GIG CYMRU NHS WALES

Bwrdd Iechyd Prifysgol
Cwm Taf Morgannwg
University Health Board

ANNUAL REPORT

2019-2020

MESSAGE FROM THE CHAIR AND CHIEF EXECUTIVE

Cwm Taf Morgannwg University Health Board (CTMUHB) was established on 1 April 2019, and works to **improve the health** of the population which it serves. As part of this, it **provides and commissions** a full range of hospital and community based services for the residents of **Rhondda Cynon Taf, Merthyr Tydfil and Bridgend.** This includes 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 Health Board is also responsible for making arrangements for residents to access more specialised health services where these are not provided within the Health Board boundary.

Shortly after CTMUHB was formed the Royal College of Obstetricians and Gynaecologists (RCOG) and the Royal College of Midwives (RCM) published a joint report into maternity services at both Prince Charles Hospital and the Royal Glamorgan Hospital. The report highlighted **serious concerns about the quality of care, governance arrangements and culture** within the service and further details around this are set out in our Accountability Report available here. As well as the need to take immediate action to address the risks highlighted, the report recommendations included the need to revise and strengthen how the organisation would work with patients, the public and partners to provide reassurance and co-produce services. Following the publication of this joint report, the organisation's escalation level was increased to **Targeted Intervention** in relation to quality, governance and to **Special Measures** in relation to the maternity services issues.

Since that time, various steps have been taken to address the issues identified, and to **rebuild the trust and confidence.** We have learnt a huge amount from **listening to local communities** in particular around the work needed to make our fragile A & E services at the Royal Glamorgan Hospital, more sustainable. Changes including clinical leadership, joint working across teams, support from other hospital sites plus the successful recruitment of medical staff and new ways of working culminated in us being able to significantly address safety concerns and the quality of services continues to improve.

Extensive engagement with staff, partner organisations and our local community has helped the transformation of our organisational culture to one which is underpinned by a clear and shared set of values and behaviours created for our new organisation and its people. This defines what is important to us, and our population, and provides **clear expectations of how we operate.** Such engagement has further contributed to the delivery of a key milestone - the agreement of the **CTMUHB mission and vision** approved in January 2020 which are set out on page 8 of this Annual Report.

We have also rolled-out our new operating model which came into being on 1st April 2020. It is clinically-led with three community focused Integrated Locality Groups: Bridgend, Rhondda and Taff Ely and Merthyr and Cynon. This is enabling decision-making closer to those who use our services, empowering staff and providing an easier opportunity for community leadership and involvement in developing and delivering quality services, with a focus on population health. Ensuring equity of outcome across CTMUHB, four System Groups consider population health with a whole system focus. An aligned Quality and Patient Safety Governance Framework has also been developed which will ensure that the organisation is better positioned to identify, respond and learn from quality concerns in a timely way – **putting the patient at the centre of all that we do.**

In March 2020 the World Health Organisation (WHO) declared the Coronavirus as a pandemic. This resulted in CTMUHB and indeed the NHS in general facing unprecedented and increasing service pressure. This required the whole organisation to work very differently, in a **dynamic and agile way** to address the opportunities and challenges.

In closing we wish to take this opportunity to **pay tribute to all our staff** who worked tirelessly and selflessly to care for our communities throughout the year and particularly during the COVID-19 crisis; we cannot thank you all enough. We also want to extend our **thanks to the CTM population** which made valuable contributions that have helped the organisation in the quest to fight COVID-19. We have been overwhelmed by the many expressions of gratitude to the NHS, including the donations received in the form of toiletries, chocolates, equipment and other essentials aimed at helping to make those individuals who required admission to hospital a little more comfortable at such a trying time. We know that staff sincerely appreciated such kindness and **we thank everyone on their behalf.**

There remain many unknowns in terms of how Covid-19 will further impact upon our lives and the way the organisation will need to further adapt. However, we know that CTMUHB is in a strong position thanks to all the hard work that was undertaken over the past year and beyond.

Marcus Longley, Chair

Sharon Hopkins, Chief Executive (Interim)

WHAT THIS ANNUAL REPORT WILL TELL YOU

CTMUHB's Annual Report is part of a suite of documents about our organisation. It tells the story of the **services and care we provide**, how we are setting about meeting **changing demands and challenges** and includes information about **what we achieved in 2019-2020** as well as explaining how we are **working with our communities** in developing services for the future, and how we recognise the value of listening to those communities in planning our services.

This Annual Report includes:

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

An **Annual Quality Statement is also available** highlighting the actions taken to improve the quality of our services.

If you would like to access of any of these publications, please use visit our website. Alternatively for access to a printed copy or an alternative format please contact us.

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Cwm Taf Morgannwg University Health Board

Cwmtafmorgannwg

ABOUT US

Health Boards were originally constituted in October 2009 and the former Cwm Taf University Health Board **became Cwm Taf Morgannwg University Health Board (CTMUHB) on 1st April 2019** (Establishment Order 249 - The Local Health Boards (Area Change) (Wales) (Miscellaneous Amendments) Order 2019 which was laid on 25th February 2019). This followed a decision in June 2018 by the Minister for Health & Social Services to transfer responsibility for the commissioning of health care for the people in the Bridgend County Borough Council area to CTMUHB.

The CTMUHB **population amounts to around 450,000** (Stats. Wales) comprising Bridgend, Rhondda Cynon Taff and Merthyr Tydfil County Borough Councils. With around 12,000 staff, it is **one of the largest employers** in the area (10,500 whole time equivalents). A significant number of our workforce live and work within these communities. Detailed information about the services we provide and our facilities can be found on our website in the section under 'Services'. The Health Board reports regularly on its performance including the Delivery Framework targets set by Welsh Government which can be found there too.

The **Chair, Chief Executive and team of Executive Directors, Independent Members and Associate Members lead the Health Board**. A range of committees and advisory fora support the work of the Board. Further information can be obtained from our Accountability Report which is available here

THE SERVICES WE HOST

CTMUHB is responsible for hosting the following organisations on behalf of the Welsh Government and NHS Wales:

- Welsh Health Specialised Services Committee (WHSSC)
- Emergency Ambulance Services Committee (EASC).
- National Imaging Academy.

THE PARTNERS WE WORK WITH

We work with a wide range of partners in a range of capacities including other health bodies, local authorities, ambulance service, police, fire & rescue services and the voluntary/charity sector.

ISSUES OF PARTICULAR NOTE 2019-20

Service Quality & Governance Issues
CTMUHB's predecessor organisation (CTUHB) was escalated to 'enhanced monitoring' in January 2019 by the Minister for Health & Social Services. This followed concerns in relation to an Ionising Radiation inspection, a review of mortuary services and serious untoward incidents within its maternity services. In April 2019, following the publication of a joint review commissioned by the Minister from the Royal College of Obstetricians and Gynaecologists and the Royal College of Midwives, maternity services were **further escalated into 'special measures'** (SM) with the remainder of the organisation being placed in **'targeted intervention'** (TI) for quality and governance issues. There is more detail around this in the Health Board's Accountability Report which is available here.

The **past year has seen a notable shift to embed quality into the centre of all decision-making and service improvement initiatives**. We have welcomed support offered to us by our inspectors, including Healthcare Inspectorate Wales (HIW), Audit Wales (formerly known as Wales Audit Office, the Welsh Government's Delivery Unit, the Independent Maternity Services Oversight Panel (IMSOP) and our Community Health Council which has informed development and improvement work across the CTMUHB.

Coronavirus Pandemic
The latter part of 2019/20 was characterised by the **declaration made by the World Health Organisation of a global pandemic**. This had a significant impact on the way in which the NHS and CTMUHB operated from then onwards. Further information around the changes that were made to our operating & quality & governance arrangements are set out in our Accountability Report for 2019-20 at page 10 onwards.

VISION, AMBITIONS AND STRATEGIC OBJECTIVES

To help shape the future direction of CTMUHB from the 1st April 2019, underpin the developing Integrated Health and Care Strategy, and address the cultural and quality challenges raised, a set of values and behaviours, a mission, vision and strategic objectives have been developed co-productively with patients and staff.

Values and Behaviours
The creation of CTMUHB provided an opportunity to build on the strong similarities of purpose, **sharing strengths** and creating a **compelling vision** and **cultural narrative**, with a set of **powerful and engaging values** and associated **behaviours**.

Phase 1: Extensive engagement took place across the Health Board in order to co-create values and behaviours.

Thousands engaged in this work as follows:

- October 2019 – Culture & Values Staff Survey, 4,070 responses
- October 2019 – Culture & Values Patient Survey, 215 responses
- November 2019 – Culture & Values Staff Workshops, 402 attendees
- November 2019 – Culture & Values Patient Workshops, 18 attendees
- February 2020 – Culture & Values Co-creation Workshops, 145 attendee and
- March 2020 – Culture & Values Draft Values Survey, 150 responses.

Work was unexpectedly paused as a consequence of Covid-19 in March 2020.

At the time of writing (June 2020) Phase 2 programme of work had recommenced with the aim of revisiting and refining the draft values and behaviours in light of staff's experience through the pandemic and to gather baseline information about staff wellbeing with draft Values and Behaviour Statements being presented to the Board for approval in its meeting in July 2020.

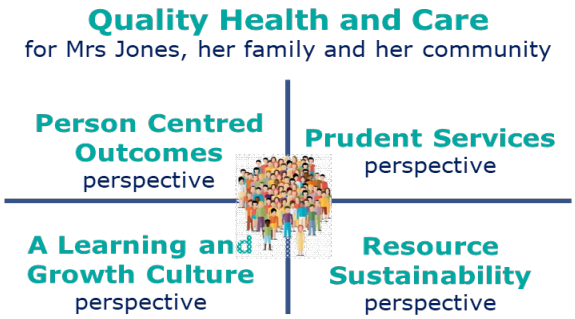
Mission, Vision and Strategic Well-being Objectives
The Health Board has not started from a blank piece of paper in developing its mission, vision and strategic objectives. There is rich information from work to deliver the Well-being of Future Generations Act, the Social Service and Well-Being Act and 'A Healthier Wales: Our Plan for Health and Social Care'.

Conversations with staff and partners to inform the Bridgend boundary change, the feedback from recent independent reviews including from Royal Colleges, the NHS Delivery Unit, Health Inspectorate Wales and Audit

Wales (formerly known as Wales Audit Office) reports and the learning gathered from public engagement and patient concerns, has been used to inform the future ambition of the organisation.

As you can see from the table and infographics below the objectives of the organisation have been developed in such a way that they can also be considered the CTMUHB well-being objectives.

Mission	Building Healthier Communities Together
Vision	In every community people begin, live and end life well, feeling involved in their health and care choices
Strategic Well-being Objectives	• Work with communities and partners to reduce inequality, promote well-being and prevent ill-health. • Provide high quality, evidence based, and accessible care. • Ensure sustainability in all that we do, economically, environmentally and socially. • Co-create with staff and partners a learning and growing culture.



Performance Report 2019-2020

PERFORMANCE OVERVIEW

This section of the Annual Report aims to **summarise key performance outturn during 2019-2020** and provide commentary on the related reasons, improvements underway and the direction of travel going forward into 2020-2021.

At the time of writing, the need to plan and respond to the **Covid-19** pandemic has had a **significant impact on the organisation**, wider NHS and society as a whole. It has required a dynamic, agile response which has presented a number of **opportunities in addition to risks**. The need to respond and recover from the pandemic will continue both for the organisation and wider society throughout 2020/21 and beyond. The organisation's governance framework will need to consider and respond to this need.

The Covid-19 pandemic **presented a number of challenges** to the organisation which are represented in the following disclosures within the performance reporting and scorecard.

Complete performance data for the organisation has been presented for the first three quarters of 2019/20. The remaining quarter (January 2020 to March 2020) was impacted by the pandemic and the suspension of performance monitoring from mid-March 2020. As a result, **performance trends have been assessed using the April 2019 to December 2019 period.** Only those measures which have an absolute monthly / quarterly target for December 2019 or quarter 3 2019/20 have been included in the 'Targets achieved' column on the scorecard.

The organisation has provided local management information and narrative on the delivery and achievements throughout the final quarter of 2019/20 in the absence of official performance data.

The financial performance position of the Health Board at the 31 March 2020, is shown in the accounts section of the Accountability Report available here.

STATEMENT FROM THE CHIEF EXECUTIVE

As Chief Executive and Accountable Officer for CTMUHB I am **accountable to the Board for the delivery of the organisation's performance**. Details of performance are set out within an integrated dashboard, which is routinely reported to every Board meeting and is also available on the Health Board's website; an example of which is available here.

Boundary Change
As previously indicated, during the reporting year, i.e. 2019-2020, there was a change in boundary involving the transfer of the Bridgend population element (by postcode) from the then Abertawe Bro Morgannwg University Health Board to CTUHB, and subsequent name changes to the two new organisations. CTUHB thus becoming known as Cwm Taf Morgannwg University Health Board (CTMUHB) with effect from 1 April 2019.

Special Measures and Targeted Intervention
CTMUHB's predecessor organisation (CTUHB) was escalated to '**enhanced monitoring'** by the Minister for Health & Social Services in January 2019 after concerns were raised in relation to an Ionising Radiation inspection, a review of mortuary services and serious untoward incidents within its maternity services. In April 2019, following the publication of a joint review commissioned by the Minister from the Royal College of Obstetricians and Gynaecologists and the Royal College of Midwives, maternity services were further escalated into 'special measures' (SM) with the remainder of the organisation being placed in '**targeted intervention' (TI)** for quality and governance issues. There is more detail around this on pages 24-27 of the Health Board's Accountability Report which is available here.

2019-2020 has therefore been a challenging period, however, during that time there has been a notable shift to embed **quality at the centre of all decision-making** and **service improvement initiatives.** We have welcomed support offered to us by our inspectors, and our Community Health Council to inform the development and improvement work across the CTMUHB.

The Health Board's New Operating Model
During 2019-2020, the Health Board introduced a **new Operating Model** which supports a focus on our communities' and patients' experiences of the health board's services. It makes it easier to **work with patients,** and other **public sector and voluntary organisations;** and helps us to **focus on keeping people well, mentally and physically,** rather than just treating people when they are unwell.

People access local services provided by the Health Board often without being interested in how the business of the organisation is managed or what we call things. What matters more is the **quality of service**, that **everything works well** and that they can get **accurate information** each

and every time.

At the same time, all the services we provide need to fit together for both the community, patients and for the organisation. When we decided to design the Operating Model these principles were used to help us **set out clearly what we were aiming to achieve:-**

- Empowering People
- Community Leadership and Involvement
- Clinically Led, Community Focused Services
- Learning and Innovating for Continual Quality Improvement
- Robust, Simplified and Safe Decision Making

Within each of our three Integrated Locality Groups we deliver primary care, mental health, community, secondary care services, and work in partnerships with patients, the local authority, the third sector and other agencies. Across the geography of the Health Board it is important that we **deliver excellent and consistent services**. Ensuring equity of outcome across CTMUHB is the role of the four System Groups, who have a whole system population health focus.

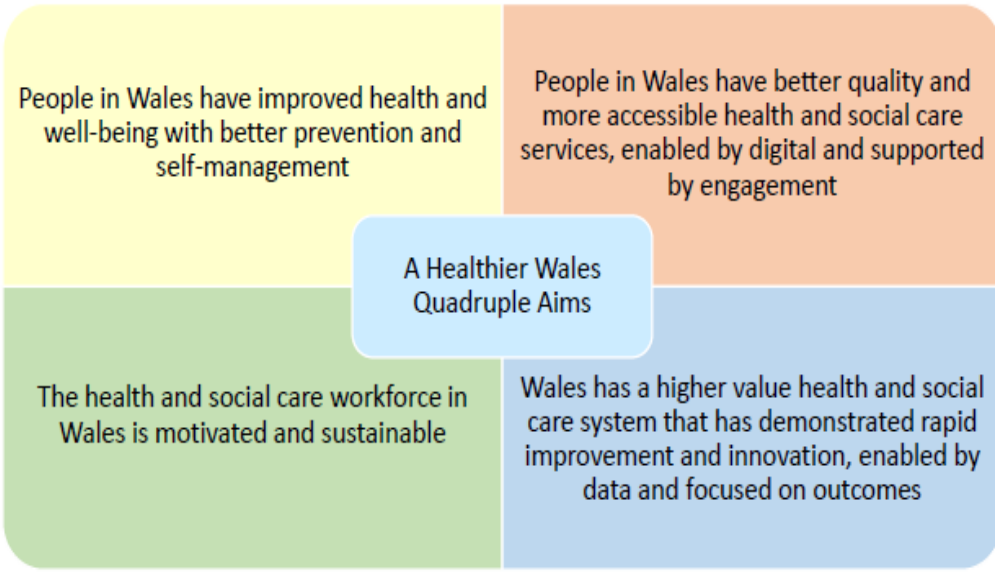
Quality governance in its broadest sense is so **fundamental to high quality, safe and effective care** that it needs to be integral in each locality and also needs corporate support and oversight. The Quality & Safety Governance Framework launched in April 2019, which provided a 'starter for ten' outlined this and has further evolved into the development of the 'Quality Governance and Patient Safety Framework' designed to provide assurance that quality drives the organisation.

During 2020-2021, we will continue to embed the new Operating Model within the Health Board taking into account the impact and learning from the Health Board's response to the Covid-19 pandemic.

Performance Framework

In March 2020, the Health Board approved a new Performance Management Framework for implementation alongside the new Operating Model from April 2020.

Work within the performance arena of NHS Wales this year has seen a shift towards a Single Integrated Outcomes Framework for Health and Social Care (SIOF). There is however, still a significant amount of work to be done to achieve a framework that meets the requirements of both health and social care. The SIOF is a recommendation of the Welsh Government paper "A Healthier Wales: Long Term Plan for Health and Social Care" (Welsh Government, 2018), and will be modelled on the A Healthier Wales' quadruple aims which are shown on the next page. The framework will contain measures that are more patient outcome focused rather than those that evaluate process. This work continues now into the 2020/21 reporting year.



For the reporting period 2019/2020 the format of the National Outcomes Framework remained in a similar format to previous years i.e. that of seven Domains. The Health Board's performance within these seven Domains is outlined on page 18.

Bridgend **boundary change** and the ongoing **Covid-19 Pandemic** (March 2020 onwards) made **performance reporting extremely challenging**.

Disappointingly the Health Board's overall performance was categorised as a red with a downward trend in five of the seven domain categories, which is explored further on page 18 onwards.

Integrated Medium Term Plan (IMTP)

Whilst a considerable amount of work has been undertaken between January and March 2020 to finalise the IMTP for 2020-2023, the current and ongoing challenges presented by the global COVID-19 pandemic must be taken into account with respect to how the plan prepared pre-COVID-19 can be implemented.

The **IMTP 2020-2023 sets out our ambition** prior to this enormous challenge, allowing us to record a baseline position particularly in areas of performance and finance. It therefore **takes no account of the inevitable and significant impact of COVID-19** on the ability of the organisation to implement the plan for 2020-2021. In the coming weeks and months the test will be how we flex and adapt this Plan while remaining true to our values and vision.

Given the current and ongoing COVID-19 challenges, Welsh Government notified the Health Board on 18 March 2020, that it is pausing the routine IMTP process. This means that Welsh Government are unable to consider the Health Board's IMTP for 2020-2023 which was submitted in accordance

with the NHS Planning Framework, as the assessment process could not be concluded at this point. It is important to note that **CTMUHB has an approved plan for 2019-2022** and this approval is extant.

