimed at reducing CO2 emissions generated by energy, waste and transport by meeting the Welsh Government target objective of a 3% year on year reduction in our carbon footprint, and to work to extend this target and reduce energy costs;
- We will also look to purchase or produce a portion of energy from renewable sources
- Promote the minimization of waste generated through Health Board activities and reduce the environmental impact of waste disposal wherever possible by diverting waste from landfill and maximizing recycling opportunities
- Adopt site specific travel plans, which encourage shift away from single occupancy car journeys to more sustainable modes of transport such as public transport, car sharing and active travel, and
- Integrate the principles of sustainable development into every day purchasing decisions.

The Board's Sustainability Report will provide more specific detail on progress against this work over the year and this will feature prominently within the Health Board's Annual Report.

Personal Data Related Incidents

Details of personal data related incidents that were reported to the Information Commissioner's Office which occurred during 2018/19 are set out under section 6.6 in the Annual Governance Statement.



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University Health Board

Statement of Accountability

2018/19

Statement of the Chief Executive's responsibilities as Accountable Officer of Cwm Taf University Health Board

The Welsh Ministers have directed that the Chief Executive should be the Accountable Officer to the LHB. 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.

As Accountable Officer I can confirm that as far as I am aware there is no relevant audit information of which Cwm Taf University Health Board's auditors are unaware, and as Accountable Officer, I have taken all the steps that ought to have been taken to ensure that I am aware of any relevant audit information and can confirm that when required I have ensured WAO are aware of this information.

I can confirm that the annual report and accounts as a whole is fair, balanced and understandable and I take personal responsibility for these and the judgement required for doing so.

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.

Date:

Allison Williams
Chief Executive

Statement of Directors Responsibilities

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 requirements outlined in the above mentioned direction by the Welsh Ministers.

By Order of the Board

Signed:

On behalf of the Chair: Marcus Longley

Dated:

Chief Executive: Allison Williams

Dated:

Director of Finance: Steve Webster

Dated:



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Remuneration and Staff Report

2018/19

Remuneration Relationship

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

The banded remuneration of the highest-paid director in the LHB in the financial year 2018-19 was £180,000 - £185,000 (2017-18, £175,000 - £180,000). This was 6.4 times (2017-18, 6.4) the median remuneration of the workforce, which was £28,442 (2017-18, £27,889).

In 2018-19, 10 (2017-18, 9) employees received remuneration in excess of the highest-paid director. Remuneration for staff ranged from £180,001 to £290,000 (2017-18 £177,001 to £253,000).

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

Whole Workforce Profile

Extract as at 31 March 2019	Female		Male		Totals	
Staff Group	FTE	Headcount	FTE	Headcount	FTE	Headcount
Add Prof Scientific and Technical	175.03	214	85.15	94	260.19	308
Additional Clinical Services	1087.99	1256	229.08	241	1317.07	1497
Administrative and Clerical	1246.58	1457	264.59	270	1511.17	1727
Allied Health Professionals	350.72	387	84.56	85	435.28	472
Estates and Ancillary	467.59	704	273.03	292	740.61	996
Healthcare Scientists	96.52	106	58.00	59	154.52	165
Medical and Dental	273.42	299	362.06	383	635.48	682
Nursing and Midwifery Registered	2062.98	2284	210.35	218	2273.34	2502
Students	3.61	3	1.00	1	4.61	4
Grand Total	5764.46	6710	1567.82	1643	7332.27	8353

Gender analysis of Directors

Board Member	Female	Male
Independent Member	4	8 (1 part year)
Associate Member	0	2
Directors (Executive and Directors)	4 (1 part year)	8 (1 part year)

Sickness Absence Data

The following table details the sickness absence data and provides a comparison of information with 2017/18 and 2016/17.

	2018/19	2017/18	2016-2017
Days lost (long term – 28 days and over)	119,240.85	107,215.37	108,289.95
Days lost (short term)	35,456.34	37,899.05	38,439.20
Total days lost	154,697.19	145,114.42	146,729.15
Total staff years	7310.85	7229.18	7114.21
Average working days	13.24	12.11	12.90
Total staff employed in	8353	8277	8142
Total staff employed in period with no absence (headcount)	2775	3212	3211
Percentage of staff with no sick leave	38%	39%	39%

Anxiety / Stress and musculoskeletal (31%) and also Other Musculoskeletal Problems (11.5%) problems remain the top reasons and account for 42.5% of all sickness absence. A comprehensive programme of work is in place, working with staff side partners to address sickness absence rates applying the all-Wales Sickness Absence Policy.

Expenditure on consultancy

Consultancy services are the provision to management of advice and assistance relating to strategy, structure, management or operations of an organisation in pursuant of its objectives. During the year, the Health Board spent £233,000 on external consultancy services compared with £235,000 in the previous year.

Tax Assurance for Off-Payroll Appointees

An electronic link to matters relating to this will be provided via the Health Board's website. <https://cwmtaf.wales/how-we-work/financial-information/annual-accounts/>

Reporting of other compensation schemes - exit packages					
Exit packages cost band (including any special payment element)	2018-19	2018-19	2018-19	2018-19	2017-18
	Number of compulsory redundancies	Number of other departures	Total number of exit packages	Number of departures where special payments have been made	Total number of exit packages
	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	0	2
£25,000 to £50,000	0	0	0	0	1
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	0	0	0	3
Exit packages cost band (including any special payment element)	2018-19	2018-19	2018-19	2018-19	2017-18
	Cost of compulsory redundancies	Cost of other departures	Total cost of exit packages	Cost of special element included in exit packages	Total cost of exit packages
	£'s	£'s	£'s	£'s	£'s
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	0	37,289
£25,000 to £50,000	0	0	0	0	48,515
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	0	0	0	85,804

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS). Where the LHB has agreed early retirements, the additional costs are met by the LHB and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table. No applications for VERS were made and/or agreed during 2018/19.