In May 2020, the Welsh Government set a **new Operating Framework for NHS Wales** in response to the ongoing challenges facing all health bodies relating to Covid-19. The Health Board provides quarterly responses to Welsh Government in relation to the operating framework, quarter one being submitted in May 2020. CTMUHB has also developed a '**Resetting CTMUHB' Operating Framework**, approved by the Board in May 2020. The Framework outlines how the CTMUHB will ensure the balance of risk of providing services to our communities and protecting our staff, focussing on minimising harm. It is anticipated that close monitoring of progress against delivering the aims within the 'Resetting CTMUHB' Operating Framework will be the key focus of the Board and Welsh Government throughout 2020.

Sharon Hopkins
Chief Executive (Interim)
29 July 2020

Our Board's role and responsibilities

All our Board members share corporate responsibility for **formulating strategy, ensuring accountability, monitoring performance** and **shaping culture,** together with ensuring that the **Board operates as effectively as possible.** The Board, which comprises individuals from a range of backgrounds, disciplines and areas of expertise, has during the year provided leadership and direction, ensuring that sound governance arrangements are in place. Details of our Board Members and the principal role of the Board is described in more details in our Accountability Report (see pages 3-7).

During 2019-2020, performance was also scrutinised at the Finance, Performance & Workforce Committee. Changes (which took effect in May 2020) resulted in this Board committee becoming known as the Planning, Performance & Finance Committee (PPF). You can review the reports to this Committee (and others) on the Health Board website.

Capacity to handle risk

Details are set out in our Accountability Report (page 37 onwards).

Statement in relation to a Going Concern

The Audit Wales's 'Audit of Financial Statements Report' reported to the Health Board meeting on the 29th June 2020, concluded the following:

"Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- *the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or*
- *the Chief Executive has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Health Board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue."*

LEGISLATIVE AND NATIONAL POLICY DRIVERS

The Health Board continues to reflect on the legislative landscape of the Well-Being of Future Generations (WBFG) (Wales) Act (2015), the Social Services and Well-Being Act (2014), Nurse Staffing Levels (Wales) Act 2016" and the Public Health (Wales) Act (2017), informing our **medium term planning as well as our longer term vision** and 10 year CTMUHB Integrated Health and Care Strategy as we continue our evolution into CTMUHB. Further information in relation to the WBFG Act is included on page 42 of this report.

A Healthier Wales, the long-term plan for Health and Social Care, was published during 2018-2019, responding to the findings of the Parliamentary Review. It sets out the ambition of Welsh Government to bring health and social services together, designed around the needs and preferences of individuals, with a much greater emphasis on keeping people healthy and well. The plan describes the importance of the quadruple aim in helping achieve this vision. A Healthier Wales describes the increasing importance of the role of the Regional Partnership Board in driving the development at local level of models of health and social care, including primary and secondary care. In response to this, the Health Board has strengthened its membership and engagement with the Regional Partnership Board and is developing shared approaches to transformation of services in accordance with the design principles of the long-term plan.

At the time of writing this report the Board were updated on **two key legislative changes** that will impact on the Health Board, namely;

- The introduction of the Health and Social Care (Quality and Engagement) (Wales) Act 2020 and
- The introduction of the Socio-economic Duty in Wales.

The Health and Social Care (Quality and Engagement)(Wales) **Act** 2020 **-** The Health and Social Care (Quality and Engagement) (Wales) Bill received Royal Assent on 1 June 2020 and became the Health and Social Care (Quality and Engagement) (Wales) Act 2020.

The Act has four key objectives;

- Greatly strengthen the existing duty of quality on NHS bodies, extending this duty to Welsh Ministers;
- Introduce a duty of candor on NHS bodies in Wales (including primary care providers), requiring them to be open and honest with patients and service users as soon as they are aware that things have (or may have) gone wrong with their care or treatment;

- Replace the Community Health Councils with a new, all Wales Citizen Voice Body (CVB) representing the views of citizens across health and social care; and
- Appoint Vice-Chairs for NHS Trusts to bring them in line with Health Boards.

The Socio-Economic Duty in Wales - At the time of his appointment in December 2018, the First Minister made a commitment to commence Part 1, Sections 1 – 3 of the Equality Act 2010 which refers to the Socio-Economic Duty in Wales.

It is intended that the Duty placed on Public Bodies will encourage better decision making and ultimately deliver better outcomes for those who are socially-economically disadvantaged. There is guidance available, aimed at Board and Committee members (Executive and non-Executive), project management, procurement and strategy leads.

The Minister announced in early July 2020 that the Duty will come into force on 31 March 2021.

PERFORMANCE ANALYSIS

The boundary change referred to earlier in the report and the Health Board's response to COVID-19 Pandemic (March 2020 onwards) made performance reporting extremely challenging. As a result of the Covid-19 response, a decision was taken by Welsh Government in conjunction with Health Boards, to report the nine month period from 1 April 2019 – 31 December 2019 only, with appropriate narrative to;

1) provide an overview of performance for Quarter 4 (i.e. 1 January 2020 to the end of March 2020) and,
2) provide context for Quarters 1-3.

Unfortunately, as a result of these challenges some performance measures are not available: where this is the case again narrative, where appropriate, has been provided.

Trend arrows have been attributed to each domain and a summary is set out on the next page. The appropriate trend arrow has also been placed within each individual domain section this year for ease of reading and understanding.

Summary Scorecard

Cwm Taf Morgannwg UHB	Improved performance	Sustained performance	Decline in performance	Performance summary	Targets achieved*
STAYING HEALTHY: People in Wales are well informed and supported to manage their own physical and mental health	4 measures	0 measures	0 measures		1 measure
SAFE CARE: People in Wales are protected from harm and supported to protect themselves from known harm	4 measures	0 measures	5 measures		1 measure
INDIVIDUAL CARE: People in Wales are treated as individuals with their own needs and responsibilities	2 measures	0 measures	3 measures		1 measure
OUR STAFF AND RESOURCES: People in Wales can find information about how their NHS is resourced and make careful use of them	2 measures	0 measures	3 measures		
TIMELY CARE: People in Wales have timely access to services based on clinical need and are actively involved in decisions about their care	6 measures	1 measure	18 measures		5 measures
EFFECTIVE CARE: People in Wales receive the right care and support as locally as possible and are enabled to contribute to making that care successful	4 measures	0 measures	3 measures		
DIGNIFIED CARE: People in Wales are treated with dignity and respect and treat others the same	0 measures	0 measures	1 measure		
Note: This scorecard relates to the April to December 2019 period.	**SUMMARY**	**22 measures**	**1 measure**	**33 measures**		**8 measures**

*Relates to those measures with an absolute monthly / quarterly target for December 2019 / quarter 3 2019/20.

Performance Summary by Domain for 2019-2020

STAYING HEALTHY - I am well informed & supported to manage my own physical & mental health

CTM - Staying Healthy	3 Quarter Trends			
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend
% of children who received 2 doses of the MMR vaccine by age 5	91.7%	90.8%	93.4%	⇧
% of children who received 3 doses of the hexavalent '6 in 1' vaccine by age 1	96.9%	97.1%	97.2%	⇧
% children 10 days old who accessed 10-14 days health visitor component of Healthy Child Wales Programme	93.9%	95.5%	96.1%	⇧
European age standardised rate of alcohol attributed hospital admissions for individuals resident in Wales*	477.4	477.1	399.7	⇧

*Taken from April APC refresh

Achieved in Target Compliance
Not achieved in Target Compliance

We continued previous work with Primary Care and Public Health Wales colleagues helping to address the high prevalence of illness and disease within CTMUHB's catchment area. Illness and disease attributable to CTM being an area of known deprivation, with an aging population at a time of extreme austerity for the majority of the population.

Our Public Health Wales colleagues continued to work closely with our schools and our pre-school younger population, third sector organisations and other organisations to ensure the continued health of our population with the aim of preventing hospital admissions and treatment in the future.

Smoking Cessation

Smoking is the number one cause of avoidable premature death, linked to a range of serious and often fatal conditions, such as lung cancer, emphysema and a heart attack. To improve people's health and life expectancy and to reduce the pressures on the NHS, health boards are required to encourage their local smoking population to attend an NHS funded service to stop smoking. Evidence shows that smokers who make a quit attempt using cessation services (offering evidence based behavioural support combined with medication/nicotine replacement therapy) are more likely to quit than those who try unaided.

A yearly comparative analysis of performance for smoking cessation for 2019/20 is unfortunately not available for reasons as outlined previously in this section.

However, a new updated "Smoking in Wales" interactive data visualisation online tool was introduced in February 2020. Upon analysis the tool revealed that smoking related deaths and hospital admissions in Wales remained stubbornly unchanged, with consistently higher smoking-attributable admissions rate in males than females. Rates in males appear

to have stopped falling. However, rates in females are rising, particularly for those living in the most deprived areas.

Flu

The latest Season Influenza Annual Report is for 2018/19. The 2018/19 influenza season in Wales was less severe than the 2017/18 season, although it still presented a significant burden of disease for the population of Wales, and additional pressures to health care services. There was a decline in the uptake of influenza immunisation in both the "six months - 64 years" (67.1% uptake) and the "65+" (40% uptake) categories. There was also a decline in the number of health care workers (with direct patient contact) immunised during this reporting period despite continuation of the Health Board's annual immunisation programme.

Alcohol Attributed Admissions to Hospital

Drinking above weekly guidelines and binge drinking is highly prevalent in Wales. Alcohol consumption is a significant public health concern. It may cause an immediate threat to life (e.g. violent crime, drink driving accident and acute alcohol poisoning) and has longer-term health consequences, such as liver disease, heart disease and cancer. To reduce alcohol consumption, actions are taking place across Wales to reduce the availability and affordability of alcohol (such as the introduction of the Public Health (Minimum Price for Alcohol) (Wales) Act 2018, which came into force on the 2 March 2020), to ensure people are aware of the impact of alcohol related harm and to support behavioural change. Work is also being undertaken across Wales to support people with substance misuse issues.

An indication of whether these initiatives are having a positive impact is to monitor the standardised rate of hospital admissions that are attributed to alcohol. This measure was introduced for the first time this reporting period. There is, as a result, limited data available for comparison/analysis at the time of writing.

Data for the first three months of the year indicated that there were 4,774.4 alcohol attributed hospital admissions (European age standardised rate) with a continued reduction into quarters 2 and 3 to 399.7.

Healthy Child Wales Programme

There was a slight decline in the percentage of children who accessed the health visitor component of the Healthy Child Wales Programme compared to 2018/19. However, overall uptake of the programme remained good with the percentage accessing the programme at 96.1% during quarter 3.

Childhood Vaccinations

The percentage of children in receipt of 3 doses of the "6 in 1" vaccine by the age of 1 has remained above 95% since its introduction in September 2018 (previously the "5 in 1"). The percentage compliance for quarter 3 was 97.2%.

The percentage of children in receipt of 2 doses of the MMR vaccine by age 5 has remained above 90% since the beginning of 2018. Compliance as at the end of quarter 3 was 93.4%.

Vaccination programmes continued throughout the COVID-19 pandemic, however, it is anticipated, but not evidenced, that uptake will decline as individuals, and parents etc. adhere to the "lockdown" and refrain from presenting to GPs and hospital at a risk of being infected.

SAFE CARE – I am protected from harm & protect myself from known harm

CTM - Safe Care

	9 Month Trends									
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Trend
Of the Serious Incidents due for assurance within the month, % which assured in agreed timescales*	28.0%	23.5%	0.0%	8.3%	17.4%	9.1%	14.3%	33.3%	28.6%	↑
Number of new Never Events*	0	0	0	0	1	0	0	2	0	↓
% of in-patients who have received 'Sepsis Six' first hour care bundle within 1 hour of positive screening	82.1%	72.7%	66.7%	48.8%	50.0%	52.3%	53.6%	60.5%	58.1%	↓
% ED patients who have received 'Sepsis Six' first hour care bundle within 1 hour of positive screening	67.7%	62.7%	78.6%	72.9%	62.5%	69.2%	76.5%	71.0%	77.8%	↑

	3 Quarter Trends			
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend
Opioid average daily quantities per 1,000 patients	5,123.20	5,198.08	5,156.77	↓
Number of patients aged 65+ prescribed an antipsychotic	1,431	1,443	1,438	↓
Total antibacterial items per 1,000 STAR-PUs	302.78	290.07	345.15	↓
Fluoroquinolones, Cephalosporins, Clindamycin & Co-amoxiclav per 1,000 patients	15.86	15.60	15.83	↑
Number of Patient Safety Solutions Wales Alerts & Notices not assured within the agreed timescales	2	1	1	↑

*Data as at 28/04/20

Achieved in Target Compliance
Not achieved in Target Compliance

Patient safety and quality of care

The Health Board continues to have high reporting rates for incidents albeit that the majority of patient safety incidents reported result in no harm or low harm**.** CTMUHB continues to encourage the reporting of incidents, irrespective of how serious they might be. Regrettably there were three incidents classified as Never Events between April and December 2019, one in August and two in November.

As in previous years, Slip, Trips & Falls and Pressure Damage were the two highest reported categories of incidents, with the highest number of falls reported within the older people's mental health service and in community hospitals. There were no real differences in the incidence of pressure damage across CTMUHB's three acute hospital sites with Prince Charles reporting 127, Royal Glamorgan 112 and Princess of Wales 107.

Health boards are mandated by Welsh Government, through alerts and notices issued throughout the year, to adhere to and implement appropriate Patient Safety Solutions.

On the whole, patients told us that their experience with CTMUHB was a good one this year – 73% positive.

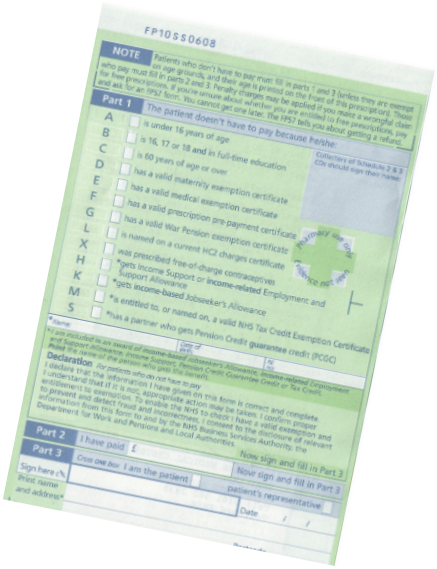
Sepsis

Sepsis is a life-threatening reaction to an infection, which happens when your immune system overreacts to an infection. It is estimated that there are over 30,000 cases of severe sepsis in the UK every year. CTMUHB reports sepsis compliance measures to Welsh Government on a monthly basis. Performance in this area, for December 2019, against the 1 hour sepsis bundle treatment target was at 58.1% compliance for inpatients and at 77.8% for those patients in the Emergency Department. This work is led by the outreach teams at all sites who provide 24/7 cover on the three acute sites. Further work continues into the next year around sepsis to improve our compliance an ultimately the quality of life of our patients.

Hospital Acquired Infections

Expected reduction rates for 2019/20 were set at 67 per 100,000 for E.coli, 20 per 100,000 for S.Aureus and 21 per 100,000 population for C.difficile. The Health Board made good progress again this year, with both E.coli and S. Aureus at lower levels for the same period last year. For C.difficile, CTMUHB reported a higher rate than last year.

However, despite the improvements made, we did not meet the targets set which was the same in the other five major acute health boards across Wales. CTMUHB has actions in place to further reduce the prevalence of hospital acquired infections within our sites into 20/21.



Prescribing

CTMUHB has the highest prescribing rates of antimicrobials in primary care in Wales. However, prescribing guidelines have been introduced to improve the choice of antimicrobials prescribed which led to an improvement. Analysis of data showed a reduction in the volume of prescribing of both total antibiotics, and specifically broad spectrum antibiotics. CTMUHB also has the highest prescribing volumes of NSAIDS (anti-inflammatories) in Wales. However, that said, the choice of NSAID prescribed has a high compliance with current guidance.

On the whole, the total volume (appropriate level) of each medication prescribed remained constant month-on-month for all medications/drugs administered.

INDIVIDUAL CARE - I am treated as an individual with my own needs & responsibilities

CTM - Individual Care

	9 Month Trends									
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Trend
% of HB residents in receipt of secondary MH services (all ages) who have a valid CTP	88.5%	88.2%	89.7%	89.4%	90.2%	91.6%	89.1%	89.7%	87.1%	↓
% of HB residents sent their outcome assessment report within 10 working days after assessment	66.7%	100.0%	100.0%	75.0%	-	100.0%	100.0%	100.0%	100.0%	↑

	3 Quarter Trends			
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend
Number of calls to the MH helpline CALL by Welsh residents per 100,000 of population	92.3	57.7	54.4	↓
Number of calls to the Wales dementia helpline by Welsh residents per 100,000 of population (age 40+)	2.6	4.4	3.1	↑
Number of calls to the DAN 24/7 helpline by Welsh residents per 100,000 of population	39.1	37.7	30.1	↓

Achieved in Target Compliance
Not achieved in Target Compliance

The Health Board is committed to providing the best care for its patients, treating them as individuals and equal partners in any decisions taken about their treatment.

Helplines

Unfortunately, during the reporting period there was a decline in performance of the patient helplines in Wales. Various health and social care organisations contribute to the promotion of these three patient helplines i.e. Mental Health (CALL), Dementia and Drug/Alcohol (DAN) which can mean that performance reporting is challenging. Going into the next reporting period the reporting of helpline performance is to be reviewed thus enabling more detailed reporting to be available.

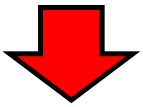
Mental Health

In December 2019, the percentage of mental health assessments undertaken within 28 days for those CTMUHB residents in receipt of mental health services improved from 56.8% in November to 68.3% in December. Unfortunately, the percentage of residents who had a valid Care Treatment Plan completed within a given month fell to 87.1% in December from 89.7% in November. However, the percentage of residents in receipt of a copy of their outcome assessment report, up to and including 10 working days after their assessment, remained at 100% for the fourth consecutive month.

Child Mental Health (CAMHS)

CTMUHB's performance with regard to child Mental Health Services has been good over the last two years. Performance for PCAMHS (primary child mental health) as at 31 March 2020 was 144 patients waiting with 58 patients waiting over 4 weeks and an average waiting time of 4 weeks. Within SCAMHS (specialist care child mental health), there were 96 patients waiting, 24 of which had been waiting over 4 weeks. The average wait being 3 weeks and the longest wait being 8 weeks.

OUR STAFF & RESOURCES - I can find information about how the NHS is open & transparent on use of resources & I can make careful use of them



CTM - Our Staff & Resources

	9 Month Trends									
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Trend
% of headcount who have had a PADR/medical appraisal in previous 12 months	74.6%	72.2%	71.3%	62.3%	65.7%	64.4%	64.3%	64.0%	64.7%	↓
% compliance for all completed Level 1 competencies within Core Skills & Training Framework	76.2%	76.1%	75.6%	76.1%	75.7%	76.0%	76.3%	76.8%	76.9%	↑
% staff sickness absence (rolling 12 months)	5.87%	5.89%	5.93%	5.92%	5.89%	5.88%	6.02%	6.05%	6.14%	↓

	3 Quarter Trends			
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend
% adult dental patients in the HB pop re-attending NHS primary dental care between 6 & 9 mths	23.2%	22.3%	23.3%	↓
% of critical care bed days lost to delayed transfer of care (ICNARC definition)	35.8%	32.4%	20.9%	↑

Achieved in Target Compliance

Not achieved in Target Compliance

Our Staff

Compliance with regards to the number of non-medical staff having received a personal review, and medical staff having received an appraisal reduced this year. However, the compliance remained consistently around 64% for the last four months of the calendar year.