Statement on Remuneration Policy

The remuneration of Senior Managers who are paid on the Very Senior Managers Pay Scale is determined by the Welsh Government and the organisation pays in accordance with these regulations. For the purpose of clarity, these are posts which operate at Board level and hold either statutory or non-statutory positions. In accordance with the regulations, the organisation is able to award incremental uplift within the pay scale and should an increase be considered outside the range, a job description is submitted to WG for job evaluation. There are clear guidelines in place with regards to the awarding of additional increments and during the year there have not been any additional payments agreed. No changes to pay have been considered by the Committee outside these arrangements. The organisation does not have a system for performance related pay for its VSMs.

In addition to VSMs the Health Board has a number of employment policies which ensure that pay levels are fairly and objectively reviewed for all other staff.

There is an all-Wales Pay Progression Policy which from 1 April 2016 links staff performance through their pay scale and also a local Policy for the re-evaluation of a post which requires individuals and their managers to submit a revised job description for job matching by matching panels comprised of management and staff representatives. The Agenda for Change job matching process is utilised and all results are recorded on the Job Evaluation system. For medical and dental staff the CTMUHB complies with medical & dental terms and conditions which apply to medical remuneration.

The organisation supports the development of its workforce and ensures opportunities are provided for career progression. The only severance payment policy in place within the CTMUHB is the all-Wales Voluntary Early Release Scheme, which is utilised to support organisational change, and services undertake a robust evaluation of their service and submit evidence that this scheme is value for money and financial savings are secured from the service as a result of the change.

Cwm Taf University Local Health Board Salary and Pension benefits of Senior Managers						
Single Total Figure of Remuneration 2018-19	Salary	Benefits in kind (taxable)	Pension benefits	Pension benefits	Pension benefits	Total
			1995 scheme	2008 scheme	2015 scheme	
	(bands of £5,000)	to nearest £100	to nearest £1000	to nearest £1000	to nearest £1000	(bands of £5,000)
Executive Directors	£000	£00	£000	£000	£000	£000
Mrs A J Williams	180-185	0	6	n/a	43	225-230
Chief Executive						
Mr S J Webster	160-165	0	n/a	n/a	n/a	160-165
Director of Finance from 11th April 2018 (Note 1)						
Mr M Thomas	0-5	0	25	n/a	n/a	25-30
Interim Director of Finance to 10th April 2018 (Note 2)						
Mr J Palmer	125-30	0	n/a	1	30	155-160
Chief Operating Officer (Note 3)						
Mr A Lawrie	110-115	95	655	n/a	28	800-805
Director of Primary, Community & Mental Health Services (Note 4)						
Mr K Asaad	155-160	0	8	n/a	n/a	165-170
Medical Director						
Mrs L Williams	40-45	0	0	0	0	40-45
Director of Nursing, Midwifery and Patient Services to 10th August 2018						
Professor A Hopkins	70-75	0	0	0	0	70-75
Director of Nursing, Midwifery and Patient Services from 3rd September 2018						
Ms R Treharne	130-135	0	0	n/a	30	160-165
Director of Planning and Performance / Deputy Chief Executive						
Mrs J M Davies	125-130	0	0	n/a	n/a	125-130
Director of Workforce and Organisational Development						
Dr K Nnoaham	125-130	0	n/a	6	31	165-170
Director of Public Health						
Mr R Williams	95-100	0	0	n/a	24	120-125
Director of Corporate Services & Governance/Board Secretary(Note 5)						
Miss G Roberts	45-50	0	64	n/a	20	130-135
Interim Board Secretary from 1st September 2018						

Single Total Figure of Remuneration 2018-19	Salary	Benefits in kind (taxable)	Pension benefits	Pension benefits	Pension benefits	Total
			1995 scheme	2008 scheme	2015 scheme	
	(bands of £5,000)	to nearest £100	to nearest £1000	to nearest £1000	to nearest £1000	(bands of £5,000)
Independent Members	£000	£00	£000	£000	£000	£000
Prof M Longley	55-60	0				55-60
Chair						
Mrs M Thomas	45-50	0				45-50
Vice Chair						
Mr P Thomas	10-15	0				10-15
Independent Member (Finance)						
Mr J Hehir	10-15	0				10-15
Independent Member (Legal)						
Dr C B Turner	10-15	0				10-15
Independent Member (ICT/Information Governance) to 31 December 2018						
Mr K Montague	10-15	0				10-15
Independent Member (Community)						
Cllr R Smith	10-15	0				10-15
Independent Member (Elected Representative)						
Mr M Jehu	10-15	0				10-15
Independent Member (Community)						
Mrs J Sadgrove (nee Dowden)	0	0				0
Independent Member (University) (Note 6)						
Mrs G Jones	0	0				0
Independent Member (Staff) to 11 April 2018 (Note 7)						
Mrs N D Milligan	0	0				0
Independent Member (Staff) from 19 August 2018 (Note 8)						
Mrs D Jouvenat	5-10	0				5-10
Independent Member (Finance)						
Mr G Isingrini, Mrs C Llewellyn (01/04/2018-21/02/2019), Mrs C Kiernan (01/04/2018-07/05/2018) and Cllr P White (01/12/2018-31/03/2019) received no remuneration for their role as Associate Members. Independent Members do not receive pensionable remuneration for their Board membership. Salary figures relate to remuneration for the period as Senior Manager only.						

Pension benefits relate to benefits accrued during the year, not just the period relating to their senior management service.
Benefits in kind relates to lease car (figures given in hundreds).

Notes

1 - Mr S Webster chose not to be covered by the NHS pension arrangements during the reporting year.

2 - Mr M Thomas received additional remuneration which relates to payments received for other duties.

3 - Mr J Palmer was appointed to this role substantively on 21st December 2018 after holding the position on an interim basis since 1st February 2018

4 - Mr A Lawrie appointed to this role substantively on 21st December 2018 after holding the position on an interim basis since 21st January 2018

5 - Mr R Williams was absent from 24th September 2018 to 26th March 2019

6 - Mrs J Sadgrove (nee Dowden) receives no remuneration from Cwm Taf UHB for her role as Independent Member.