Compliance with regards to staff core mandatory training level 1 remained consistently around the 76% mark for the last four months to the end of December 2019.

Staff sickness absence levels were at 6.14% at the end of March 2020 whereas at the beginning of the year sickness absence was 5.87%.

Our Resources

The percentage of adult dental patients with the Health Board's population who re-attended for primary dental care treatment within 6-12 months did not change significantly this year but remained low with compliance being 23.3% for quarter 3.

There was a positive downwards trend with regards to the percentage of critical care bed days lost as a result of an inability to transfer patients i.e. a delayed transfer of care.

EFFECTIVE CARE – I receive the right care & support as locally as possible & I contribute to making that care successful

CTM - Effective Care

	9 Month Trends									
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Trend
Crude hospital mortality (<= 74 years of age) rolling 12 months ending*	0.98%	0.98%	0.98%	0.96%	0.98%	0.98%	0.99%	0.99%	0.98%	↓
% of episodes clinically coded within one reporting month post episode discharge end date	48.8%	49.9%	54.7%	72.6%	89.7%	87.9%	80.1%	56.5%	53.7%	↑
% comp of completed level 1 IG (Wales) training element of Core Skills & Training Framework	70.8%	72.1%	74.4%	74.4%	74.1%	73.3%	72.9%	72.6%	73.0%	↑
Number of health board non mental health DToC	51	38	43	49	60	52	67	70	77	↓
Number of health board mental health DToC	11	13	16	11	11	8	4	6	6	↑
% universal mortality reviews undertaken within 28 days of a death	92.6%	82.1%	76.9%	85.2%	85.4%	89.4%	87.9%	76.7%	61.7%	↓

	3 Quarter Trends			
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend
All new medicines must be made available no later than 2 months after NICE and AWMSG appraisals	98.4%	98.5%	98.6%	↑

*Taken from April CHKS refresh

Achieved in Target Compliance
Not achieved in Target Compliance

Mortality

Crude mortality data has remained constant this year at around 0.98%. Time delays in reporting resulting is due to the way mortality data is collected by the registrar. Both rates are higher than Welsh peers.

The percentage of universal mortality reviews undertaken within 28 days of a death fell to 61.7% in December 2019. This was as a result of an increase in the number of deaths at that time and also winter pressures. Analysis of current mortality trends and importantly, learning from mortality reviews, are reported to the Board's Quality and Safety Committee for consideration and appropriate action. This year plans were put in place to develop the mortality module of our complaints and incidents reporting tool. Work on this is ongoing in conjunction with National Medical Examiners colleagues.

Clinical Coding

During this reporting period i.e. April to the end of December 2019, the percentage of episodes (118,278) coded was 79.6%.

The monthly coding target of 95% of all care episodes coded within a month is routinely being met by the team based at the Princess of Wales Hospital, where there is a well-established workforce of qualified coding staff. The teams based at Royal Glamorgan and Prince Charles hospitals have more coding trainees, who typically code fewer episodes of care per week. All teams are however working together to make the necessary improvements to meet the monthly target across the CTMUHB as a whole.

The overall results of the 2018/19 clinical coding audit confirmed that the department had achieved above the recommend accuracy for primary diagnosis, secondary diagnosis, primary procedure and secondary procedure coding. Since the audit, we have seen an increase of 0.82% in the overall quality of clinical coded data as measured by Welsh Government Clinical Coding Accuracy Measures scores.

The coding position has not been detrimentally affected by COVID-19. A decision was made that deceased COVID-19 patients would be coded as a matter of priority to assist with accurate reporting of deaths during the period.

Delayed Transfers of Care (DToC)

In December 2019 6 mental health patients were delayed. CTMUHB is one of the better performing organisations in this regard. Whilst DToCs increased during the nine month period, particularly in terms of delays in non-Mental Health services, this is a picture that was prevalent throughout Wales. Since then, there have been concerted efforts to free-up beds in hospital, with a particular drive during March, following the winter months, leading into the onset of Covid-19.

For critical care DToC see Domain: Our Staff and Resources on page 26.

Availability of Medicines

Our compliance with making available all new medications no later than 2 months after NICE and AWMSG appraisal was good at: Quarter 1 - 98.4%, Quarter 2 - 98.5% and Quarter 3 - 98.6%.

Level 1 Information Governance Training

A compliance rate of around 74-75% was maintained this year with regards to staff information governance training.

DIGNIFIED CARE - I am treated with dignity & respect & treat others the same

CTM - Dignified Care

	3 Quarter Trends			
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend
% complaints that had final reply (Reg 24)/interim reply (Reg 26) <30 working days of concern received	67.6%	50.7%	48.6%	⇩

Achieved in Target Compliance
Not achieved in Target Compliance

Number of postponed procedures

Postponing operations for non-clinical reasons wastes resources as theatre slots are not utilised requiring re-scheduling of patients admissions which can be both distressing and inconvenient to the patient. CTMUHB remains committed to reducing the number of postponements, to understanding the reasons for deferring procedures and to implement actions to minimise future incidents.

The average number of postponements per month (number of procedures postponed either on the day or the day before for specified non-clinical reasons including patient cancellations) for the reporting period was 388. This was an increase on the previous year. The highest monthly incidences of postponements were in January as a result of winter pressures and in March attributable, in the main, to COVID-19.

Concerns

Although NHS Wales aims to provide the very best care and treatment, sometimes things can go wrong. We are committed to resolving concerns immediately and aim to respond within 30 working days of receiving the concern. For concerns that are more complex, an interim reply is provided explaining why a response will take longer. Unfortunately, during the reporting period CTMUHB performance with regards to responding to complaints within 30 days declined quite significantly which was disappointing. We have put in place an improvement plan and this is monitored weekly. As well, a revised Concerns Policy has been drafted and is currently in the process of being approved.

CTMUHB received 97 complaints in December 2020 that were managed under "Putting Things Right". Also there were 252 complaints dealt with via Early Resolution. November and December 2019 showed a decline in the number of complaints, most significantly there was a decrease in the number of complaints related to patient delays, admissions and discharge issues. The response times for complaints being closed within 30 Working days was 67% in November and 70% December.

TIMELY CARE – I have timely access to services based on clinical need & am actively involved in decisions about my care

CTM - Timely Care

	9 Month Trends									
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Trend
% survival within 30 days of an emergency admission for a hip fracture***	74.1%	69.4%	73.3%	66.1%	85.2%	62.7%	64.0%	80.5%	75.0%	↑
% of OOH/111 patients prioritised as P1CH that started assessment <1hr of call being answered	90.8%	94.0%	90.2%	87.9%	91.6%	93.2%	92.7%	89.9%	91.2%	↓
% of OOH/111 patients prioritised as P1F2F seen <1hr following assessment	45.5%	50.0%	52.9%	80.0%	84.6%	66.7%	82.4%	81.0%	53.1%	↑
% of patients waiting less than 26 weeks for treatment	89.1%	87.7%	87.9%	88.1%	85.8%	84.7%	84.8%	84.6%	83.0%	↓
Number of patients waiting more than 36 weeks for treatment	1,128	1,520	1,676	2,114	2,940	2,985	3,503	3,839	4,355	↓
Number of patients waiting more than 8 weeks for a specified diagnostic	61	151	125	826	1,181	959	855	1,063	1,479	↓
Number of patients waiting more than 14 weeks for a specified therapy	0	0	3	13	25	37	57	44	1	↓
Number of patients waiting for a follow-up outpatient appointment	114,420	106,659	105,798	108,177	107,739	115,138	114,886	115,272	114,610	↓
Number of patients waiting for a follow-up outpatient appointment who are delayed by over 100%	22,626	19,379	18,359	19,644	19,257	20,570	20,274	19,863	20,297	↑
% compliance with stroke QIM Direct admission to an acute stroke unit (<4 hrs)*	31.0%	40.3%	35.5%	31.3%	32.5%	23.1%	32.2%	19.5%	24.6%	↓
Assessed by a stroke consultant (<24 hours)**	62.9%	67.9%	68.8%	69.4%	69.0%	63.3%	66.3%	63.9%	42.4%	↓
Patients receiving the required minutes for SALT	36.2%	35.5%	36.6%	35.2%	31.7%	31.1%	43.9%	48.0%	48.1%	↑
% of emergency responses to red calls arriving within 8 mins	70.8%	70.6%	70.0%	66.4%	65.9%	68.1%	67.1%	58.2%	55.7%	↓
Number ambulance handovers over one hour	391	312	256	255	357	329	407	419	465	↓
% of patients spend < 4 hours in emergency care from arrival until admit, transfer or discharge	73.6%	77.9%	79.0%	77.6%	76.8%	73.0%	72.4%	73.5%	70.4%	↓
Number of patients spent >=12 hrs in emergency care from arrival until admit, transfer or discharge	941	843	607	724	716	998	1,018	1,110	1,158	↓
% newly diagnosed with cancer, not via urgent route, started def treat within 31 days of diagnosis	98.3%	95.0%	93.6%	99.0%	97.8%	95.2%	94.0%	92.8%	98.4%	↓
% newly diagnosed with cancer, via urgent suspect route, started def treat within 62 days of referral	83.3%	71.6%	82.1%	83.3%	79.8%	74.2%	72.6%	71.6%	73.9%	↓
% of patients starting first definitive cancer treatment within 62 days from point of suspicion	66.0%	60.6%	64.5%	71.6%	73.8%	73.6%	67.6%	67.0%	68.0%	↑
% of MH assessments undertaken within 28 days from the date of receipt of referral	61.0%	56.1%	77.1%	73.1%	65.7%	67.7%	71.0%	56.8%	68.3%	↑
% of therapeutic interventions started within 28 days following an assessment by LPMHSS	94.4%	95.1%	91.4%	90.2%	92.8%	88.9%	87.9%	91.8%	94.8%	↓
% of patients waiting less than 26wks to starts a psychological therapy	86.5%	86.5%	90.7%	88.6%	88.3%	83.9%	80.3%	79.6%	80.1%	↓
% of children/young people waiting less than 26 wks to start ADHD or ASD neurodevelopment assessment	72.0%	69.5%	67.4%	67.5%	66.5%	66.9%	65.6%	70.2%	65.5%	↓
% R1 ophthalmology patients waiting within target date or within 25% beyond target date for an OP appointment	62.9%	63.1%	62.2%	60.9%	57.2%	56.8%	58.7%	58.7%	56.1%	↓

	3 Quarter Trends			
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend
% of qualifying patients who first had contact with an IMHA within 5 working days of their request	100.0%	100.0%	100.0%	⇨

*Target used is the SSNAP Oct-19 to Dec-19 UK average of 53.3%
**Target used is the SSNAP Oct-19 to Dec-19 UK average of 84.1%
***Taken from April CHKS refresh

Achieved in Target Compliance
Not achieved in Target Compliance

Waiting Times

Whilst CTMUHB's predecessor organisation achieved its waiting list target for the year 2018/19, the volume of patients on our waiting lists for this reporting period have increased as a result of the boundary change resulting in responsibility for approximately 140,000 more patients (with approximately 22,000 patients awaiting treatment in total.

As at the end of December 2019 there were 4,355 patients waiting for treatment (over 36 weeks wait) of which 997 patients were waiting over 52 weeks. Despite an action plan being in place to reduce the number of patients waiting as at 31 March 2019, these plans were significantly impacted upon by the COVID-19 pandemic.

All health boards in Wales were advised to suspend non-urgent outpatient appointments and surgical admission whilst ensuring access for emergency and urgent treatment. These actions were implemented to protect our communities, and allow for services and beds to be reallocated and for staff to be redeployed and retrained in priority areas to cope with the pandemic. As a result, at the end of March 2020 there were 4,504 patients waiting for treatment (over 36 weeks) of which 1,543 patients were waiting over 52 weeks. There were also 1,810 patients waiting for diagnostic treatments.

Recovery planning, during and post the COVID-19 pandemic, is now a priority going forward into 2020/21 in conjunction with our NHS Wales, third sector and Welsh Government colleagues. All patients awaiting treatment will be kept informed of progress with regard to their individual care.

Emergency Department

Although not a particularly harsh winter, our A&E waiting times proved to be challenging again in 2019-20. We achieved 70.2% against the 4 hour target for December 2019 which was the lowest level during the year. Unfortunately, 1,167 patients waited over 12 hours.

The UK Government initiated lockdown to contain the COVID-19 pandemic and avoid the NHS

becoming overwhelmed which resulted in a significant drop in A&E attendance figures in March and April 2020 (on some days close to a 50% drop) thus skewing performance compliance figures.

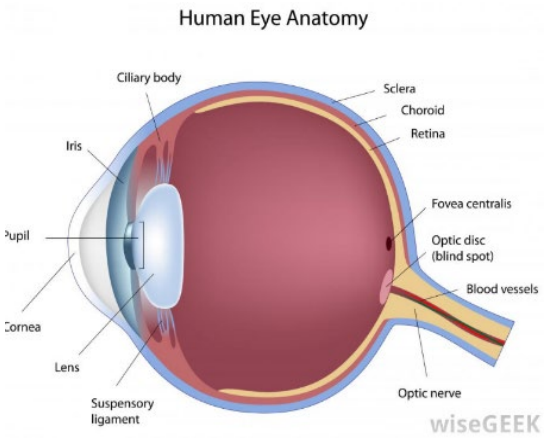
It seemed likely that COVID-19 resulted in unwell patients' non-attendance at A&E. Anecdotal evidence was that possible stroke patients and patients with other chronic conditions did not attend A&E at the time for fear of infection thus leaving a potential influx in demand post COVID-19 for non-COVID essential services. The end of April beginning of May 2020 saw the beginning of increase in attendances at A&E.

Ambulance Response Times

CTMUHB's performance compliance with regards to RED calls (i.e. 8 minute response time) fell during 202019-20 with compliance of 55.7% in December 2019 with an improvement to 65.6% in February 2020. The target for this measures is 65%. We continue to work closely with the Welsh Ambulance Service (WAST) to maintain and improve on this level of performance.

Eye Care

From April 2019, new guidelines issued by Welsh Government require hospital eye services to have procedures in place ensuring patients receive their assessment or treatment by the most suitable person within a clinically appropriate time. This means that those high risk patients who need be seen quickly due to their condition, should experience fewer delays. The measures are based on priority and urgency of care required by each patient. Priority is the risk of harm associated with the patient's eye condition if the target appointment date is missed. Urgency is how soon that patient should be seen given the current state and/or risk of progression of the condition. We have an action plan in place which is being closely monitored. For the reporting period the percentage compliance with the new measures remained steady between 56-58% for the last 5 months.



Cancer

CTMUHB's performance against the 31-day cancer target (non-urgent pathway) this year was disappointing, meeting the 98% target on only 3 out of the 9 months reported. It was similarly a disappointing year for the 62-day cancer target (urgent pathway: target of 95%): the target was not achieved in any month during the period.

A Single Cancer Pathway (SCP) was introduced in the early part of 2019 and we began formally reporting performance to Welsh Government from June 2019. Ultimately, the SCP will replace the existing two pathways:

- USC – patients referred in as urgent suspected cancer cases
- NUSC – patients not referred in as urgent suspected cancer cases, but are diagnosed with cancer during the course of being treated

NUSC performance has typically been very high in the UHB, often meeting the target of 98% of cases treated within 31 days. The UHB has always struggled with treating all USC cases within 95%, in particular, though not exclusively for Urology, where the existing services struggle to keep pace with demand.

The USC challenges mean that when combined, initial compliance was steady with an end of calendar year compliance of 68%. The new pathway aims to identify those patients with potential cancer much earlier on, thus providing appropriate treatment much more quickly, though as with all Cancer services across the UK, there is a backlog of cancer cases following the suspension of services caused by the Covid-19 pandemic.

Stroke

CTMUHB has two admitting stroke units: Prince Charles in Merthyr Tydfil and the Princess of Wales in Bridgend. Both units struggled this year to meet key stroke performance targets. The four hour target from the emergency department to the stroke unit was particularly challenging at both sites, exacerbated by ongoing hospital-wide bed pressures, challenges within the Emergency Department, and also COVID-19 at the end of the year.

Both units have only a 5-day service which means that the review by a stroke consultant target within 24 hours is very unlikely to ever reach above 70% at best, with sickness and/or absence further exacerbating the position.

Improving our stroke performance will continue to be a key priority for the Health Board going into the next reporting year.

INTEGRATED MEDIUM TERM PLAN

As the Health Board develops and aligns to the 'A Healthier Wales: Our Plan for Health and Social Care', some particular areas of importance and focus to articulate in the **IMTP 2020-23 include**:

1. The continued development of the Health Board, focusing on engaging and empowering our people, embedding our values and behaviours, and a clear structure and operating model.
2. Grow clinical and community leadership and deliver robust, simplified and safe decision making; learning through quality improvements and strengthening involvement of patients, staff and partners in service redesign.
3. The implementation of the Health Board's Quality and Patient Safety Governance Framework, including across maternity services.
4. The development of the 10 year Health Board Integrated Health and Care Strategy.
5. Ensuring the outstanding issues first identified in the South Wales Programme, regarding potentially unsafe and unsustainable services (particularly emergency medicine (A&E), acute medicine and inpatient paediatric services), are fully addressed, following extensive public and clinical discussion.
6. Delivery of regional and national service change plans, including Major Trauma services.
7. The continued implementation of the Regional Partnership Board transformation ambition and further alignment of Primary Care Clusters and Mental Health Localities.
8. Delivery against the NHS Wales Delivery and Outcomes Framework, including ensuring patients are more consistently able to access services in a timely manner.
9. Planning for recurrent financial balance.

Key enablers in the delivery of the priorities will be patient engagement and involvement, developing work in relation to the Health Board's digital plans, and the implementation of the Welsh Language (Wales) Measure 2011. The Well-being Plans and Area Plan for the CTM region form an underlying work programme for the IMTP. The IMTP is available via this link:

The Health Board objectives will be achieved by working closely in partnership with its staff, partners and local communities; driven by our quality and performance standards; and within a financial envelope which is both value for money and affordable. Examples of the deliverables described within this Plan for 2020/23 are therefore:

Well-being – Self Care and Supported Self-Care

- Progress the priorities set out in the Cwm Taf and Bridgend Well-being Plans, drawing together the developing Cwm Taf Community Zones, reducing isolation and loneliness and increasing volunteering, **section 5.1.1.**
- Continue actions to address modifiable lifestyle risk factors including Inverse Care Law scheme, implementation of the Tier three obesity service and Adverse Childhood Experiences (ACE's) **section 5.1.2** and **5.1.3.**
- Roll-out a model of population health management based on segmentation and risk stratification, linking and analysing primary and secondary care data in order to segment the cluster population and allow targeted anticipatory care. A key enabler to the Cwm Taf Morgannwg Regional Partnership Board transformation **section 5.1.4**.

Integrated Community Services

- Deliver a new Area Plan for the new Cwm Taf Morgannwg Regional Partnership Board, including embedding the joint Regional Commissioning arrangements. **section 5.2.4**
- Delivery of the transformation programmes for Cwm Taf: Stay Well in Your Community and Bridgend: Accelerating the Pace of Change of Integrated Services. These whole system work streams include a focus on assistive technologies, the next phase of Stay Well@Home and improving access to community health and social care, 'making every day Tuesday'. **section 5.2.4**

Mental Health, Primary Care, and Locality Services

- Continue to deliver a multi-agency emotional and mental health strategy which encompasses the role of the Specialist Child and Adolescent Mental Health Services (CAMHS) and embed the Choice and Partnership Approach as part of the steps being taken to put Primary CAMHS and Specialist CAMH Services on a sustainable footing, **section 5.3.1.**
- Ongoing redesign of adult community mental health services to ensure an emphasis on integrated support at 'universal' and local primary mental health service level, enabling secondary mental health services to offer more intense input to a smaller number of people with more complex needs, **section 5.3.2.**

- Development of a cohesive mental health and learning disability framework for training, learning, assurance and quality improvement **section 5.3.2.**
- Local implementation of the Dementia Action Plan for Wales including development of the memory assessment pathway, enhancement of community based support and joint workforce training and development, **section 5.3.2.**
- Deliver, at Cluster level, multi-agency, multi-professional teams as a fundamental part of our transformation programmes, enabling multi-disciplinary reviews and interventions across the new Health Board footprint and in line with the Primary Care Model for Wales. Implementation of the 111 service, transforming the GP Out of Hours into an Urgent Primary Care Out of Hours service adopting a digitally enable prudent workforce model, **section 5.3.3**.
- Continue to deliver against the Primary Care Estates Strategy, including the completing the development of Mountain Ash Primary Care Centre and the next phase of Dewi Sant Health Park, and the Bridgend Health and Wellbeing Centre (Sunnyside) **section 8.3.1**.

Acute Care – Local and Regional Secondary Care

Continue to implement the Maternity Improvement Programme under the scrutiny of the Independent Maternity Oversight Panel (IMSOP) to address the serious issues raised **section 5.4.3.3.**

Further improve our unscheduled care and referral to treatment waiting time performance, **section 5.4 and 5.7.**
Take the steps to complete the service change set out in the South Wales Programme (SWP), particularly emergency medicine (A&E), acute medicine and inpatient paediatric services and collectively across the region deliver service sustainability Ophthalmology Services, Regional Diagnostic Services, and Vascular Services, **section 5.4.3.4.**

Implement the Major Trauma Service change, delivering locally and shaping the regional service, **section 5.4.1.3**
Value Base Healthcare Pathway development focused initially on Lung Cancer, Cataracts, Hips and Knees, Heart Failure and Maternity, **section 5.4.3**.

Continue to deliver against the local requirements of the Welsh Government (WG) National Delivery Plans, including Respiratory, Stroke, Liver, Cardiology, Diabetes, Cancer, Neurological, Critical Care and End of Life Care, **section 5.4.3**.

Tertiary Services

Work with the Welsh Health Specialised Services Committee (WHSSC) and others on integrated services identified in their commissioning plans, section **5.5**
Work with the Emergency Ambulance Commissioners on the development of the Emergency Medical Retrieval and Transfer Services**, section 5.4.1**

PROGRESS IN DELIVERING OUR PLAN

This section offers an overview of the progress made in implementing the Health Board's Plan for 2019-22.

Well-being – Self Care and Supported Self-Care

- Continued recruitment of and support for Carers Champions, working with partner organisations to ensure Caring Awareness is widely embedded and Carer Aware training is provided for staff across the public and third sector.
- Since the *Baby Teeth DO Matter* initiative launched in April 2017, dentists in Merthyr Tydfil have seen a 39% increase in children's attendance, equating to approximately 1,500 children.
- In support of the Health, Well Being and Creative Arts Strategy launched in December 2018 an Arts and Health Coordinator has been appointed to develop an arts programme which supports, nurtures and works with our patients, staff, visitors and the wider community in a variety of ways across a range of art forms.
- The Maternity Services Liaison Committee has been relaunched which allows women and their families to feedback their experiences and requests for improvement back into the system. Women in the maternity units are also now being regularly asked about their experiences.

Integrated Community Services

At the NHS Awards in September 2019 the award for 'Providing services in partnership across NHS Wales' was won by CTMUHB together with Aneurin Bevan, Swansea Bay, Hywel Dda and Cardiff and Vale UHBs for work on the *'South Wales Motor Neurone Disease Care Network'*.

Children from Treorchy Primary School have spent time with people living with dementia and their families at Ysbyty George Thomas as part of the work to raise intergenerational awareness of dementia and involve the community in the care and support provided.

CTMUHB and Bridgend County Borough Council (CBC) have signed a partnership agreement to support more older people to remain independent and keep well at home. The agreement is to ensure services are more joined-up with the aim of maximising patients' recovery with shorter stays in hospital.

The Waun Wen Leg Club in the Rhondda received an international award at the annual Lindsay Leg Club Foundation Awards for their work to provide community based treatment and care for people of all ages who suffer leg-related problems.

The new Integrated Substance Misuse Service for Rhondda Cynon Taf and Merthyr Tydfil, commissioned by the Area Planning Board (APB), commenced in April 2019 provided by Barod, working in close collaboration with CTMUHB's Community Drug & Alcohol teams. A review is now underway by the APB of the substance misuse services provided in Bridgend.

Mental Health, Primary Care, and Locality Services - Care Closer to Home

- The Primary Care and Community Resource Team provides vital clinical support across a range of care settings and are central to the training and education of health and social care professionals working in GP practices, community nursing services, community Hospitals, care homes and local authority staff.
- As an extension of the Choose Pharmacy Common Ailments service, a Sore Throat Treat and Test (STTT) service has been rolled-out in our community pharmacies, offering a more accessible alternative to, and reducing demand for GP services.

- Following extensive stakeholder engagement a new service model has been agreed for adult community mental health services, shifting the focus, resources and activity to universal and primary care level enabling more prevention, early intervention and intensive person centred interventions.
- In order to create a more home from home environment and link patients to their former activities outside hospital, the older people's mental health ward at Royal Glamorgan have created a 'pop-up' traditional pub, hair and beauty salon and created a beach scene in the garden. This will improve patients' experience during their stay and help them to relax.
- For those patients in receipt of secondary mental health services with a valid care and treatment plan, performance at the end of September 2019 was 91.6%.
- Access to specialist CAMHS has improved to 89% against the 28 day target of 80%.

Continued implementation of the Early Diagnosis programme, improvements made to the urgent suspected cancer pathway, development of the Rapid Diagnostic pathway and single cancer pathway implementation.

Working to achieve the Single Cancer Pathway target and is making steady progress. A Cancer Programme Board has been established to provide strategic oversight for cancer services and waiting time performance.

The Health Board continues to have the best performance across Wales for one hour emergency ambulance patient handovers in PCH and RGH and has performed highly with regard to the 15 minute ambulance handovers. The challenges that are currently being experienced in relation to patient handover in Princess of Wales Hospital are being addressed through a programme of collaborative interventions which involve Senior Clinicians, Medical Staff and Welsh Ambulance Services Trust (WAST).

CTMUHB works closely with colleagues at WAST to sustain performance on the RED calls 8 minute response times to maintain performance above the target of 65%. WAST colleagues have continued to work collaboratively with us to support the Stay Well @Home Service where they refer directly to a multi-agency single point of access to avoid conveyances to hospital.

The freestanding Midwifery-led unit was established in RGH in March 2019 with the new maternity unit established in PCH providing doctor-led maternity care in labour and local neonatal unit.

The special care baby unit at the Princess of Wales Hospital has been awarded Stage 3 Baby Friendly accreditation from UNICEF and the World Health Organisation which recognises partnership working with parents and families to develop close relationships with their babies during their stay in the neonatal unit.

The new state-of the-art Macmillan Unit on the RGH site opened in September 2019 following a multi-million pound build by Macmillan Cancer Support and the Health Board, offering inpatient, outpatient and palliative day care to people in the Rhondda and Taff Ely areas.

The newly refurbished state-of-the-art Paediatric Assessment Unit at Princess of Wales Hospital was officially opened. Patients and families are able to benefit from improvements of the significant renovation including a full redesign of the wards using a Lego theme and the installation of new equipment.

Endoscopy staff at Princess of Wales Hospital have received Joint Advisory Group (JAG) accreditation from the Royal College of Physicians renewed with no recommendations for improvement, demonstrating their commitment to delivering the best care with a highly trained, supported and motivated team.

Tertiary Services

Tertiary services represent CTMUHB on the Network Board for Major Trauma to take forward implementation of the Major Trauma Network for South and West Wales and South Powys. The Health Board with support from the Community Health Council agreed the proposal put forward by WHSSC for the development of a single site model for the delivery of thoracic (chest and lung) surgery based at Morriston Hospital, Swansea.

Overarching Enablers

Our award-winning national recruitment campaign #joincwmtaf has increased applications for our nursing, medical and allied health professional adverts. We are making progress despite the demographic profiles of our nursing population and the voluntary movement of ward based nurses into other roles.

Ongoing implementation of the Graduate Growth programme which is designed to grow the next generation of management leaders.

Implementation of a staff engagement programme called 'Let's Talk Culture', ideas from which will be used to create the values and behaviours which will help shape the new organisation.

Following funding from Welsh Government, work has commenced on the Prince Charles Hospital ground and first floor phase 1b works which will tackle areas associated with the fire enforcement notice and provide a new restaurant, Barista Café, kitchens and new Pharmacy department.

Examples of quality improvement initiatives undertaken over the last year can be found in our 2019-2020 Annual Quality Statement and the Quality and Safety Committee meeting papers – available via the following link.

WELL-BEING OF FUTURE GENERATIONS (WALES) ACT

As mentioned earlier in this report following the establishment of Cwm Taf Morgannwg University Health Board in April 2019 a new set of strategic objectives were co-produced with patients and staff to help shape the future direction of the organisation.

A key milestone for the organisation is the agreement of a mission and vision, whilst ensuring a balanced approach to the development of strategic objectives.

The strategic objectives of the organisation have been developed in such a way that they can also be considered our well-being objectives.

Mission	Building Healthier Communities Together
Vision	In every community people begin, live and end life well, feeling involved in their health and care choices
Strategic Well-being Objectives	• Work with communities and partners to reduce inequality, promote well-being and prevent ill-health. • Provide high quality, evidence based, and accessible care. • Ensure sustainability in all that we do, economically, environmentally and socially. • Co-create with staff and partners a learning and growing culture.

In developing these well-being objectives, the Well-being of Future Generations (Wales) Act 2015 Sustainable Development Principle has been applied and underpins planning and delivery across CTMUHB. These strategic well-being objectives will enable us to keep a focus on the 7 Well-being Goals and maximise our contribution to them. The IMTP (2020-2023) outlines key deliverables that demonstrate how this will be achieved over the next three years.

- **Working with communities and partners to reduce inequality, promote well-being an prevent ill-health**

Working with communities to tackle inequalities in both mental and physical health throughout the life course and inequalities in the determinants of poor health and chronic conditions, will not only create a healthier population but will also contribute to the development of more prosperous communities; where peoples social mobility and financial well-being are not limited by poor health. Building cohesive and resilient communities that are able to maximise their potential will now; more than ever; be essential for recovery for the impact of the COVID pandemic and but also in creating the health protective conditions for future generations. Working in partnership with Public Services Boards and the Regional Partnership Board will be key to achieving this.

- **Providing high quality, evidence based and accessible care**

Developing a system wide approach to well-being which includes clear pathways rooted in prevention, whilst providing quality care at the right time and in the right place, proportionate to need will ensure a sustainable and accessible healthcare system for all, contributing to a healthier and more equal Wales. Ensuring that people can access services as well as engage in and shape service delivery; through the medium of the Welsh language; supports understanding of the communities we serve, promotes cultural heritage and improves community well-being.

- **Ensure sustainability in all that we do, economically, environmentally and socially**

The maintenance and encouragement of healthy ecosystems, enhanced biodiversity and sustainable facilities management not only reduces environmental harm and builds ecological resilience but also saves money through investment in energy efficiency and water saving methods, such as good insulation, movement sensor control lighting and low flush toilets resulting in lower running costs. Continuing on our organisational commitment to decarbonisation and biodiversity, we will maintain and build on current success with year on year reductions in energy and carbon emissions. Opportunities will be taken through the Green Growth programme to further reduce energy consumption and review renewable energy opportunities.

Building on the elements of the environment policy that have already been implemented, the Health Board will continue to seek innovative ways to support and make further progress with environmental sustainability and our contribution to

a globally responsible Wales. All this will be underpinned with the ethos of using resources efficiently and delivering within a financial envelope which is both value for money and affordable.

- **Co-create with staff and partners a learning and growing culture**

Continuing work already started in engaging and involving the public in conversations about service development and provision; our vision as an organisation is to proactively and routinely provide opportunities for everyone to be involved in our work. Further developing our already skilled and knowledgeable workforce and sharing these expertise across Wales and with other countries through the International Health Partnership, will further contribute to us becoming a globally connected and responsible organisation. While going forward the organisation will be also be working to establish a robust improvement function that can facilitate and support service and quality improvement throughout CTM, improving organisational efficiency, performance and sustainability while continuing to focus on our ultimate goal of improving population health outcomes.

April 2019/20 has been a year of significant change for the organisation; coupled with the challenge of responding to the COVID-19 pandemic in the last quarter of the year; progress towards objectives has slowed. However, there have been areas where progress has continued to be made, including actions in response to the pandemic that have accelerated working that is in accordance with the Act. As an organisation we want to maintain and build on this progress as we recover as an organisation and as we support our communities to recover.

Appendix 2 of the IMTP details the breadth of work across the organisation that demonstrates how the Sustainable Development Principle has been and continues to underpin planning and delivery across the Health Board.

The table that follows highlights a few examples demonstrating the benefits of applying the 5 ways of working and contribution to the 7 well-being goals.

Step/Activity	How does this work demonstrate the 5 ways of working and what have been the benefits of working in this way?	Which strategic well-being objectives does this step/activity help us achieve?	How does this step contribute towards the national well-being goals?
<u>Connected Communities project</u> The 'Connected Communities' project in Bridgend is a cross sector approach that aims to support older adults, people with learning disabilities and carers of vulnerable people to remain in their own homes, develop support networks within their communities and remain or regain independence, without building dependency. The project is funded by the Integrated Care Fund, commissioned through the CTM Regional Partnership	**Integration, involvement and collaboration** This project has enabled the Bridgend Association of Voluntary Organisation (BAVO) to recruit, train and deploy five Community Navigator roles to support people with information, advice and assistance (IAA), community based support to maintain or enhance independence and wellbeing and to connect or signpost people to appropriate community opportunities that meet their needs.	• Working with communities and partners to reduce inequality, promote well-being an prevent ill-health • Providing high quality, evidence based and accessible care	• Increasing awareness of and reducing the impact of loneliness and social isolation will support **a healthier Wales**. • Working with all stakeholders from across all sectors encourages the development of **compassionate well-connected communities.** • Supporting these vulnerable groups, Connected Communities has contributed to a **more resilient and equal Wales**

Board. The Regional Partnership Board brings together CTMUHB, local authorities, the third sector, housing, education and other partners to take forward the effective delivery of integrated services that meet the needs of the local population. The project connects to 'ambition three' of the RPB's 'Transformation Programme', funded by the transformation fund, to build 'Resilient and Co-ordinated Communities'. This can be achieved through local community coordination and broader prevention and wellbeing approaches across local communities.	This collaborative approach has also recognised the need for 'community building' to create sustainable community opportunities that can support social prescribing or self-referred access to community activities. The key outcomes have been to build resilience in individuals, connecting those individuals to their communities and alternative support, addressing issues of loneliness and isolation. The project has been co-produced by Bridgend County Council and BAVO as part of a cohesive approach, to harnessing the third sectors potential to support community wellbeing. The partners have worked together to develop a seamless approach that can support people beyond		

	statutory services based on the level of complexity of their needs.		
Healthy Schools Scheme & Healthy and Sustainable Pre-School Scheme in Cwm Taf Morgannwg The Healthy School/Pre-School Scheme takes a whole school/settings approach to address seven health topics - food & fitness/ nutrition & oral health/ physical activity & play, emotional health, substance misuse, hygiene, safety and the environment. Every school in Cwm Taf Morgannwg is enrolled on the Healthy School Scheme.	**Long term:** These frameworks recognise the value of a whole school approach to meet immediate needs, while ensuring change is sustained and sits within a wider framework to supports policies, the school environment, what is taught in the curriculum and how the family and community are involved. **Collaboration:** The Cwm Taf Morgannwg Healthy Schools & Pre-School teams works in partnership with a wide range of allied professionals. Close working partnerships ensures a collaborative and cohesive approach in supporting schools & pre-schools. This increases efficiency, reduces duplication & ensures a	• Working with communities and partners to reduce inequality, promote well-being an prevent ill-health • Ensure sustainability in all that we do, economically, environmentally and socially • Co-create with staff and partners a learning and growing culture	• Supporting schools & settings to consider reducing carbon emission, recycling & energy conservation, active travel and reducing air miles and ensuring all activity/change across the program is sustained contributes to **a globally responsible and more resilient Wales.** • Reinforcing the importance of a healthier diet/ packed lunches/ physical activity/ Daily Mile/active travel, building knowledge and skills to support a healthy lifestyle and working to provide healthy schools meals will support **a healthier Wales**

	wider representation of stakeholders and communities to reduce inequality, promote well-being and prevent ill health. **Prevention:** The Healthy School & Pre-School Schemes are a partnership between health & education. Though this cohesive partnership, a whole school approach serves to promote healthier behaviours and therefore reduce and prevent disease, health harming behaviours, and ill-health. **Integration:** The health topics included within both the CTM Healthy School & Pre-School Schemes, align with national & local priorities from across health, education & social care.		• Working to support a healthier workforce supports **a prosperous Wales** • Supporting Welsh medium settings and providing resources/services in accordance with the Welsh Language (Wales) Measure 2011 contributes to **a Wales of vibrant culture and thriving Welsh language** • Working to ensure all schools are able to access the Healthy School Scheme, supporting schools to meet the needs of learners and ensuring the pupil voice is respected & included supports **a more equal Wales.** • Working in an ACE informed way, offering resilience training to

	Involvement: The whole setting/ school approach synonymous with the Healthy School & Pre-School Schemes utilises a socio-ecological model to underpin the involvement of families and the wider community. This ensures that change and healthier behaviours are supported within the wider context of the school community while recognising that behaviours both shape and are shaped by the social environment.		schools, developing anti-bullying resources and inclusive resources for Religious Social Education, addresses impact on educational outcomes and contributes to **a more equal Wales.** • Promotion of global citizenship and supporting links to other schools in different countries supports **a globally responsible Wales** • Taking a whole school approach and involving families and the wider community in decisions taken but the school helps create **a more cohesive Wales.**

CHOICE Programme: A 2-year pilot outreach project, which will deliver a targeted sexual health education programme and Long Acting Reversible Contraception (LARC) service, to vulnerable women at risk of unintended pregnancy. Unplanned pregnancy in vulnerable groups often means that babies are born into poverty and are at risk of multiple Adverse Childhood Experiences (ACE's). Timely support including improved access to Long Acting Reversible Contraception (LARC), could prevent this difficult start in life for many and delay pregnancies until a more stable time in life. Being able to make an informed decision about contraception enables	The project has been co-produced with the involvement of key local partners and will enable the delivery a trauma informed prevention focused service, which is: • Tailored and co-produced with vulnerable women and their partners • Accessible • Empowering, giving both voice and choice • Timely • Safe • Non judgmental • Designed to improve the knowledge and skills of patients and staff in understanding fertility, sexually transmitted infections and testing, and LARC options	• Working with communities and partners to reduce inequality, promote well-being an prevent ill-health • Providing high quality, evidence based and accessible care • Co-create with staff and partners a learning and growing culture	• Provision of a targeted sexual health education programme and enhanced access to LARC services will lead to **a healthier Wales.** • Supporting and investing in the future of our most vulnerable community members, who often find accessing mainstream services difficult, will support **a more resilient, equal and prosperous Wales.**

reproductive autonomy. It ensures that a pregnancy can be planned. With appropriate support and access to contraceptive services the social, emotional and financial implications of an unplanned pregnancy which could result in a baby being removed from parental care or being brought up in a household where they may be at increased risk of ACEs, can be significantly reduced. This pilot project will deliver a new service to target, promote and provide education, support and access to LARC, for women of childbearing age in vulnerable groups in the Cwm Taf Morgannwg University Health Board (UHB) area. Utilising a clinic in a box approach working in	• Underpinned by evidence of effectiveness – taking into account local consultation, models of best practice and previous initiatives • Value for money through promoting prevention and risk reduction • Monitored and evaluated The key outcomes of the project will support a positive shift in both knowledge and engagement and will build the resilience and capacity of individuals, staff, partner organisations and communities. Ensuring long-term sustainable benefits for our most vulnerable community members.		