7 - Ms G Jones was a paid, full time employee of the organisation and received no additional remuneration as an Independent Member.

8 - Mrs ND Milligan is a paid, full time employee of the organisation and receives no additional remuneration as an Independent Member.

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Salary and Pension benefits of Senior Managers Single Total Figure of Remuneration 2017-18	Salary	Benefits in kind(taxable)	Pension benefits	Pension benefits	Pension benefits	Total
			1995 scheme	2008 scheme	2015 scheme	
	(bands of £5,000)	to nearest £100	to nearest £1000	to nearest £1000	to nearest £1000	(bands of £5,000)
	£000	£00	£000	£000	£000	£000
Executive Directors						
Mrs A J Williams	175-180	0	11	n/a	41	225-230
Chief Executive						
Mr S J Webster	35-40	0	0	n/a	n/a	35-40
Director of Finance / Deputy Chief Executive to 26th June 2017						
Mr M Thomas	95-100	0	24	n/a	n/a	120-125
Interim Director of Finance from 17th June 2017 (Note 1)						
Mr J Palmer	115-120	2	n/a	0	28	145-150
Director of Primary, Community & Mental Health Services to 31st January 2018 and Interim Chief Operating Officer from 1st February 2018						
Mr A Lawrie	20-25	16	0	n/a	61	80-85
Director of Primary, Community & Mental Health Services from 21st January 2018						
Mr K Asaad	155-160	5	8	n/a	n/a	160-165
Medical Director						
Mrs L Williams	115-120	0	17	n/a	n/a	130-135
Director of Nursing, Midwifery and Patient Services						
Ms R Treharne	125-130	0	43	n/a	5	175-180
Director of Planning and Performance Deputy Chief Executive from 1st July 2017						
Mrs J M Davies	120-125	0	88	n/a	n/a	210-215
Director of Workforce and Organisational Development						
Mr C White	80-85	0	32	n/a	n/a	115-120
Director of Therapies and Health Science/Chief Operating Officer to 30th Nov 2017						
Mrs K McGrath	15-20	0	14	n/a	n/a	30-35
Interim Chief Operating Officer from 1st December 2017 to 29th January 2018 (Note 2)						
Dr K Nnoaham	120-125	0	n/a	0	57	180-185
Director of Public Health						
Mr R Williams	95-100	0	48	n/a	5	150-155
Director of Corporate Services & Governance/ Board Secretary						

Independent Members	Salary	Benefits in kind (taxable)	Pension benefits	Pension benefits	Pension benefits	Total
			1995 scheme	2008 scheme	2015 scheme	
	(bands of £5,000)	to nearest £100	to nearest £1000	to nearest £1000	to nearest £1000	(bands of £5,000)
	£000	£00	£000	£000	£000	£000
Dr CDV Jones	25-30	0				25-30
Chairman to 30th September 2017						
Prof M Longley	25-30	0				25-30
Chair from 1st October 2017						
Prof D M Mead	35-40	0				35-40
Vice Chair to 31st December 2017						
Mrs M Thomas	20-25	0				20-25
Independent Member to 31st Dec 2017/Vice Chair from 1st Jan 2018						
Mr J L Hill-Tout	5-10	0				5-10
Independent Member to 30th September 2017						
Mr P Griffiths	5-10	0				5-10
Independent Member from 1st October 2017						
Mr A R Seculer	5-10	0				5-10
Independent Member to 30th September 2017						
Mr J Hehir	5-10	0				5-10
Independent Member from 1st October 2017						
Cllr Clive Jones	5-10	0				5-10
Independent Member to 30th September 2017						
Dr. C B Turner	10-15	0				10-15
Independent Member						
Mr K Montague	5-10	0				5-10
Independent Member (Local Authority) to 30th April 2017						
Independent Member (Community) from 1st October 2017 (Note 3)						
Cllr R Smith	5-10	0				5-10
Independent Member from 1st October 2017						
Mr M Jehu	10-15	0				10-15
Independent Member						
Mrs J Sadgrove (nee Dowden)	0	0				0
Independent Member (Note 4)						
Mrs G Jones	0	0				0
Independent Member (Note 5)						

Mr G Isingrini, Mrs C Llewellyn and Mrs C Kiernan received no remuneration for their role as Associate Members

Independent Members do not receive pensionable remuneration for their Board membership.

Salary figures relate to remuneration for the period as Senior Manager only.

Pension benefits relate to benefits accrued during the year, not just the period relating to their senior management service.

Benefits in kind relates to lease car and salary sacrifice benefits and mileage allowances received in excess of the Inland Revenue tax free rate (figures given in hundreds).

Notes

1 - Mr M Thomas received additional remuneration which relates to payments received for other duties.

2 - Mrs K McGrath received additional remuneration which relates to payments received for other duties.

3 - Mr K Montague was also an Associate Member from 1st May 2017 to 30th September 2017 but received no remuneration for this role.

4 - Mrs J Dowden receives no remuneration from CTUHB for her role as Independent Member.

5 - Ms G Jones is a paid, full time employee of the organisation and receives no additional remuneration as an Independent Member.