partnership with key agencies and service providers within voluntary, third sector and statutory organisations.			
Social Prescribing across CTM: There is increasing acceptance that sources of support in local communities have an important role to play alongside clinical care or even as an alternative in improving an individual's health and wellbeing outcomes. Social Prescribing can reduce social isolation and loneliness, improve individual emotional and physical wellbeing. In addition, social prescribing schemes may lead to a reduction in the use of statutory public services including reduced attendance at GP and	**Collaboration:** Social Prescribing works best when all local partners work together to build on existing assets and services. Successful schemes generally have collaborative commissioning and creative partnership working. By working collaboratively, key partners representing the Cwm Taf Morgannwg Social Prescribing Project Group will be able to: • Build on collaborative working amongst partners to realise the potential of social prescribing,	• Working with communities and partners to reduce inequality, promote well-being and prevent ill-health • Co-create with staff and partners a learning and growing culture.	• Working with key stakeholders from across sectors and across the CTM footprint will encourage the development of **well-connected cohesive communities.** • Via members of the community being supported in a 'what matters' conversation and being supported in their local community via a Social Prescription service will enable people to take greater control of their own health and wellbeing leading to **a healthier, more resilient Wales.**

Accident and Emergency departments. Strategic partnership fora within Cwm Taf Morgannwg have endorsed the concept of Social Prescribing as a means of holistically supporting individuals to take greater control of their own health and well-being through linking people to support within their own communities, recognising that people's health is primarily determined by a range of social, economic, and environmental factors. In response, a multiagency Cwm Taf Morgannwg Social Prescribing Project Group has been established and tasked to oversee the implementation of Social Prescribing and referral schemes across Merthyr Tydfil, Rhondda Cynon Taf and Bridgend.	enabling citizens to build or rebuild friendships, community connections and a sense of belonging to reduce isolation and improve well-being. • Take forward a shared integrated and collaborative approach to improve information, advice and assistance in community settings. • Establish a baseline understanding of roles within partner organisations that encompass the identified functions of social prescribing which will support planning, improve sustainability and reduce duplication of roles. • Agree a consistent approach to identify and measure need, impact		

The CTM Social Prescribing Project Group are accountable to the Cwm Taf Morgannwg Transformation Leadership Group (TLG).	and outcomes of social prescribing activity. • Contribute to national learning and networks.		
Sustainable Procurement: Utilising the health board sustainable procurement policy, Elite Paper Solutions were the successful tender for the confidential waste contract awarded in 2016-17. Elite paper solutions are a social enterprise set up by ELITE supported Employment Agency ltd a charity working with disabled and disadvantaged people across south Wales. Elite paper solutions are based in Merthyr Tydfil and currently employ 60 people	This work demonstrates the following five ways of working **Collaboration:** working with third sector partners and supporting local communities through the creation of employment and opportunities to increase work related skills and vocational qualifications. • Prevention – improved health and well-being and reduced ill health through the creation of employment opportunities		**Prosperous Wales**: Elite paper solutions has worked with over 200 people with disabilities and those at a disadvantage, enabling them to enter paid employment, work experience or volunteer opportunities. This is often a stepping stone into permanent employment. **Healthier Wales:** Improving health and well-being and reducing ill health through the creation of employment opportunities. Environmentally conscious contributing to improving local communities.

and have 548 current customers.	• Integration – environmentally conscious The benefits of working in this way are: • Creation of local employment opportunities for disadvantaged and disabled people in an area which is socially and economically disadvantaged. • Prudent health care principles by achieving value for money through the contract – not only financial sustainability (lowest cost option) but additional wider community benefits. • Achieves Corporate Social Responsibility objectives		**More Equal Wales:** All of the 200 people have gained valuable life and work skills as well as Agored Cymru vocational accreditations reducing educational and employment inequalities. **Globally Responsible Wales:** Elite paper solutions are a registered Waste Carrier with Natural Resources Wales and have achieved other industry accreditations such as ISO 9001:2015 and Green Dragon Environmental Award. Elite paper solutions support the health board to achieve its environmental targets set not only by WG policy but also by the HB own ISO 14001:15 environmental management system. Since it began in 2015, Elite paper solution has shredded 860 tonnes of confidential waste

			to enable recycling which equates to saving approximately 20,640 trees Supporting the health board to achieve its environmental targets and thus creating a better environment for all

WORKFORCE AND ORGANISATIONAL DEVELOPMENT 2019-2020

CTMUHB has around **12,000 staff** (around 10,420 staff) and is responsible for the healthcare of around **450,000 residents**. A breakdown of the composition of our staff groups is set out on page 73 of our Accountability Report which is available here.

The establishment of a Workforce and Organisation Development plan for CTMUHB which supports a focus on patient safety and quality of patient care is critically important. The scale of the challenges and the context for the development of this plan includes the Royal Colleges' Review of Maternity Services, Targeted Intervention, the joint report of Audit Wales and Health Care Inspectorate Wales, Bridgend boundary change and the implementation of a new Operating Model. Further detail around these issues is set out in our Accountability Report mentioned above.

The Covid-19 Pandemic brought many challenges for CTMUHB but has also led to innovation and different ways of doing things. Our workforce team are currently in the process of capturing the **lessons learnt on what worked well to inform how we go forward** to a new 'normal'.

SUPPORTING OUR STAFF TO EXCEL

Our workforce is our most important asset and we need to support and enable our staff to excel by improving their employee experience across CTM. Wellbeing of our staff is critically important to enable them to excel especially through the pandemic. Things that were introduced to support the wellbeing of staff were:

- Recharge room, with listening services.
- Mindfulness sessions.
- Introducing 5 ways to wellbeing workshops.
- Counselling service including extra session commissioned from 'Vivup'.
- 'Vivup' 24/7 telephone support and online resources.
- Established a referral pathway for health professionals to receive treatment for emotional trauma.

At the onset of the Covid-19 pandemic, as well as continuing to support the education and training of current students and staff, Clinical Education quickly put in place a number of educational activities to ensure new, 'returning to practice' and re-deployed clinical staff had relevant updated skills training. This included an extensive medical upskilling programme (including the development of an e-learning resource) and the early

graduation of Year 5 medical students, an upskilling training programme for registered nursing staff and training of over 530 HCSW, supporting the increased recruitment of this group of staff to the staff bank.

In addition, the established partnership working between the Health Board and universities enabled the transition into employed placements of over 400 student nurses and midwives, Allied Health Professional's and medical students to provide extra workforce capacity in response to the anticipated impact of the Covid-19 pandemic. This included the recruitment of a temporary medical Health Assistant workforce, made up of Year 3 & 4 medical students, who continue to assist Senior Nurses, and community testing phlebotomists during the crisis.

This year we have also continued to develop and strengthen our Leadership and interventions to support staff, these have included:

- Board Development (Deloitte)
- Executive Team Development (Lifetree)
- Consultant & Senior Midwives Leadership Programme (Roffey Park)
- Band 7 Midwives Leadership programme (Roffey Park)
- Mindset for growth & care for all maternity staff (Mindset Practice)

The Health Board will continue to develop Leadership and Management development programmes across the organisation that will develop and support employees to excel.

WORKFORCE PLANNING

The Health Board is in the process of finalising the transition to a new operating model which is **locality based and clinically led**. Following a period of engagement, the new model was implemented from April 2019, with changes to existing roles/management structures and additional recruitment to key positions.

Workforce development colleagues continue to progress the new operating model for localities and will enable the production of workforce plan **tailored to the local needs** whilst also taking into account the overarching Health Board and NHS Wales priorities.

Our Primary Care Transformation Programme includes the ambitions set out in the Bridgend locality's Primary Care Transformational bid. The project has successfully recruited a variety of professions with an additional 213 roles already in place with others subject to review due to Covid-19.

In April 2019 our Consultant-led Maternity Service transferred from the Royal Glamorgan Hospital to Prince Charles Hospital, with the introduction of a Midwifery Lead Unit (MLU) at Royal Glamorgan. Birth-Rate Plus undertook a review in 2019 the results of which are currently been worked

through to inform our action plans. We have also successfully recruited to all vacant Consultant posts within Obstetrics & Gynaecology.

We continue to expand our cohort of Physician Associate (PAs) in Primary Care and Acute Medicine which will grow to 12. Work also continues to further develop our advanced and extended practice education and development, independent non-medical prescribing and development of our clinical Healthcare Support Worker (HCSW) workforce. This has helped to support some of our difficult to recruit areas and enhance delivery of patient care.

With the arrival of the Covid-19 pandemic the focus has been on operational workforce planning to ensure the level of skills within nursing and other professions are utilised as effectively as possible. We have seen a variety of retired clinical professionals return to work alongside regular and volunteer workforce. Our HCSW recruitment programme brought an extra 530 bank staff to help our workforce during this very difficult time who were further supported by student for medical, nursing and allied healthcare professional colleagues.

EQUALITY & DIVERSITY

Further information as to the work we completed during 2019-2020 in this regard is set out in our Accountability Report available here (pages 56-57).

Covid-19 Response – during this period we developed an intranet site specifically covering Equality issues and a streamlined equality impact assessment process. Additional interpretation equipment was sourced and established a three-way interpretation so that staff could contact patients or relatives by phone speaking to them in their own language.

Workforce led the risk assessment process for Black, Asian and minority ethnic (BAME) staff as this group was identified as being at greater risk from Covid-19. We also established a BAME staff network and issued BAME specific staff messages of support throughout the crisis.

MODERN SLAVERY

The Welsh Government's Code of Practice: Ethical Employment in Supply Chains was published in May 2017 to highlight the need, at every stage of the supply chain, to ensure good employment practices exist for all

employees, both in the UK and overseas. It is expected that all NHS Wales organisations will sign up for the Code.

CTMUHB fully **endorses the principles and requirements of the Code** and the Modern Slavery Act 2015 and is committed to playing its role as a major public sector employer, to eradicate unlawful and unethical employment practices, such as:

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

Whilst CTMUHB has not yet signed-up to the Code, the **following actions are already in place** which meet the Code's commitments;

- We have a Raising Concerns (Whistleblowing) Policy, which provides the workforce with a fair and transparent process, to empower and enable them to raise suspicions of any form of malpractice by either our staff or suppliers/contractors working on University Health Board premises;
- We have a target in place to pay our suppliers within 30 days of receipt of a valid invoice;
- We comply with the six NHS pre-employment check requirements to verify that applicants meet the preconditions of the role they are applying for. This includes a right to work check;
- We have introduced robust IR35 processes to ensure the fair and appropriate engagement of all workers and prevents individuals from avoiding paying Tax and National Insurance contributions;
- We do not engage or employ staff or workers on zero hours contracts;
- We have in place an Equality and Diversity Policy which ensures that no potential applicant, employee or worker engaged is in any way unduly disadvantaged in terms of pay, employment rights, employment or career opportunities;
- We also seek assurances from suppliers, via the tender process, that they do not make use of blacklists/prohibited lists. We are also able to provide confirmation and assurances that they do not make use of blacklist/prohibited list information;
- In accordance with Transfer of Undertaking (Protection of Employment) Regulations any Health Board staff who may be required to transfer to a third party will retain their NHS Terms and Conditions of Service;
- We use the Modern Slavery Act (2015) compliance tracker by way of contracts procured by NHS Wales Shared Services Partnership (NWSSP) on behalf of the Health Board. NWSSP is equally committed to ensuring that procurement activity conducted on behalf of NHS Wales is undertaken in an ethical way. On our behalf, they ensure that workers within the supply chains through which

they source our goods and services are treated fairly, in line with Welsh Government's Code of Practice for Ethical Employment in Supply Chains.

CTMUHB continues to work in partnership with relevant stakeholders and trade union partners to sign-up to the Code and in doing so develop and implement actions which set out our commitment to ensure the principles of ethical employment within our supply chains are implemented and adhered to.

WELSH LANGUAGE

CTMUHB is committed to ensuring that the Welsh language is treated no less favourably to the English language and that the needs and preferences of Welsh speaking patients are met.

Compliance with the Welsh Language Standards is regularly monitored by the Equality and Welsh Language team and includes all departments and wards across the organisation. CTMUHB's first Annual Report will be submitted to the Welsh Language Commissioner in September 2020 containing the full details of CTM's compliance. Further details including a detailed breakdown by department will be published in the Welsh Language Annual Report available here.

Two further translators have been recruited during the past year to ensure the Health Board is progressing with the provision of bilingual patient correspondence leaflets and other communications. The purchase of new interpretation equipment has also enabled the team to provide interpretation at public events and meetings.

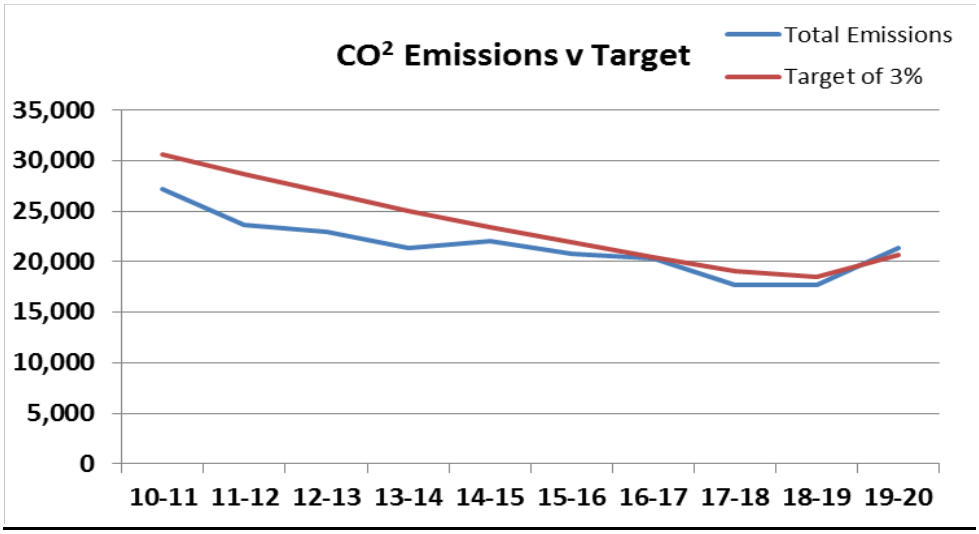
Further details of our work in this regard is set out in our Accountability Report, available here on pages 57 & 58.

Changes to the Estate
On 1st April 2019 CTMUHB assumed responsibility for healthcare services for the people in the **Bridgend County Borough** area in addition to those in the **Rhondda Cynon Taf** and **Merthyr** areas across three acute hospitals, six community hospitals, primary care and a network of health parks, health centres, clinics and other facilities.

We are required to maintain the ISO 14001:2015 environmental certification to demonstrate the Health Board's commitment to minimise the impact of its activities upon the environment. In doing so, the Health Board requires all staff at all levels of the organisation to be aware of and fully support our environmental responsibilities. Following a recertification audit assessment in June 2019, it was confirmed that ISO 14001:2015 certification had been retained for all CTMUHB predecessor organisation sites based in Rhondda Cynon Taf and Merthyr plus three located in Bridgend. A phased plan is in place to include the remaining Bridgend premises within this accreditation by June 2021.

Energy and Emissions
CTMUHB along with all other Health Boards and Trusts in Wales purchase Renewable Energy Guarantees of Origin (REGO) backed electricity from British Gas through the all-Wales Procurement Electricity Contract. The REGO scheme provides transparency to consumers about the proportion of electricity that supplier's source from renewable generation.

A 3% target year-on-year Welsh Government target has been in place since 2011, to achieve the required carbon reduction target. This target is for CO_2 reduction and also applies to waste and travel / transport.



This chart shows a reduction in excess of 3% year on year until 2019–20, when the size of the organisation grew by fourteen properties following Bridgend boundary change on 1st April 2019. The Princess of Wales Hospital (PoWH) uses steam to heat the hospital which is less energy

efficient than conventional gas boilers. The PoWH also does not benefit from a combined heat and power unit unlike the Prince Charles Hospital (PCH) and the Royal Glamorgan Hospital (RGH) sites and therefore there is a need needs to purchase additional electricity from the national grid.

Heat generation from the Biomass installation in Ysbyty Cwm Cynon and the Biomass installation in Ysbyty Cwm Rhondda helps reduce the Health Board's reliance on fossil fuels. We continue to generate electricity from solar panels at Keir Hardie Health Park, in Merthyr, as well as another four sites. CTMUHB has further invested in Low or Zero Carbon's (LZC's) through maintenance initiatives to replace existing failed lights with LED lights on an ad-hoc basis as and when lights have come to the end of their useful life.

There has been increased consumption of electricity, gas and water at RGH, due in part to the opening of the new palliative care unit, Y Bwthyn. RGH electricity consumption has also increased at this site due in part to the success of the radiology hub, which has doubled our Computerised Tomography (CT) and Magnetic Resonance Imaging (MRI) capacity. There has also been some 'down-time' with the CHPs which has meant that we have had to increase our purchase of electricity from the national grid.

Water consumption has an impact on emissions as it is pumped around our sites, whether it be cold or hot water. Increased consumption is due to estates carrying out rigorous flushing across the estate in compliance with policies and legislation, agreed by the water safety group. Increased consumption of water has also been used at the PoWH, draining and refilling the system to eradicate legionella risks.

In February and March 2020 gas consumption and emission figures are estimated until the invoices are received for the period. Estimated data shown shows an increase against 2018-19, which in part is due to the hot summer last year which put greater demand on the chilling system at RGH where the absorption chiller converts heat into chilled water for cooling critical areas and IT systems. It was also connected with the increased size of the organisation from 1st April 2019. The Air Source Heat Pumps at Kier Hardie Health Park were out of commission for a period of time which reduced gas consumption and CO_2 emissions from the site.

Greenhouse Gas Emissions * Indicates estimated figures		2017/18	2018/19	2019/20
Tonnes CO_{2e} Non-Financial Indicators (1,000 t CO_2e)	Gross Emissions Scope 1 (direct) - Energy (Gas)	10,746	11,619	13,937*
	Gross Emissions Scope 2 (Indirect) - Energy (Electricity)	7,094	5,561	7,387*
	Gross Emissions Scope 1 (direct) - Travel	0.296	0.279	0.266
	Gross Emissions Scope 2 (Indirect) - Energy (CHP)	0.68	0.81	0.80*
	Gross Emissions Scope 2 & 3 (Indirect) - Travel	1.373	1.265	1.782
	Total Gross Emissions Energy and Travel	17,842.349	17,182.354	21,326.848*
Related Energy Consumption (megawatt Hrs)	Electricity: Non-renewable	18.59	6.50	6.58*
	Electricity Renewable	0	18.25	29.17*
	Gas	58.46	63.27	75.94*
	LPG	0	0	0
	Other- Biomass (Woodchip)	3,428	2,395	3,523*
	Other - Oil	0.29	0.041	0.059*
Financial Indicators (£million)	Expenditure on Energy	£4.97	£5.69	£8.43*
	CRC License Expenditure (2010 onwards)	£0.27	£0.29	0
	Expenditure on accredited offsets (e.g. GCOF)	£0.29	£0.27	0
	Expenditure on official business travel	£1.830	£1.673	£2.817

We have compiled an energy strategy in partnership with Green Growth Wales, the Carbon Trust and the Welsh Government Energy Service and we are taking forward a number of initiatives aimed at reducing energy consumption, carbon emissions and costs. The reduction of energy usage will help us minimise costs as well as reducing the impact upon the environment. The strategy forecasts a potential annual saving of £742k from an investment proposal of £3m, which over a 10 year period could amount to £8.7m - a 4.1 year simple payback with an estimated reduction of 2,123 tCO_2e.

In 2019–20 we continued to reap the benefits of investing in LED lighting technology which complements the investment in previous years with various LZC (Low Zero Carbon) technologies, such as biomass boilers, solar panels along with air source heat pumps also in Kier Hardie Health Park which help us move closer to being a Zero Carbon emitting organisation.

We continued to engage with the Carbon Trust under the Green Growth Wales programme, to understand the key opportunities for reducing energy use across the estate and publish a strategic assessment of energy efficiency opportunities. We have also been working closely with the Welsh Government's energy service. CTMUHB is represented on the all-Wales Transport and Travel Group, looking at NHS Service Change and Travel Planning as part of the Welsh Government funded Healthy Hospital project. We have worked with our utility suppliers to install smart meters on most of our sites, which is continuing to be rolled-out providing real-time accurate data. We are also working with which analyses our energy consumption to help us make improvements as to usage.

Sustainable Travel

CTMUHB has both a Sustainable Transport and Travel Plan in place for use by staff, visitors and patients as a reference along with Traveline Cymru, Trainline and Sustrans (e.g. cycle to work). Such plans are reviewed every three years with the Transport and Travel objectives and targets, included in the Environmental Objectives and Targets Plan updated at least annually. Updates are based upon evidence gained through site travel surveys and feedback from staff, patients and visitors. The Transport and Travel Plan objectives and targets are incorporated into CTMUHB's three-year Integrated Medium Term Plan.

We have a number of schemes in place to help make travel more sustainable. These include a shuttle bus, pool/hire cars, cycle to work, public transport discounted concessions, lease care salary sacrifice scheme and car sharing. As a consequence of the COVID-19 pandemic, there was a significant increase in the numbers of staff working from home from March 2020 onwards which has had a positive effect on our environment. Transport and travel information notice boards are now provided at the hospital main entrance areas to provide the public and staff with

transport information. Also, as part of the ongoing major refurbishment programme at PCH, a travel and car park survey has been undertaken to increase the parking facilities, improve walkways, lighting and resurfacing of existing facilities. We are currently also looking at the possibility of using a park and ride scheme there as well as other options in conjunction with Merthyr Tydfil County Borough Council. We already have a discounted parking scheme in place with Rhondda Cynon Taf County Borough Council.

Other initiatives currently being taken forward include:

- A fleet vehicle tracking system.
- Development of a Facilities Services App to access up to date travel, hospital and adverse weather information.
- Further improvement of our hospital drop-off and pick up parking accessibility with a view to putting in place a meet and greet volunteer scheme, in particular for disabled patients and patients suffering from dementia, who are being brought to hospital by car by relatives and friends.

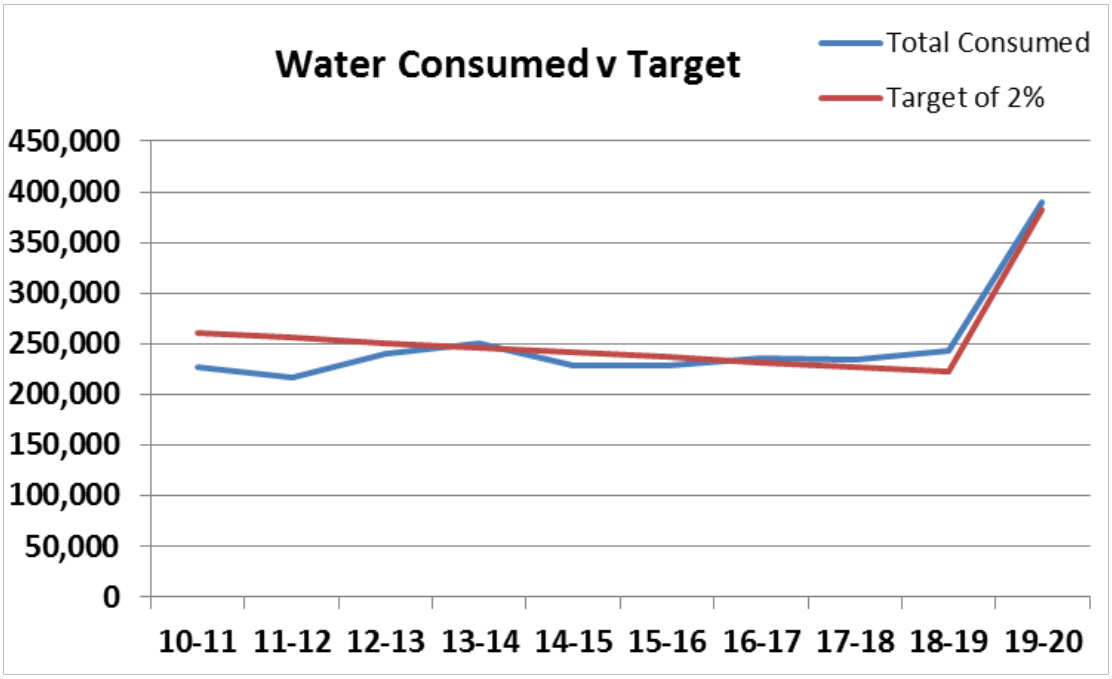
Analysis of expense items for 2019-20 is set out in the following table.

Expense Item	Mileage Total (Miles)	Cost Total (£)	Emissions Total (kgCO2e)	Emissions Breakdown (%)
Business Mileage	5,473,653.59	2,463,144.12	1,560,463.68	88%
Lease Car Mileage	504,763.60	227,143.62	143,296.30	8%
Salary Sacrifice (Personal Lease)	281,002.65	126,451.19	78,656.28	4%
Total*	6,259,419.84	2,816,738.93	1,782,416.26	100%

Telemetry continues to be of benefit enabling the remote monitoring of water consumption and provides an alarm if there is an excessive increase in consumption detected for a given period of time, taken monthly by our estates staff. Water consumption figures for February and March 2020 have been extrapolated from the financial year 2018-19 for the corresponding months.

Over the past year there has been increased consumption of water at RGH, due in part to the radiology hub which has doubled the number of CT and MRI scanners on site as well as due to the opening of the Y Bwthyn National Garden Scheme Macmillan palliative care unit, which saw increased water consumption during the construction phase and once it was opened to

patients. Water consumption has increased at PCH due to the current hospital refurbishment scheme. The most significant reason for upturn in water consumption relates to the increased size of the health board following Bridgend boundary change in April 2019.



Water Resource Consumption *** Indicates estimated figures**			**2017-2018**	**2018-2019**	**2019-2020**
Non-Financial Indicators (000m3)	Water Consumption	Supplied	234,089	243,609	389,419*
Financial Indicators (£million)	Water Supply Costs (Non-Office Estate)		£0.60	£0.65	£0.99*

Biodiversity

A CTMUHB Biodiversity and Ecosystem Resilience Plan' has been produced in response to our obligations under the Environment (Wales) Act 2016, to demonstrate how the Health Board will *'seek to maintain and enhance biodiversity in the proper exercise of their functions and in doing so promote the resilience of ecosystems'*. This plan details the mechanisms by which we plan to halt the decline of biodiversity, reduce the effects of climate change and promote sustainable development whilst also helping to deliver the Health Board's commitments under the Well-being of Future

Generations (Wales) Act 2015. Our plan follows guidance prepared by Welsh Government, the objectives of the Nature Recovery Plan for Wales and the 5 new ways of working (Sustainable Development Principle) to ensure all elements of well-being are considered together and to facilitate collaborative working.

Our Biodiversity and Ecosystem Resilience Plan supports the CTMUHB 3 Year Plan and our CTMUHB Well-Being Statement in the delivery of their respective objectives. The 'CTMUHB Biodiversity and Ecosystem Resilience Plan' is scheduled for endorsed in the second half of 2020/21.

 * **Indicates estimated figures**		**2017/2018**	**2018/2019**	**2019/2020***
Non-Financial Indicators (Tonnes)	Total Waste	2654	2542	3947*
	Landfill	345	96	71*
	Reused/Recycled	870	814	1264*
	Composted	0	0	0
	Incinerated with energy recovery	1439	1632	2612*
	Incinerated without energy recovery	0	0	0
Financial Indicators (£million)	Total Cost (See note below)	£0.702277	£0.719579	£1,147,790*
	Landfill	£0.109258	£0.049915	£0.017304*
	Reused/Recycled	£0.138861	£0.149876	£0.290975*
	Composted	0	0	0
	Incinerated with energy recovery	£0.431257	£0.496692	£0.806866*
	Incinerated without energy recovery	0	0	0

Note: The total cost shown above includes the hazardous waste documentation and Natural Resources Wales collection notes cost, which are not included in the respective waste stream costs above.

Financial Year * Indicates estimated figures	Clinical Waste		Offensive Hygiene Waste	
	Tonnes	Cost (£million)	Tonnes	Cost (£million)
2017-2018	698	£0.2632	262	£0.09582
2018-2019	635	£0.2676	234	£0.07100
2019-2020	1041*	£0.4075*	227*	£0.07054*

The total waste data is inclusive of hazardous clinical waste disposed of via 'alternative treatment' (heat treatment) or incineration. The data also includes Offensive Hygiene Waste, this is clinical waste that does not present an infection risk and therefore does not require treatment to render it safe prior to disposal.

Our recycling achievements are projected to be 47% (2018/29 49%) which narrowly missing the 50% recycling to landfill ratio target. This is linked to the increase in the size of the organisation since April 2019.

Food waste collections (food preparation waste plus food not consumed by patients) continues at our hospital sites with an estimated 282 tonnes of waste being diverted from landfill to anaerobic digestion treatment in 2019/20. The ongoing capital development works at PCH continue to impact on the collection of restaurant food waste, however the above tonnage shows an increase of over 149 tonnes compared with 133 tonnes diverted in 2018/19.

Offensive Hygiene Waste (so called 'Tiger Waste') diversion from the infectious waste stream is forecast to be 21% for 2019-20 which is a shortfall compared with 2018-19 of 32%. This is linked to the increased size of the organisation and the fact that not all sites in the Bridgend locality have been segregating offensive hygiene waste as part of their clinical operations. A plan is in place to address this for 2020/21 which will see an increase in tonnage recycling figures and a reduction in incineration costs.

We continue to engage with a contractor to divert treated clinical waste away from landfill to use as Solid Recovered Fuel (SRF). This is now the standard disposal route for treated infectious clinical waste and the 100% diversion. The material is principally used as SRF in concrete production plants, previously in Europe, but now entirely within the UK.

2019-20 has seen significant progress made on the aligning of the sustainability strategy, policies and operational procedures across our new organisation. It is encouraging to see that the frequency of staff enquiries

as they see opportunities in their own work areas, from recycling and energy saving to sustainable travel and creating environmentally inviting areas to support well-being for patients, visitors and staff. Embedding sustainability into the core values of our organisation is vital to ensure sustainable healthcare and support for the Health Board to continue to deliver exceptional care for future generations.

GIG CYMRU NHS WALES

Bwrdd Iechyd Prifysgol
Cwm Taf Morgannwg
University Health Board

Accountability Report 2019-2020

SCOPE OF THE ACCOUNTABILITY REPORT

In line with Welsh Government and Her Majesty's Treasury Guidance, the Cwm Taf Morgannwg University Health Board (CTMUHB) has produced an Accountability Report for the financial reporting period 2019-2020.

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

The Accountability Report will be signed and dated by CTMUHB's Accountable Officer (Chief Executive (Interim)) and is made up of the following sections:

- **Corporate Governance Report**
- **Financial Accountability Report**
- **Remuneration & Staff Report**
- **National Assembly For Wales Accountability & Audit Report**

The Accountability Report forms part of the suite of Annual Report documents that will be presented at the Annual General Meeting (AGM) in September 2020.

The Annual Quality Statement (AQS) is made available separately from the Annual Report and Accounts, however it will be published alongside the Annual Report on the Health Board's website.

CORPORATE GOVERNANCE REPORT

The purpose of the Corporate Governance Report is to explain the composition of the organisation and its governance structures and how these support the achievement of CTMUHB's objectives. The Corporate Governance Report includes the following sections:

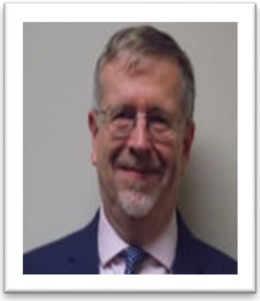
- **Directors' Report**
- **Statement Of Accountable Officers Responsibilities**
- **Statement Of Directors Responsibilities in respect of the Accounts**
- **Annual Governance Statement.**

DIRECTOR'S REPORT

As a result of changes made to responsibilities for the provision of healthcare for the Bridgend area (details of which are set out on page 35 from 1 April 2020 the former Cwm Taf University Health Board became known as Cwm Taf Morgannwg University Health Board (CTMUHB) in light of it becoming responsible for these additional services. The following Directors' report brings together information about this new organisation in terms of its Independent Members and Executive Directors, the composition of the Board and other elements of its governance and risk management structure. It also includes the disclosures and reporting required by the CTMUHB relating to the day to day execution of the Health Board's business.

The Board is made up of Independent Members who are appointed by the Minister for Health & Social Services and Executive Directors who are employees. Details are set out below.

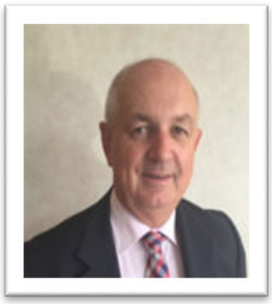
INDEPENDENT MEMBERS (BOARD MEMBERS) AS AT 31 MARCH 2020



Health Board Chair
Marcus Longley was appointed Chair in October 2017. Professor Longley is supported by 10 other Independent Members who are set out below.

Health Board Vice-Chair
Maria Thomas was appointed Vice Chair in January 2018 having been an Independent Member since 2012.

Chair - Quality & Safety Committee
Chair - Primary, Community, Population Health & Partnerships Committee
Chair - Mental Health Act Monitoring Committee.
Member - Audit & Risk Committee
Member – Remuneration & Terms of Service Committee



Paul Griffiths was appointed an Independent Member of the Health Board in October 2017.

Chair - Audit & Risk Committee
Member - Finance, Performance and Workforce Committee
Member - Digital & Data Committee
Member - Charitable Funds Committee
Member - Remuneration & Terms of Service Committee.

Mel Jehu was appointed an Independent Member of the Health Board in April 2016.

Chair - Finance, Performance and Workforce Committee
Member - Digital & Data Committee
Member - Mental Health Monitoring Act Committee,
Member - Charitable Funds Committee,
Member - Remuneration & Terms of Service Committee.

Jayne Sadgrove was appointed an Independent Member of the Health Board in April 2016.

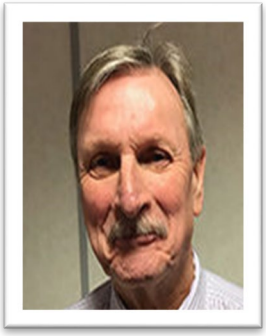
Member - Quality & Safety Committee,
Member - Audit & Risk Committee,
Member – Digital & Data Committee
Member - Remuneration & Terms of Service Committee.

James Hehir was appointed an Independent Member of the Health Board in October 2017.

Member - Quality & Safety Committee,
Member - Digital & Data Committee
Member - Mental Health Monitoring Act Committee
Member - Charitable Funds Committee
Member - Remuneration & Terms of Service Committee.

Dilys Jouvenat was appointed an Independent Member of the Health Board in August 2018.

Member - Quality & Safety Committee
Member – Finance Performance & Workforce Committee,
Member - Audit & Risk Committee
Member - Remuneration & Terms of Service Committee
Member- Primary Community, Population Health & Partnerships Committee



Phillip White was appointed in November 2019 having previously been an Associate Board Member for this organisation.

Member - Finance, Performance & Workforce Committee
Member - Primary, Community, Population Health & Partnerships Committee
Member - Mental Health Act Monitoring Committee,
Member - Remuneration & Terms of Service Committee.

Nicola Milligan was appointed an Independent Member of the Health Board in August 2018.

Member - Quality & Safety Committee
Member - Primary, Community, Population Health & Partnerships Committee.
Member - Charitable Funds Committee
Member - Remuneration & Terms of Service Committee.

Kieron Montague was appointed an Independent Member of the Health Board in October 2017 having previously been an Associate Board Member in 2017 and an Independent Member between April 2016 and April 2017.

Chair – Charitable Funds Committee
Member – Quality & Safety Committee.
Member – Primary, Community, Population Health & Partnerships Committee
Member – Remuneration & Terms of Service Committee.

Ian Wells was appointed an Independent Member of the Health Board in May 2019.

Chair – Digital & Data Committee
Member - Finance, Performance & Workforce Committee
Member – Audit & Risk Committee
Member - Remuneration & Terms of Service Committee.

EXECUTIVE DIRECTORS (BOARD MEMBERS) AS AT 31 MARCH 2020

Sharon Hopkins,
Interim Chief Executive (Interim)
(From June 2019)

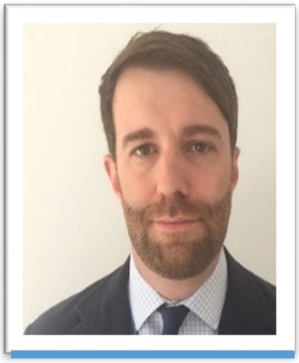
Ruth Treharne,
Director of Planning & Performance (to March 2020)

Nick Lyons,
Medical Director
(From October 2019)

Steve Webster,
Director of Finance

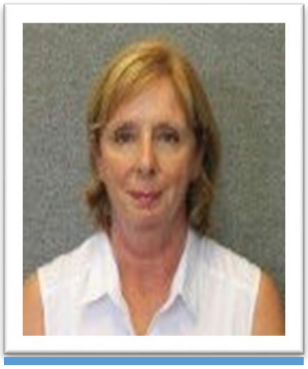
Greg Dix,
Director of Nursing, Midwifery & Patient Care

Alan Lawrie,
Director, Primary, Community & Mental Health
(Director, Clinical Service Operations from April 2020)



Hywel Daniel,
Director, Workforce & Organisational Development (Interim)
(From March 2020)

Kelechi Nnoaham,
Director of Public Health



Liz Wilkinson,
Director of Therapies & Health Science
(From Nov 2019)

ASSOCIATE BOARD MEMBERS

Giovanni Isingrini
Associate Board Member
Group Director, Children & Community Services, Rhondda Cynon Taf County Borough Council

Sharon Richards
Associate Board Member (From February 2020)
Health & Wellbeing Manager, Voluntary Action Merthyr Tydfil
Chair of CTMUHB Stakeholder Reference Group

Suzanne Scott-Thomas
Associate Board Member (From July 2019)
Clinical Director / Head of Medicines Management CTMUHB
Chair of CTMUHB Healthcare Professionals Forum

OTHER BOARD DIRECTORS

Georgina Galletly,
Interim Director of Corporate Governance/Board Secretary (From July 2019.