DRAFT

Pension Benefits 2018-19	Real increase in pension at pensionable age	Real increase in pension lump sum at pensionable age	Total accrued pension at pensionable age at 31 March 2019	Lump sum at pensionable age related to accrued pension at 31 March 2019	Cash Equivalent Transfer Value at 31 March 2019	Cash Equivalent Transfer Value at 31 March 2018	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
	(bands of £2,500)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)				
Name and title	£000	£000	£000	£000	£000	£000	£000	£000
Executive Directors								
Mrs A J Williams 1995 Pension Scheme	0-2.5	0-2.5	50-55	160-165	1143	992	121	0
Mrs A J Williams 2015 Pension Scheme	2.5-5	0	10-15	0	142	83	30	0
<i>Chief Executive (Note 1)</i>								
Mr S J Webster	n/a	n/a	n/a	n/a	n/a	1938	n/a	n/a
<i>Director of Finance from 11th April 2018 (Note 2)</i>								
Mr M Thomas	0-2.5	0-2.5	20-25	60-65	476	385	2	0
<i>Interim Director of Finance to 10th April 2018</i>								
Mr J Palmer 2008 Pension Scheme	0-2.5	0	0-5	0	17	14	3	0
Mr J Palmer 2015 Pension Scheme	0-2.5	0	5-10	0	99	62	17	0
<i>Chief Operating Officer (Note 3)</i>								
Mr A Lawrie 1995 Pension Scheme	30-32.5	2.5-5	40-45	125-130	924	776	125	0
Mr A Lawrie 2015 Pension Scheme	0-2.5	0	5-10	0	106	67	22	0
<i>Director of Primary, Community & Mental Health Services</i>								
Mr K Asaad	0-2.5	2.5-5	65-70	200-205	n/a	n/a	n/a	0
<i>Medical Director (Note 4)</i>								
Mrs L Williams	0	0	40-45	160-165	n/a	1254	n/a	0
<i>Director of Nursing, Midwifery and Patient Care to 10th August 2018 (Note 5)</i>								
Professor A Hopkins	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
<i>Director of Nursing, Midwifery and Patient Care from 3rd September 2018 (Note 6)</i>								
Ms R Treharne 1995 Scheme	0	0	50-55	150-155	1,095	961	105	0
Ms R Treharne 2015 Scheme	0-2.5	0	0-5	0	49	14	16	0
<i>Director of Planning and Performance</i>								
<i>Deputy Chief Executive (Note 7)</i>								

Mrs J M Davies	0-2.5	0-2.5	45-50	135-140	1,058	923	89	0
<i>Director of Workforce and Organisational Development</i>								
Dr K Nnoaham 2008 Pension Scheme	0-2.5	0	10-15	0	144	116	24	0
Dr K Nnoaham 2015 Pension Scheme	0-2.5	0	5-10	0	104	62	22	0
<i>Director of Public Health</i>								
Mr R Williams 1995 Pension Scheme	0	0	40-45	125-130	945	855	64	0
Mr R Williams 2015 Pension Scheme	0-2.5	0	0-5	0	38	11	13	0
<i>Director of Corporate Services & Governance/ Board Secretary (Note 8) (Note 9)</i>								
Miss G Roberts 1995 Pension Scheme	0-2.5	2.5-5	30-35	90-95	664	527	71	0
Miss G Roberts 2015 Pension Scheme	0-2.5	0	5-10	0	70	43	9	0
<i>Acting Director of Corporate Services & Governance/ Board Secretary from 1st September 2018</i>								
Notes:								
1.- Mrs A J Williams transferred from the 1995 pension scheme to the 2015 pension scheme on 1 February 2016								
2.- Mr S Webster chose not to be covered by the NHS pension arrangements during 2018-19								
3.- Mr J Palmer transferred from the 2008 pension scheme to the 2015 pension scheme on 1 April 2015								
4.- Mr K Asaad is over the normal retirement age for 1995 Section members, therefore a CETV is not applicable								
5.- Ms L Williams retired on 12th August 2018, therefore a CETV is not applicable								
6.- Professor A Hopkins is a member of the NEST (National Employment Savings Trust). The Health Board is contributing to the NEST scheme in respect of this member. The Health Board was unable to obtain pension benefit information from NEST in time for publication, however as only £403 Employers Pension Contributions has been paid in regard to Mrs A Hopkins it does not expect the pension benefit to be material.								
7.- Ms R Treharne transferred from the 1995 pension scheme to the 2015 pension scheme on 1 October 2017								
8.- Mr R Williams transferred from the 1995 pension scheme to the 2015 pension scheme on 1 October 2017								
9.- Mr R Williams was absent from 24 th September 2018 to 27 th March 2019								
The NHS Pension scheme which is open to all NHS employees requires all members to contribute on a tiered scale from 5% up to 14.5% of their pensionable pay depending on total earnings, with the employers contributing 14.3%.								
Pensionable pay is determined by the number of years pensionable service and is related to the level of earnings/final salary at the time of retirement. Pension contributions of Executive Directors are entirely consistent with the standard NHS Pension Scheme. Pension benefits are calculated on the same basis for all members.								
As Independent members do not receive pensionable remuneration for Board duties, there will be no entries in respect of pensions for Independent members.								

Pension Benefits 2017/18

Name and title

Cwm Taf University Local Health Board

Executive Directors

Mrs A J Williams 1995 Pension Scheme

Mrs A J Williams 2015 Pension Scheme

Chief Executive (Note 1)

Mr S J Webster

Director of Finance / Deputy Chief Executive to 26th June 2017

Mr M Thomas

Interim Director of Finance from 17th June 2017

Mr J Palmer 2008 Pension Scheme

Mr J Palmer 2015 Pension Scheme

Director of Primary, Community & Mental Health Services to 31st January 2018

Interim Chief Operating Officer from 1st February 2018(Note 2)

Mr A Lawrie 1995 Pension Scheme

Mr A Lawrie 2015 Pension Scheme

Director of Primary, Community & Mental Health Services from 21st January 2018

Mr K Asaad

Medical Director (Note 3)

Mrs L Williams

Director of Nursing, Midwifery and Patient Care

Ms R Treharne 1995 Scheme

Ms R Treharne 2015 Scheme

Director of Planning and Performance

Deputy Chief Executive from 1st July 2017(Note 4)

Mrs J M Davies

Director of Workforce and Organisational Development

Mr C White

Director of Therapies and Health Science/Chief Operating Officer to 30th November 2017