John Palmer,
Chief Operating Officer

The above appointments represent the position as at 31 March 2020. Between May 2019 – March 2020, Anne Phillimore was the Interim Director of Workforce & OD, Joanna Davies having been in post prior to that. Robert Williams was in post as Director of Corporate Services /Board Secretary prior to Georgina Galletly taking up post in an interim capacity.

PUBLIC APPOINTMENTS

On the 25th March 2020, the Minister for Health and Social Services confirmed the reappointment of Mel Jehu and Jayne Sadgrove as Independent Members to CTMUHB from 1 April 2020 to the 31 March 2024.

PUBLIC INTEREST DECLARATION

Each CTMUHB Board Member has stated in writing that they have taken all the steps that they ought to have taken as a Director in order to make auditors aware of any relevant audit information. All Board Members and Senior Managers and their close family members (including Directors of all Hosted Organisations) have declared any pecuniary interests and positions of authority which may result in a conflict with their responsibilities. **No material interests have been declared** during 2019-20, a full register of interests for 2019-20 is available upon request from the Director of Corporate Governance.

DISCLOSURE STATEMENTS

We wish to make the following disclosure statements for 2019-2020:-

- Whilst there is no requirement to comply with all elements of the Corporate Governance Code for Central Government Departments, the Health Board considers that it is **complying with the main principles** of the Code where applicable, and follows the spirit of the Code to good effect and is **conducting its business openly** and in line with the Code. This has been informed by the Deloitte review undertaken during the period.

  There have been **no reported/identified departures** from the Corporate Governance Code during the year. A detailed assessment will be undertaken against the code, however, this has been **delayed due to the impact of the COVID-19 response**. A full assessment against the Code utilising the framework developed by the Deputy Board Secretary Peer Group will be undertaken by December 2020.

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

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

STATEMENT OF THE CHIEF EXECUTIVE (INTERIM)'S RESPONSIBILITIES AS ACCOUNTABLE OFFICER

The Welsh ministers have directed that the Chief Executive should be the accountable officer to the health board.

The relevant responsibilities of accountable officers, including their responsibility for the propriety and regularity of the public finances for which they are answerable, and for the keeping of proper records, are set out in the accountable officer's memorandum issues by Welsh Government.

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

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

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

……

Sharon Hopkins
Chief Executive (Interim)

Dated: 29 June 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are required under the National Health Service Act (Wales) 2006 to prepare accounts for each financial year. The Welsh ministers, with the approval of the Treasury, direct that these accounts give a true and fair view of the state of affairs of the health board and of the income and expenditure of the health board for that period.

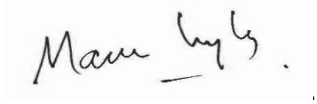
In preparing those accounts, the directors are required to:

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

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

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

By order of the Board, signed:



..... Dated: 29 June 2020

Marcus Longley
Chair

..... Dated: 29 June 2020

Sharon Hopkins
Chief Executive (Interim)

..... Dated: 29 June 2020

Steve Webster
Director of Finance

ANNUAL GOVERNANCE STATEMENT

The Chief Executive as accountable officer is personally responsible for the **Annual Governance Statement**, which outlines how they discharge their responsibility to manage and control the organisation's resources during the course of the year.

It is important to note at the outset of the Governance Statement the current escalation status of the organisation which is outlined below and in more detail on page 24.

CTMUHB's predecessor organisation (Cwm Taf University Health Board) was escalated to '**enhanced monitoring'** by the Minister for Health & Social Services in January 2019 after concerns in relation to an Ionising Radiation inspection, a review of mortuary services and serious untoward incidents within its maternity services. Then in April 2019, following the publication of a joint review commissioned by the Minister from the **Royal College of Obstetricians** and **Gynaecologists and the Royal College of Midwives,** maternity services were further escalated into '**special measures' (SM)** with the remainder of the organisation being placed in and **'targeted intervention' (TI)** for quality and governance issues**.** There is more detail around this on pages 24-27.

In the **review of effectiveness** (page 45 onwards) it notes how the Health Board has ensured that has been a notable shift to embed quality at the centre of all **decision-making and service improvement initiatives.** It has welcomed support offered to it by its inspectors, including Health Inspectorate Wales (HIW), Wales Audit Office, Delivery Unit, Independent Maternity Services Oversight Panel (IMSOP) and our Community Health Council (CHC) to inform the development and improvement work across the Health Board. It is hoped that the information provided in this report is evident of the steps that have been taken by the Health Board over the last 12 months.

SCOPE OF RESPONSIBILITY

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

The Board has responsibility for ensuring **delivery of its three-year Integrated Medium Term Plan (IMTP)** in accordance with the Welsh Government NHS Planning Framework, and the related organisational objectives aligned with the four themes of the Quadruple Aim outlined in 'Healthier Wales – Our Plan for the Future'.

CTMUHB has updated our **organisational objectives** during the latter part of 2019/2020 as part of the refresh of our IMTP. These are as follows:

- Person-centred Outcomes
- Prudent Services
- A Learning & Growth Culture
- Resource Sustainability.

At the time of writing this report the strategic objectives have been further revised and have been developed in such a way that they can also be considered the Health Board's well-being objectives. Further detail is captured in the Annual Performance Report.

CTMUHB has integrated our **well-being statement and delivery of well-being objectives** into our 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.

The first of many milestones within the IMTP 2020 – 23 is to establish our Operating Model such that it becomes **truly clinically-led** and **community focused**. On the 1 April 2020, CTMUHB began delivering services through three Integrated Locality Groups: Bridgend; Rhondda and Taf Ely; and Merthyr and Cynon. These new structures bring decision-making closer to those who use our services, empowering staff and providing an easier opportunity for **community leadership** and involvement in developing and delivering quality services, with a focus on **population health**. An aligned Quality and Patient Safety Governance Framework will ensure that the Health Board is better

positioned to identify, respond and learn from quality concerns in a timely way – putting the **patient at the centre** of all that we do.

Impact of COVID-19
At the time of signing this Annual Governance Statement (29 June 2020), the Health Board and the NHS in Wales is facing **unprecedented and increasing pressure** in planning and providing services to meet the needs of those who are affected by **COVID-19**.

From the middle of March 2020, the required response has meant the whole organisation has had to work very differently both internally and with our staff, partners and stakeholders and it has been necessary to **revise the way the governance and operational framework is discharged.** In recognition of this, Dr Andrew Goodall, Director General Health and Social Services/NHS Wales Chief Executive wrote to all NHS Chief Executives in Wales on 30 March 2020, with regard to "Covid-19 Decision Making and Financial Guidance".

The letter recognised that organisations would be likely to make potentially **difficult decisions at pace** and without a firm evidence base or the support of key individuals which under normal operating circumstances would be available.

To support the Health Board in this unprecedented time, a COVID-19 Decision-Making Framework was developed to support the pace required whilst also **maintaining good governance practice**. The fundamental basis of the decision making framework is to ensure a quality impact assessment that considers Quality, Safety, and Patient Experience Implications, is undertaken prior to any decision (non-financial and financial) being made by the Health Board.

The organisation will be required to evidence that decision-making has been **quality focussed, efficient** and will stand the **test of scrutiny** with respect to compliance with managing Welsh public money and value for money after the COVID-19 crisis has abated and the organisation returns to more normal operating conditions during 2020-2021. With a view to demonstrating this, CTMUHB is recording how the effects of COVID-19 have **impacted on any changes to normal decision-making processes**, and **logging all issues**, **risks and decisions** through the COVID-19 pandemic incident management structure (Gold/Silver/Bronze) and other actions explained within this Governance Statement.

HOSTED BODIES

CTMUHB acts as host to the NHS National Imaging Academy which is training Wales's next generation of radiologists, radiographers, sonographers and imaging professionals as well as the following two all-Wales Joint Statutory Committees:

- **Welsh Health Specialised Services Committee (WHSSC),** is a statutory joint committee of the seven Local Health Boards and is responsible for the joint planning and commissioning of specialised and tertiary health care services across Wales.

- **Emergency Ambulance Services Committee (EASC),** is a statutory joint committee of the seven local health boards, with three Welsh NHS Trusts as Associate Members. EASC is responsible for the joint planning and commissioning of emergency ambulance services across Wales, including Emergency Medical Retrieval & Transfer Service (otherwise known as the air ambulance) and the commissioning non-emergency patient transport.

Hosted Organisations provide an Annual Governance Statement to support the Chief Executive in signing the CTMUHB Annual Governance Statement.

These are available upon request from the Director of Corporate Governance/Board Secretary (Interim).

BOARD COMPOSITION

The Board has been constituted to comply with the Local Health Boards (LHBs) 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 Board is made up of a Chair, Vice Chair, nine other Independent Members, Associate Board Members, the Chief Executive (Interim), nine Executive Directors and two other Directors. Independent and Associate Board Members are appointed for fixed-term periods by the Minister for Health & Social Services, Welsh Government.

The Board is **accountable for Governance, Risk Management and Internal Control** and focuses on strategy, performance and behaviour. Board Members have responsibility for the **strategic direction** and to provide **leadership** and **direction** to the organisation, ensuring sound governance

arrangements are in place. The Board is also responsible for **encouraging an open culture** with a view to ensuring high standards. 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 organisation is responsive to the needs of its communities.

Independent Members will often have a designated area of interest or focus and may also be allocated to 'champion' a particular issue. Independent Members are supported by an annual development appraisal discussion with the Chair.

As accountable officer, the Chief Executive (Interim) 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 (Interim) is accountable to the Board for ensuring that the organisation's **health and wellbeing care services are effective** and that the work of the Board is **managed in an efficient manner.** They are the principle advisor on the discharge of Board functions and provide **operational leadership**, and ensuring the Board's aims and objectives are met along with its functions and targets.

The Executive Team assist the Chief Executive (Interim) in discharging their accountabilities and meet weekly for **formative discussion** and **support** and **decision-making**. The Executive meets more formally with the wider leadership management group via the monthly Management Board meetings which is an executive discussion, development, performance management and decision-making forum. It has strong links to all relevant governance forums inside and outside the organisation.

The **Chair's Performance** is assessed by the Minister for Health & Social Services whilst the **Chief Executive (Interim)'s performance** is assessed by the Chair with input from the Director General Health & Social Services/Chief Executive NHS Wales, Welsh Government.

Monitoring quality and performance information occurs at all levels of the organisation to provide 'Community/Ward to Board' reporting. Performance, risk and incident reports are received at each Management Board providing oversight that the organisation is meeting both internal and external targets for quality and performance. CTMUHB continues to **work closely with local authority partners,** and the **third sector** which has strengthened further during the collaborative response to COVID-19 in early 2020-2021. We have 'University Health Board' status which continues to help the ongoing drive to provide high quality, responsive care and services for the communities in strengthened collaboration with our academic partners.

BO ARD & C O MMITTEE MEETINGS

In the spirit of openness and transparency the Board **met in public on nine occasions** in 2019/20 which included extraordinary meetings. Board meeting papers are available here.

Private (in-committee) Board meetings are only convened by exception. Such circumstances relate to those issues that can be justified under the Health Board's Freedom of Information Publication Scheme following advice from the Director of Corporate Governance. A change was made in-year to ensure that when **Board meetings are held in private** these **take place after the meeting held in public**. The minutes of the private meeting are reported to the subsequent public meeting, rather than kept for approval on the subsequent private meeting.

All the meetings of the Board during 2019/2020 were **appropriately constituted and quorate**.

Although quorate, in responding to the impact and risk associated with the COVID-19 pandemic all Board meetings between March 2020 and the May 2020 were closed to the public thereby ensuring compliance with social distancing guidance and non-essential travel. With a view to ensuring **transparency of proceedings,** other ways of communicating what happened at our meetings have been used such 'Board News' publications via our media channels which are available within hours of the meeting followed by a prompt turnaround of meeting minutes.

During 2019/2020 we have made various changes to strengthen our governance arrangements which began following a review undertaken by the **Interim Director of Corporate Governance/Board Secretary in the second half of 2019** culminating in a report to the Board in January 2020 which is available here. These included changing the remit of some of the Committees, changes to membership and the establishment of new Committees. Further details are set out on later in this section.

Board Committees have a key role in undertaking **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.

These Committees are:

- **Audit & Risk** - the remit for 'risk' was transferred from the Quality & Safety Committee to the Audit Committee in November 2019) – the frequency of this meeting is quarterly.
- **Quality & Safety** – this committee was meeting quarterly at the beginning of 2019 which changed to monthly in August 2019 until

February 2020 (with the exception of November 2019 & January 2020) after which it became bi-monthly)

- **Finance, Performance & Workforce** – changes which took effect in May 2020 were made to this committee when it became known as the Planning, Performance & Finance Committee (PPF) which will meet bi-monthly. In January 2020, the Board approved the establishment of a People & Organisational Development Committee resulting in workforce matters previously considered at the Finance, Performance & Workforce Committee now to be considered via this new separate committee. The first meeting will be held in 2020-2021 and these will be quarterly.
- **Mental Health Act Monitoring** – the frequency of this meeting is quarterly.
- **Charitable Funds** – the frequency of the meetings was due to increase from November 2019, however this has been impacted by the response to COVID-19.
- **Digital & Data** – this committee held its inaugural meeting in February 2020 and is due to meet quarterly, however the frequency has been impacted by the response to COVID-19.
- **Primary & Community Services** – this meeting changed in November 2019 to become known as Primary, Community, Population Health & Partnerships Committee. The frequency of the meeting is quarterly however this has been impacted by the response to COVID-19.
- **Remuneration & Terms of Service** – this Committee meets at least once per year or as often as required.

Details of the remit, authority and responsibility delegated to each of these Committees through their terms of reference as part of our Standing Orders.

Standing Orders are agreed by NHS organisations in Wales for the regulation of proceedings and business and are designed to translate the statutory requirements into **day-to-day operating practice**, and, together with the adoption of a scheme of matters reserved to the Board, a scheme of delegation and Standing Financial Instructions provide the **regulatory framework** for **business conduct**. These together with the range of corporate policies make-up the organisation's Governance Framework. Our existing Standing Orders were approved by the Board in November 2019.

Board Committees are **chaired by Independent Members** and meet regularly with cross-representation between Board Committees to support the connection of the business of committees and also to seek to integrate assurance reporting. Details of membership and levels of attendance at both the Board and these Committees is set out at Appendix 1 & 2 (on pages 61 & 65 respectfully).

The Board receives a **highlight report** from each Committee after each of its public meetings. Such reports provide an **effective structure** with defined information flows for **monitoring performance**, receiving **assurance** and

identifying any under-performance and concerns which require escalation. Each Committee Chair is also responsible for providing the Board with an annual report of its activities, undertaking a self-assessment to review how it might improve its operation and also to review its terms of reference once every 12 months. Links to these annual reports are set out in Appendix 1 on page 61.

As well as reporting to the Board, Committees 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.

Each Board Committee has an Executive Director lead who works closely with the Chair of each Committee in **agenda setting, business cycle planning** and to support good quality, timely information being relayed to the Committee.

Whilst all the Board Committees provide important sources of assurance for the Board our **Audit & Risk Committee** has a specific role in relation to reviewing the effectiveness of our Risk Management systems and the Board Assurance Framework which provides assurance to the Board on the delivery of its objectives as outlined within its three-year IMTP.

The Audit & Risk Committee is 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 objective. During 2019-2020, key aspects of Health Board business activity delegated to the Audit & Risk Committee included:

- Overseeing systems of internal control
- Review and endorsement for Board Approval the Annual Accounts and Accountability Report for onward submission to Welsh Government
- Agreement of the Internal and External Audit Plans for the year
- Receiving Internal and External Audit Reports and subsequently monitoring progress against Audit Action Plans
- Monitoring the implementation of agreed audit recommendations
- Receiving and noting the Head of Internal Audit Opinion and Annual Report 2018/19
- Agreeing the Annual Counter Fraud Plan and monitoring counter fraud activities
- Monitoring the development and draft content of the Health Board's Accountability Report
- Monitoring of Governance Arrangements across the organisation, including hosted bodies
- Provided oversight and scrutiny to hosted bodies, namely Welsh Health Specialised Services Committee (WHSSC) and the Emergency Ambulance Services Committee (EASC)
- Endorsed Approval of the Board Assurance Framework (BAF)

- Endorsed approval of any revisions made in relation to the Standing Orders and Scheme of Financial Delegations.

Board Committee meetings papers classified as 'public' are published on the CTMUHB website in advance of each meeting in the spirit of openness and transparency.

Our governance arrangements have been subject to significant improvements over the latter half of 2019-2020 which will continue into 2020/2021. These are designed to strengthen the effectiveness of **Board business and assurance.** This has included changing the frequency and remit of some of the Board Committees as set out on pages 17-18.

With regard to the review of the scope of Board Committees, the Finance Performance and Workforce (FPW) Committee was felt to have a significantly broad remit. Given that CTMUHB is facing major change involving workforce and organisational development related issues which are central to many of the major programmes being taken forward, there was an agreement to establish a '**People and Organisational Development (POD) Committee' (POD)** to consider the workforce and organisational development activity. We had planned for this to hold its inaugural meeting in April 2020 however this needed to be paused along with various other meetings due to the response to COVID-19**.** There is more about this on pages 35-36**.** The Director of Corporate Governance/Board Secretary will review the position in June 2020.

The POD Committee will scrutinise and gain assurance across a range of issues including:

- Strategic Workforce Plans to support Health Board objectives
- Workforce sustainability
- Staff Survey learning
- Recruitment, Retention and Absence Management Strategies
- Culture, including Values and Behaviors
- Operating Model
- Statutory & Mandatory Training Compliance
- Management/Leadership Capacity Programmes
- Equality, Diversity & Welsh Language
- Staff Engagement and Involvement Strategies

As a result the remaining remit of the FPW Committee has been refocused and in recognising this its name has been **revised to the 'Planning, Performance and Finance (PPF) Committee**' scrutinising and gaining assurance on a range of issues including:

- Major Service Change developments
- Major Capital Projects/Programmes
- Scrutiny of Major Business Cases (in line with Scheme of Delegation)

- Detailed oversight and involvement on behalf of the Board on the development of the Integrated Medium Term Plan (IMTP)
- Development of Service Strategy, including the Integrated Health & Care Strategy
- Performance against IMTP, National Targets et al.
- Finance Performance
- Efficiency, Productivity and Value.

CTMUHB's Scheme of Delegation is being reviewed to re-align the flow of capital business, and result in the abolition of the Capital Programme Board where the PPF Committee would hold the delegated responsibility, allowing greater independent scrutiny.

The former FPW Committee saw a significant number of 'Deep-Dive' reviews to provide additional assurance on particular issues. If done effectively, these are significant pieces of work for Officers and we are therefore developing **clear guidance** on the thresholds required to trigger a Deep-Dive along with what elements of assurance can be expected as a result.

During 2019, Welsh Government commissioned the development and delivery of a bespoke **Board Development Programme** for Board Members. The contract for this was let to Deloitte who have been working to inform the development and content of the subsequent programme to be delivered in 2020. There is more about this work on pages 30-31.

Welsh Government have recently launched the new Independent Member Induction sessions, material from which will be used in on-going Board Development. These links and our work with Deloitte will ensure that support is given to all Board Members so that they can be clear on the various different **sources of assurance** they can access without seeking additional information from Officers.

Board Development sessions have until recently been utilised for a variety of developments and briefings, and discussion of risks as opposed to focusing on the development of Board Members. It has been agreed that from 2020-2021 the Board will allocate **four sessions per year** (minimum) to Board Development located in venues across CTMUHB promoting Board engagement and increasing the opportunity for Board members, to 'buddy' with an Executive Director to meet staff and gain a greater understanding of the services, environments and staff experience. It is also providing an opportunity to **engage** with staff as part of the wider 'Let's Talk' programme, supporting the development of the new culture for the new CTMUHB.