Dr K Nnoaham 2008 Pension Scheme

Dr K Nnoaham 2015 Pension Scheme

Director of Public Health

Mrs K McGrath

Interim Chief Operating Officer from 1st December 2017 to 29th January 2018

Mr R Williams 1995 Pension Scheme

Mr R Williams 2015 Pension Scheme

Director of Corporate Services & Governance/ Board Secretary(Note 5)

Notes:

- 1.- Mrs A J Williams transferred from the 1995 pension scheme to the 2015 pension scheme on 1 February 2016
- 2.- Mr J Palmer transferred from the 2008 pension scheme to the 2015 pension scheme on 1 April 2015
- 3.- Mr K Asaad is over the normal retirement age for 1995 Section members, therefore a CETV is not applicable
- 4.- Ms R Treharne transferred from the 1995 pension scheme to the 2015 pension scheme on 1 October 2017
- 5.- Mr R Williams transferred from the 1995 pension scheme to the 2015 pension scheme on 1 October 2017

	Real increase in pension at pensionable age (bands of £2,500)	Real increase in lump sum at pensionable age (bands of £2,500)	Total accrued pensionable age at 31 March 2018 (bands of £5,000)	Lump sum at pensionable age accrued pension at 31 March 2018 (bands of £5,000)	Cash equivalent Transfer Value at 31 March 2018	Cash equivalent Transfer Value at 31 March 2017	Real increase in Equivalent Transfer Value	Employers contribution to stakeholder pension
	£000	£000	£000	£000	£000	£000	£000	£000
Mrs A J Williams 1995 Pension Scheme	0-2.5	0-2.5	50-55	150-155	992	948	35	0
Mrs A J Williams 2015 Pension Scheme	2.5-5	0	5-10	0	83	43	40	0
Mr S J Webster	0-2.5	0-2.5	65-70	200-205	1484	1398	17	0
Mr M Thomas	0-2.5	2.5-5	15-20	55-60	385	331	40	0
Mr J Palmer 2008 Pension Scheme	0	0	0-5	0	14	12	1	0
Mr J Palmer 2015 Pension Scheme	0-2.5	0	5-10	0	59	37	21	0
Mr A Lawrie 1995 Pension Scheme	0	0	0-5	0	8	7	0	0
Mr A Lawrie 2015 Pension Scheme	0-2.5	0	5-10	0	82	44	7	0
Mr K Asaad	0-2.5	2.5-5	60-65	190-195	n/a	n/a	n/a	0
Mrs L Williams	0-2.5	2.5-5	55-60	170-175	1254	1152	91	0
Ms R Treharne 1995 Scheme	0-2.5	5-7.5	45-50	145-150	961	865	87	0
Ms R Treharne 2015 Scheme	0-2.5	0	0-5	0	14	0	14	0
Mrs J M Davies	2.5-5	12.5-15	40-45	125-130	923	773	141	0
Mr C White	0-2.5	5-7.5	50-55	155-160	1104	980	76	0
Dr K Nnoaham 2008 Pension Scheme	0	0	10-15	0	116	228	0	0
Dr K Nnoaham 2015 Pension Scheme	2.5-5	0	5-10	0	62	28	33	0
Mrs K McGrath	0-2.5	0-2.5	40-45	125-130	942	820	19	0
Mr R Williams 1995 Pension Scheme	0-2.5	5-7.5	40-45	130-135	855	784	62	0
Mr R Williams 2015 Pension Scheme	0-2.5	0	0-5	0	11	0	11	0

The NHS Pension scheme which is open to all NHS employees requires all members to contribute on a tiered scale from 5% up to 14.5% of their pensionable pay depending on total earnings, with the employers contributing 14.3%. Pensionable pay is determined by the number of years pensionable service and is related to the level of earnings/final salary at the time of retirement. Pension contributions of Executive Directors are entirely consistent with the standard NHS Pension Scheme. Pension benefits are calculated on the same basis for all members.

As Independent members do not receive pensionable remuneration for Board duties, there will be no entries in respect of pensions for Independent members.

Cash Equivalent Transfer Values

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

Real Increase in CETV

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

In October 2018 the factors used to calculate the CETV increased which will have affected the values disclosed.



GIG
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Bwrdd Iechyd Prifysgol
Cwm Taf Morgannwg
University Health Board

National Assembly for Wales Accountability and Audit Report

2018/19

Where the Health Board undertakes an activity which is not funded directly by the WG the Health board receives and income to cover its costs. Further detail of income received is published in the health board's annual accounts.

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

Remote Contingent Liabilities

Remote contingent liabilities are those liabilities which due to the unlikelihood of a resultant charge against the Health Board are therefore not recognised as an expense nor as a contingent liability. Detailed below are the remote contingent liabilities as at 31 March 2019:

	2018/19	2017/18
	£000	£000
Guarantees	-	-
Indemnities	1,025	1,050
Letter of Comfort	-	-
Total	1,025	1,050

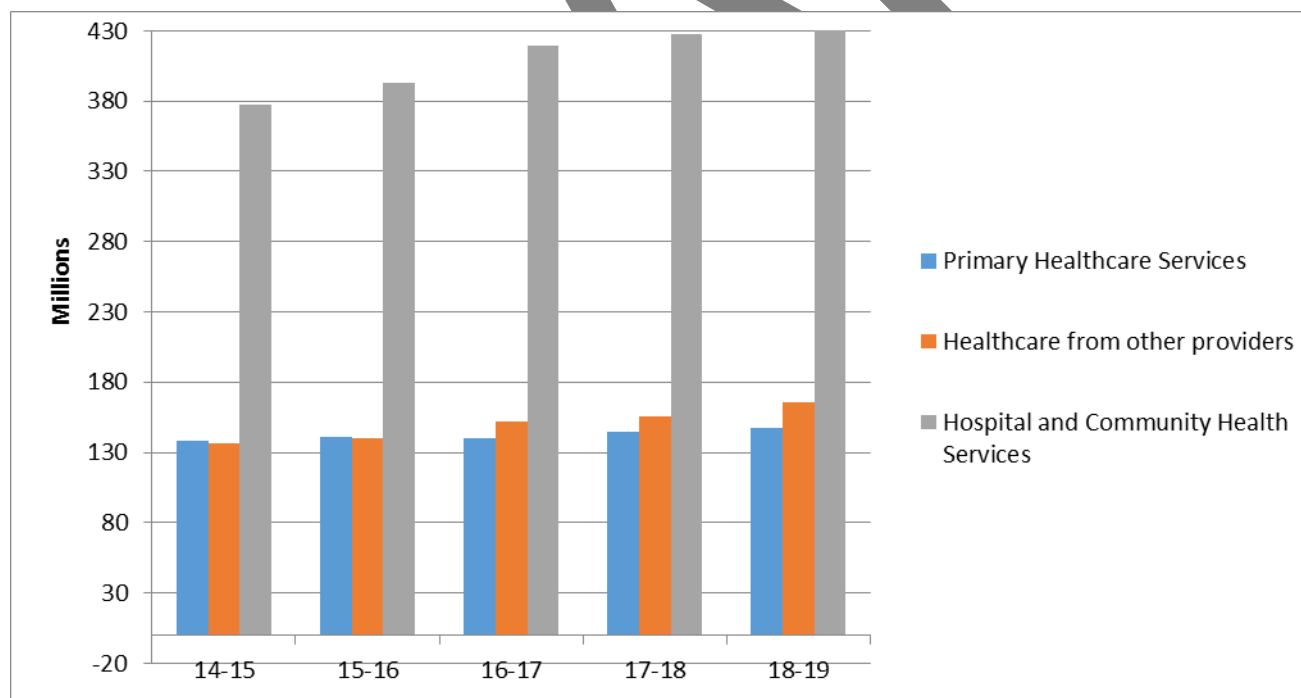
Miscellaneous income

	2014-15	2015-16	2016-17	2017-18	2018-19
	£000	£000	£000	£000	£000
Miscellaneous Income	72,996	79,386	80,188	82,852	91,573

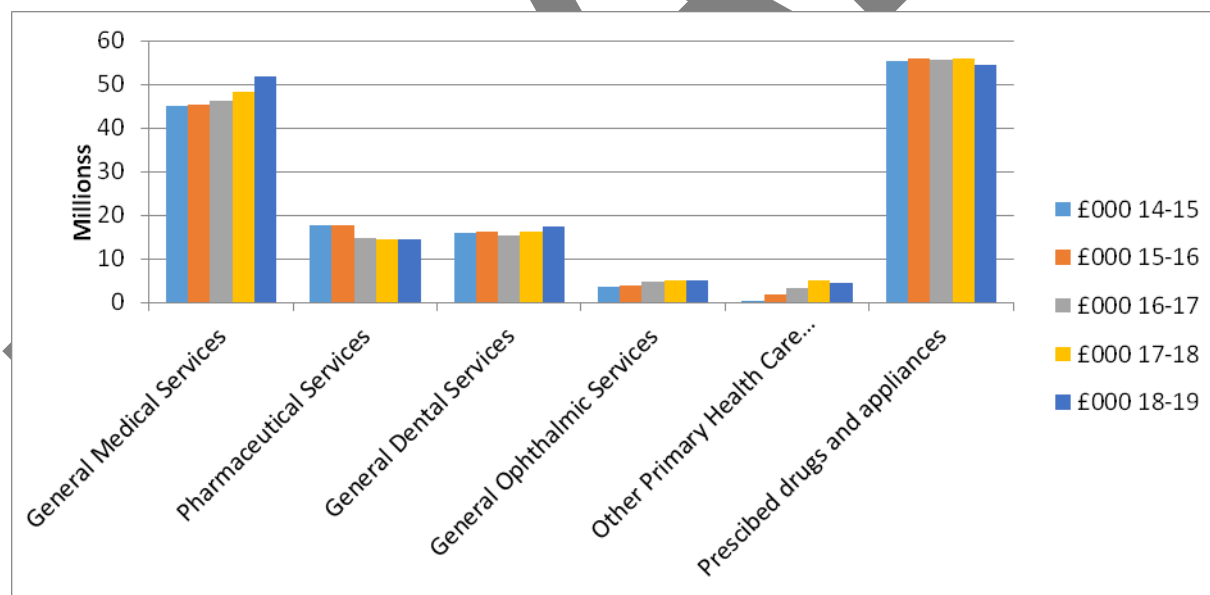
Cwm Taf University Health Board - Trend Statistics

Analysis of Expenditure of Cwm Taf Health Board activities (excluding WHSSC/EASC)

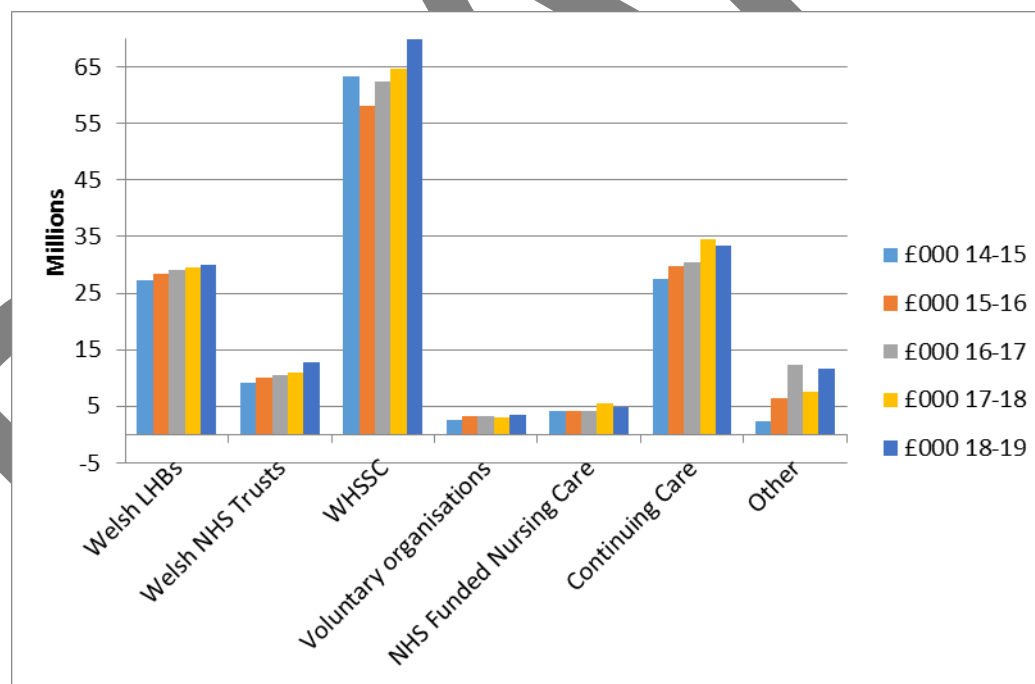
Operating Expenses	£000	£000	£000	£000	£000	%	%	%	%	%
	14-15	15-16	16-17	17-18	18-19	14-15	15-16	16-17	17-18	18-19
Primary Healthcare Services	137,847	140,777	139,733	144,853	147,605	21.16	20.90	19.63	19.89	18.95
Healthcare from other providers	136,533	140,060	152,234	155,798	165,770	20.96	20.80	21.39	21.40	21.28
Hospital and Community Health Services	377,116	392,669	419,847	427,501	465,516	57.88	58.30	58.98	58.71	59.77
Total	651,496	673,506	711,814	728,152	778,891	100.00	100.00	100.00	100.00	100.00



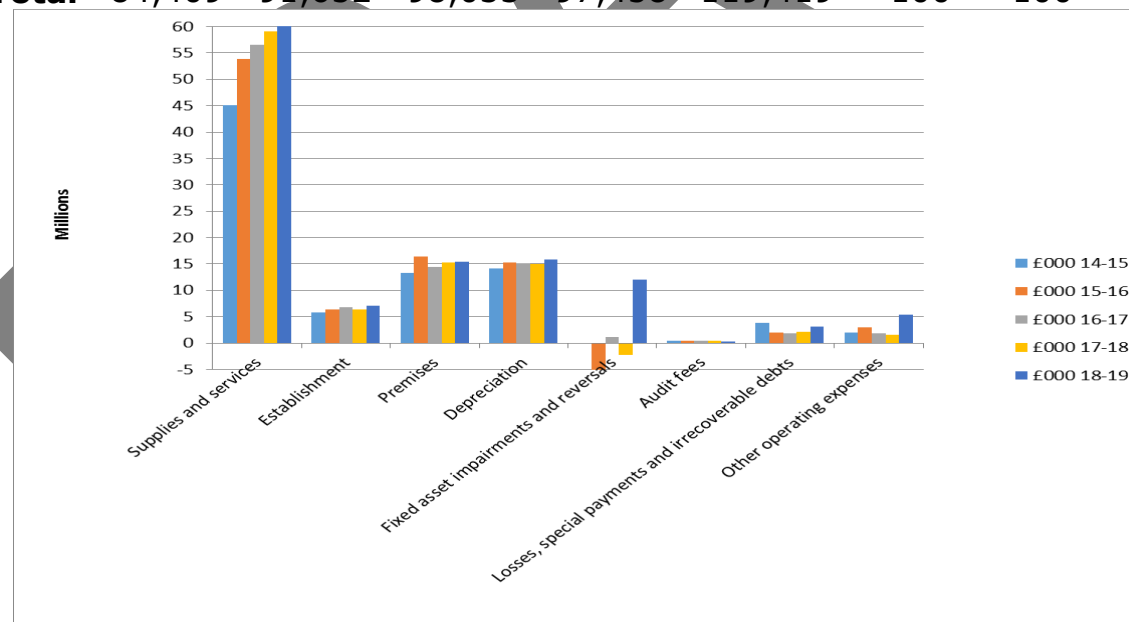
Expenditure on Primary Healthcare Services	£000 14-15	£000 15-16	£000 16-17	£000 17-18	£000 18-19	% 14-15	% 15-16	% 16-17	% 17-18	% 18-19
General Medical Services	45,143	45,283	46,280	48,327	51,875	32.75	32.17	33.12	33.36	35.14
Pharmaceutical Services	17,669	17,720	14,612	14,512	14,479	12.82	12.59	10.46	10.02	9.81
General Dental Services	15,849	16,238	15,358	16,214	17,285	11.50	11.53	10.99	11.19	11.71
General Ophthalmic Services	3,694	3,839	4,793	4,941	4,949	2.68	2.73	3.43	3.41	3.35
Other Primary Health Care expenditure	265	1,727	3,150	5,050	4,588	0.19	1.23	2.25	3.49	3.11
Prescribed drugs and appliances	55,227	55,970	55,540	55,809	54,429	40.06	39.76	39.75	38.53	36.87
Total	137,847	140,777	139,733	144,853	147,605	100	100	100	100	100



Expenditure on Healthcare from other providers	£000 14-15	£000 15-16	£000 16-17	£000 17-18	£000 18-19	% 13-14	% 14-15	% 15-16	% 17-18	% 18-19
Welsh LHBs	27,382	28,438	29,195	29,549	29,927	20.06	20.30	19.18	18.97	18.05
Welsh NHS Trusts	9,199	10,062	10,482	10,932	12,690	6.74	7.18	6.89	7.02	7.66
WHSSC	63,410	58,097	62,361	64,727	69,963	46.44	41.48	40.96	41.55	42.20
Voluntary organisations	2,458	3,227	3,133	3,102	3,451	1.80	2.30	2.06	1.99	2.08
NHS Funded Nursing Care	4,165	4,116	4,209	5,400	4,867	3.05	2.94	2.76	3.47	2.94
Continuing Care	27,606	29,756	30,488	34,526	33,298	20.22	21.25	20.03	22.16	20.09
Other	2,313	6,364	12,366	7,562	11,574	1.69	4.54	8.12	4.85	6.98
Total	136,533	140,060	152,234	155,798	165,770	100	100	100	100.00	100.00



Expenditure on Hospital and Community Health Services	£000 14-15	£000 15-16	£000 16-17	£000 17-18	£000 18-19	% 14-15	% 15-16	% 16-17	% 17-18	% 18-19
Supplies and services	45,068	53,804	56,477	59,146	60,447	53.39	58.70	57.61	60.69	50.62
Establishment	5,788	6,350	6,722	6,418	7,000	6.86	6.93	6.86	6.59	5.86
Premises	13,290	16,342	14,422	15,305	15,353	15.74	17.83	14.71	15.70	12.86
Depreciation	14,114	15,254	15,157	14,934	15,765	16.72	16.64	15.46	15.32	13.20
Fixed asset impairments and reversals	0	-5,422	1,145	-2,325	12,046	0.00	-5.92	1.17	-2.39	10.09
Audit fees	366	366	361	355	352	0.43	0.40	0.37	0.36	0.29
Losses, special payments and irrecoverable debts	3,762	2,031	1,877	2,070	3,062	4.46	2.22	1.91	2.12	2.56
Other operating expenses	2,021	2,927	1,872	1,555	5,394	2.39	3.19	1.91	1.60	4.52
Total	84,409	91,652	98,033	97,458	119,419	100	100	100	100	100



Expenditure on Hospital and Community Health Services - Staff Costs

**14-15
Year**

**15-16
Year**

**16-17
Year**

**17-18
Year**

**18-19
Year**

Pay Costs

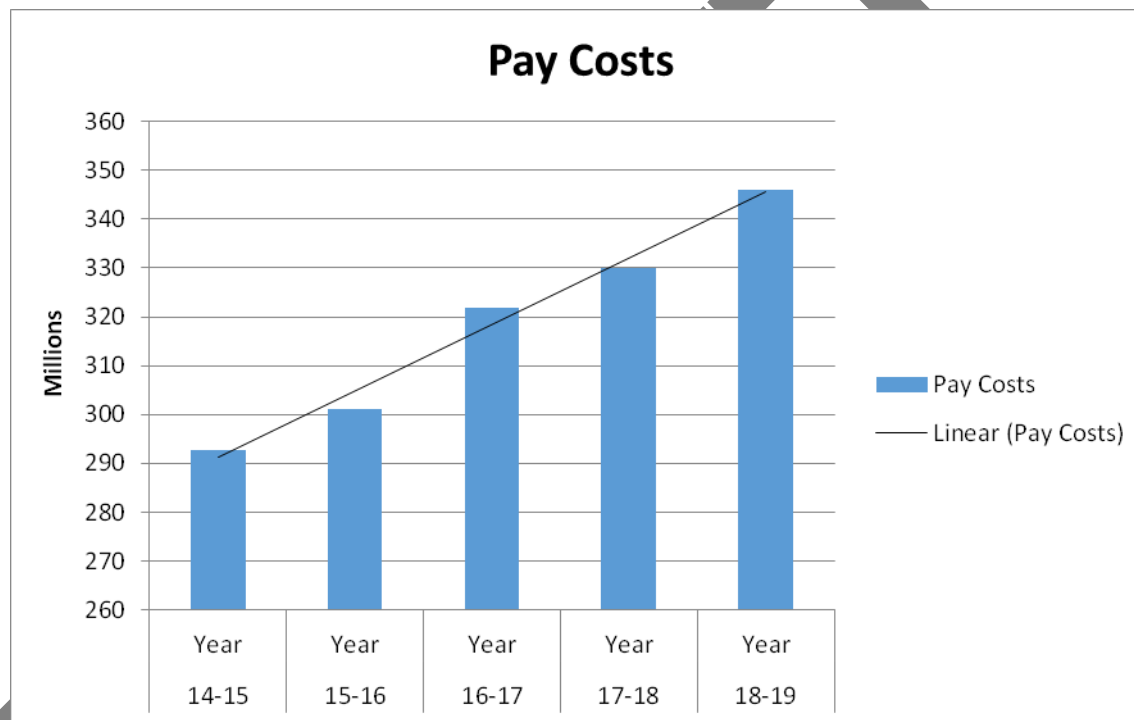
292,707

301,017

321,814

330,043

346,097



Performance against Resource Limits:

Revenue Resource Performance

	2014-15 £'000	2015-16 £'000	2016-17 £'000	2017-18 £'000	2018-19 £'000
Net operating costs for the year	578,655	594,251	631,729	645,338	687,347
Less general ophthalmic services expenditure and other non-cash limited expenditure	(3,643)	(4,269)	(1,181)	(784)	(725)
Less revenue consequences of bringing PFI schemes onto SoFP	(105)	(111)	(111)	(119)	(120)
Total operating expenses	574,907	589,871	630,437	644,435	686,502
Revenue Resource Allocation	574,937	589,893	630,455	644,458	686,518
Under /(over) spend against Allocation	30	22	18	23	16

Capital Resource Performance

	2014-15 £'000	2015-16 £'000	2016-17 £'000	2017-18 £'000	2018-19 £'000
Gross capital expenditure	20,475	9,542	17,748	34,962	27,283
Add: Losses on disposal of donated assets	0	0	0	0	0
Less NBV of property, plant and equipment and intangible assets disposed	(1,252)	(102)	(66)	(4)	0
Less capital grants received	0	(60)	0	0	0
Less donations received	(19)	(3)	(95)	(64)	(3,115)
Charge against Capital Resource Allocation	19,204	9,377	17,587	34,894	24,168
Capital Resource Allocation	19,207	9,385	17,592	34,902	24,178
(Over) / Underspend against Capital Resource Allocation	3	8	5	8	10