As it is also beneficial for the Board to receive briefings on specific issues to bring members up to speed on specific topics, we intend scheduling **four Board Briefings** a year at appropriate intervals.

The main route of assurance to the Board is the Committee structure that sits beneath. We have strengthening this process by the introduction of **Committee Highlight Reports** (drafted at the direction of the Committee Chair at the close of each Committee meeting to agree with members what issues should be included in the Highlight Report to Board, and finalised by the Executive Lead for the Committee) and have **reformatted Board meeting agendas** which will allow the Committee Chair to:

- Highlight any issues of significance to the full Board (concerns or good practice)
- Advise the Board, including making recommendations to approve items that a Committee has considered in advance of seeking Board approval
- Provide Assurance on issues that have been scrutinised at Committee and
- Inform the Board of relevant issues of interest.

By reporting this way, there will be **stronger awareness** across the full Board of Committee activity and assurance, reduce the Committee referrals (reducing duplication) and strengthen integrated governance. This approach will also help prevent silo-working in the committee subject areas by bringing the key issues to the attention of the full Board.

A new template has also been introduced for the submission of reports to the Board and its Committees along with training in report writing with a view to **enhancing** the **content and quality** of information presented in reports.

In November 2019, the Board revised how it received assurance on risk and agreed to transfer delegated **scrutiny and assurance** on risk management arrangements from the Quality & Safety Committee to the Audit Committee after which the latter became known as the Audit & Risk Committee.

Principal clinical and corporate risks are assigned to the Board or as appropriate to 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[1], approved plans and the organisations values. **Each risk has a lead director** allocated so that the mitigation actions are owned and acted upon and regularly reviewed and updated. Further detail as to our systems for managing risk are set out on pages 38-44.

In November 2019, the Board approved the **establishment of the Digital & Data Committee,** and **broadened the remit** of the Primary and Community Services Committee to include Population and Partnerships. The Board also agreed to increase the regularity of meetings of the Charitable Funds Committee from annually to quarterly.

[1] Please note further information around the CTMUHB's Risk Appetite Statement on page 42 onwards

The Quality and Patient Safety Governance Framework was endorsed by the Quality Safety and Risk Committee in March 2019. The introduction of the Quality Governance Framework, as well as the arrangements to underpin the work of the Quality & Safety Committee has seen an early **improvement in assurance** on quality and safety matters, including scrutiny on the progress of delivering against the Maternity Improvement Project. Other changes made during 2019/2020 to our Board and Committee arrangements arose from issues highlighted by the 2019 WAO Structured Assessment which are detailed on page 31 onwards.

The January 2020 Board Meeting contained an agenda item that related to outstanding recommendations of the South Wales Programme (SWP). The background is available here and essentially relates to the sustainability of a **24 hour consultant-led Accident & Emergency Service** at one of our three acute sites - the Royal Glamorgan Hospital, Llantrisant. This issue attracted a large number of community and patient representatives, and, as the public gallery space was limited, the venue for the next update on this issue was switched to a more accessible community based venue - Rhondda Fach Sports Centre in Tylorstown, Rhondda. That meeting held in February 2020 facilitated the majority of the 250 observers.

Plans were therefore also put into place to hold the March 2020 Board meeting at a similar sized venue, however these plans were subsequently changed in response to COVID19, respecting social distancing measures. Nevertheless the Board maintained the ethos of holding the meeting in public, by continuing to **publish meeting papers on the CTMUHB website seven days prior to the meeting**, noting comments made/submitted in advance of the meeting. A Board briefing was then produced immediately following the meeting to convey the discussions, decisions and outcomes which was also published on our website and shared with key stakeholders.

Solutions to continue the commitment to hold meetings in public are being worked through to enable '**live streaming'** of Board meetings during 2020/2021.

BOARD & COMMITTEE ACTIVITY

In line with Standing Orders, each **Committee formally reports annually** to the Board on its work during the year detailing the business, activities, attendance and main issues dealt with by the Committee in the reporting year. Copies of the Committee Annual Reports are available via our Board meeting papers.

In addition, from 2020 each Board meeting receives a highlight report outlining the issues and activity considered and addressed by each Committee at its previous meeting. Committees schedule a pause at the end of each meeting to discuss the **key issues they want to raise with the Board** through the highlight report process under the headings of Escalate/Alert; Advise; Assure and Inform. The **highlight reports** are agreed presented by the Committee Chair.
Key highlights from meetings held in 2019-20 are included at Appendix 1 on page 61 onwards

JOINT ESCALATION & INTERVENTION STATUS CHANGES - 2019

The Welsh Government have in place Joint Escalation & Intervention Arrangements which are informed by tripartite meetings with Wales Audit Office (WAO are now known as Audit Wales) and Healthcare Inspectorate (HIW). The following section provides context to the changes that took effect and the **management actions** put in place to address the issues and how these are being monitored.

CTMUHB's predecessor organisation (Cwm Taf University Health Board) was escalated to '**enhanced monitoring'** in January 2019 after concerns were raised in relation to an Ionising Radiation inspection, a review of mortuary services and serious untoward incidents within its maternity services. Then in April 2019, following the publication of a joint review conducted by the **Royal College of Obstetricians** and **Gynaecologists and the Royal College of Midwives** commissioned by the Minister for Health & Social Services due to significant concerns, the **maternity services** of the former Cwm Taf University Health Board were escalated into special measures (SM).

As part of a package of measures designed to support the Minister's intervention, an independent panel was appointed by the Minister to provide the **oversight of the work to address the findings which r**eports progress to the Minister on a quarterly basis as part of the intervention measures. The Health Board offered a **formal public apology for the maternity failings**, accepted all the recommendations and gave a **commitment to take the necessary action to address the various issues.** Reports summarising maternity service improvements have been presented to each of our Board meetings in 2019-2020. The update provided in March 2020 is available here.

The independent panel's reports available here confirm significant progress has been made during 2019-2020 in delivering the necessary changes. There is still more to do and the Health Board is committed to build on the shift it has made

over the past year to **embed quality at the centre of all decision-making and service improvement initiatives**.

The issues within maternity services also highlighted the need for an independent review into the **handling of a report** commissioned from a secondee Consultant Midwife in 2018. The findings of this review were considered by the Board at its meeting in December 2019 and, at its January 2020 Board meeting, agreement was reached around various changes required to **strengthen governance arrangements** alongside ongoing work around **culture, values and behaviours.** A summary of the actions is available here.

Following the Royal College joint review, work was undertaken by the NHS Wales Delivery Unit (DU) within CTMUHB to ensure that effective arrangements for the reporting, management and review of patient safety incidents and concerns (This followed on from the earlier DU report in March 2019). The DU review whilst identifying some areas of good practice found deficiencies in a number of areas including the investigation, triangulation of information and organisational learning and risk. An improvement plan was therefore developed which is subject to monthly review. Regular reports will continue to be provided to the Quality & Safety Committee regarding progress, the most recent of which was to the May 2020 meeting which is available here.

Another intervention put in place to support CTMUHB to make the required improvements was the commissioning of David Jenkins (the former Chair of Aneurin Bevan University Health Board) by the Minister for Health & Social Services to work with CTMUHB's Chair in a leadership role. David Jenkins has therefore attended a significant number of our Board and Committee meetings to offer advice and support which has been welcomed.

In the summer of 2019, HIW and WAO undertook an **urgent joint examination of our quality governance arrangements**. Their report in November 2019, highlighted the need to:

- Place a greater focus on the quality of our services, developing and delivering stronger systems of quality governance
- Strengthen leadership and how we identify and manage risk.
- Develop a culture that supports the delivery of high quality, compassionate and continuingly improving care.

In recognising the serious nature of the findings and with a determination to ensure greater focus on the quality of our services we are strengthening our **quality governance** and **leadership** arrangements**.** We are also in the process of improving our management of **risk** implementing in parallel with a new **Operational Model** with a view to developing a **culture** that supports the delivery of **high quality, compassionate** and continually improving **patient-centred care**.

An **extensive cultural conversation** has already begun with our local population with over 4,000 interactions, through staff and patient listening workshops and surveys. Following analysis, the insight from this and other reviews has informed the co-creation of a shared set of values and behaviors.

Improvements have already been seen in terms of the way we engage with staff, patients, families and stakeholders to learn from them, identify **opportunities** and develop a culture that **supports and empowers** staff and those who use our services to improve their experiences. As part of this, we are strengthening how CTMUHB scrutinises and gains assurance on behalf of all stakeholders, linking work underway on implementing the new operating model and management and accountability structures supporting the delivery of operational services.

Targeted Intervention (TI):

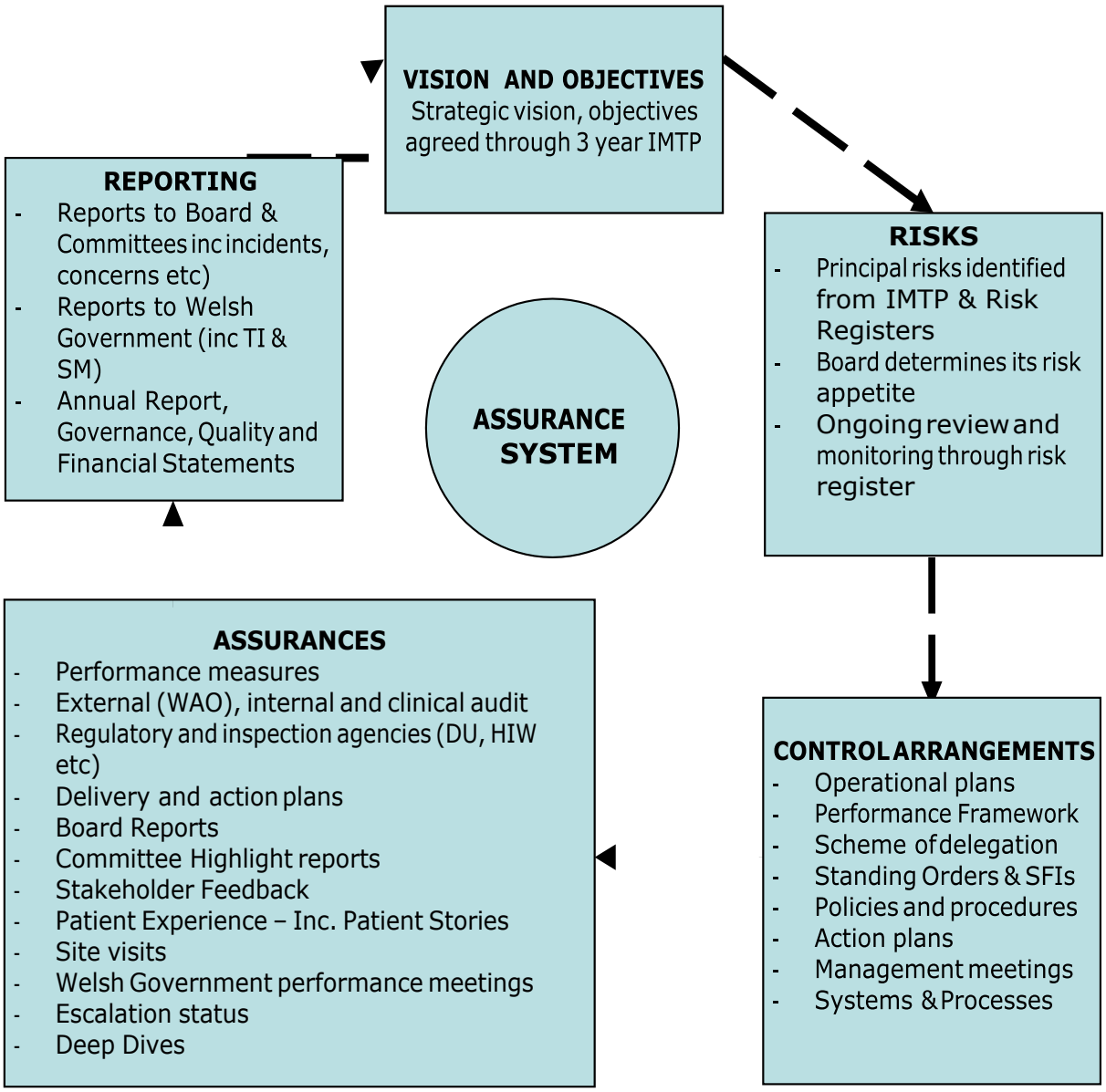
It was agreed that a maturity matrix underpinning continuous service improvement be developed and used to structure the work in response to TI in line with the approach taken in maternity. A report seeking approval of the **matrix was presented to the Board in March 2020** with the self-assessment scores and evidence having been presented at the to the Welsh Government Escalation meeting in February 2020.

Although deeply disappointed with the shortcomings that have resulted in the organisation's **escalation status being increased,** Board Members fully accept the issues identified and welcome the learning that can be taken from the interventions. The Board also recognises its responsibility to provide assurance to our local population and stakeholders, which it aims to do through **open** and **transparent reporting**, ongoing **engagement** and **co-production**.

Further details as to progress made in terms of delivering this will be included in our 2020-2021 Governance Statement. In the meantime progress will be **monitored** by the relevant Board Committees, the Board and by Welsh Government in bi-monthly TI meetings chaired by the NHS Wales Chief Executive (Interim). Reassurance on progress is provided to our population and stakeholders through **regular reports to Board.**

A summary of the management actions being taken to address the report's findings was approved by the Board at its meeting in January 2020 and is available here.

As part of the **review of CTMUHB's governance arrangements** changes were made to our assurance framework summarised in the following diagram which **maps the business of the Board** and its Committees against its Strategic Wellbeing Objectives aligned with our IMTP. The new Board Assurance Framework (BAF) was approved by the Board in January 2020



reflecting all sources of assurance in light of the suite of independent reviews conducted during 2019/2020.

The framework informs the Board on the **principal clinical** and **corporate risks** to the delivery of our objectives, its risk appetite and assurances on controls alongside each objective.

The system of internal control is informed by the work of internal auditors, clinical audit and directors who have responsibility for the development and maintenance of risk assurance and internal control frameworks. A Clinical Audit Forward Plan 2019-2020 is in place along with the associated Clinical Audit Operational Plan to ensure that **robust evidence of the monitoring and escalation of audit compliance is in place**, and that audit outcomes are an integral part of our **continuous improvement programme of work**.

The Clinical Audit Forward Plan was received by the Quality & Safety Committee at its meeting in August 2019 and is available here.

Feedback is received from WAO, as the external auditors, in their Annual Audit Report and other reports including the Structured Assessment - there is more about the findings of the 2019 Structured Assessment on page 31.

Due to COVID-19 and the advent of UK lockdown there has been an **impact to the internal and external audit arrangements and audit plans** that is being monitored via the Audit & Risk Committee.

The work of HIW has an important and significant impact in the Health Board too which arises from their planned and unplanned inspections and reports. Inspections and reports provided by other regulators also contribute significantly to **improving the quality of services** provided producing themed reports which are available via its here. Each year HIW also produces an annual report summarising these themes. These reports are reported through relevant Board Committees

As a newly formed organisation, CTMUHB has the opportunity to ensure that **learning** from all areas of the organisation is encouraged in an **open and transparent manner,** as well as from and with the wider NHS in Wales. We recognise that further work is required to progress this and to be able to demonstrate delivery. The Board is considering how the '**duty of candour'** is also a more integral part of the everyday work of the Board, with changes being made to the approach of the Board and structure of the Committees to strengthen assurance and promote openness and transparency.

We also have a very active Community Health Council (CHC) who undertake a **comprehensive visiting programme** and their feedback and engagement with the Health Board is a **key assurance tool** utilised by the organisation. Representatives attend Health Board meetings and have speaking rights at meetings. They also attend other Board Committees and sub-groups as appropriate where they are invited to proactively participate.

The Board takes its accountability for clinical governance, corporate governance, risk management, serious incident reporting and matters of internal control seriously. A review of **'Community/Ward to Board' risk management** is underway and will be linked to the planned refresh of the BAF during 2020.

The Board is committed to its responsibility to provide assurance to our local population and stakeholders, which it aims to do through **open** and **transparent reporting**, ongoing **engagement** and **co-production**.

The Board has three Advisory Groups which report their meetings to the Board who report any issues of significance to the Board:

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.

Working in Partnership Forum (WIPF)
The Board recognises the importance of engaging with staff organisations on key issues facing the organisation. 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.

Healthcare Professionals' Forum (HPF) The Forum comprises representatives from a range of clinical and healthcare professions both in our hospitals and across primary care and provides advice to the Board on all professional and clinical issues it considers appropriate.

BOARD GOVERNANCE, ACCOUNTABILITY & LEADERSHIP

In response to the escalation status of the Health Board being placed into SM and TI, Deloitte have been working with us to develop and deliver a bespoke Board Development Programme. The programme will ensure that Board members will be able to:

- Know what it takes to **lead improvement** in an organisation where quality improvement is a core enabler to delivering the quadruple aim.
- Understand the **values and behaviors** that must be demonstrated to ensure they can lead a high performing organisation with the right values and culture, where listening to staff and stakeholders and learning from patient safety concerns is the norm.
- Understand their **role** as a member of a unitary board.
- Understand, identify and develop their skills to ensure the **highest standards** of organisational governance.
- Understand the difference between measurement for improvement and measurement for judgment, and how to develop a more robust approach to **measuring data** and learning from **staff and user feedback**.
- Understand the importance of identifying risks, including patient safety, the **risk appetite** of the Board and the need for, and the role of an effective BAF.
- Understand the **role of scrutiny**, the difference between reassurance and assurance, and the need to seek, receive and give assurance.
- Recognise what constitutes **effective and robust reporting**.

In reporting on the strengths of the Board, in December 2019 at a Board Development Session, Deloitte stated overall Board Development was underway with significant potential to realise further tangible benefits relatively quickly. More specific strengths were noted as follows:

- A Board consisting of a number of **talented individuals** who have not yet realised their full potential as either Directors or Independent Members.
- A remarkably **resilient Board** that has emerged from a difficult period with greater stability than we typically see – helped by a calming influence from a number of key senior leaders.
- A board that follows **good practice** across a number of areas including agendas, committee structures, chairing styles and some good content in papers.
- A positive, friendly, enthusiastic and **committed attitude** from Board members who really want to make a difference for staff, patients and the community they live in.
- Good levels of awareness amongst Board members regarding the potential for **ongoing improvements** – this is particularly evident from the Board survey results.
- Growing momentum in a number of areas to improve team dynamics and **strengthen governance** arrangements – executive team development/independent member informal meetings/committee proposal paper.

Deloitte supported the proposals to strengthen Board governance and assurance that was approved by the Board at its meeting in February 2020 and acknowledged the contribution these changes would make to address;

- Pre-Board Executive Scrutiny
- Focus of papers for Board and Committees
- Board and Committee Agendas
- Executive Presentations
- Integrated Executive Approach
- Role of Committees and their relationship with the Board.
- Independent Member Scrutiny
- Building Board Cohesion.

Based on the learning from the Deloitte review the Health Board agreed a **new Board Development Programme** to be delivered by Deloitte, noting that the timing for delivery of the programme has been impacted due to the response to COVID-19.

- An additional Board seminar based around a pertinent topic, aimed at Board **engagement, team building and direction** setting. Potential areas include cultural transformation or strategy formulation.
- Extended feedback/individual **coaching sessions** for each Board Member.

- A Board seminar aimed at team building and understanding **styles and preferences.** Using the Deloitte Business Chemistry tool which provides insights about individuals and teams based on observable traits and preferences.
- A Board seminar covering good practice in board governance, including: operating as a unitary board; **effective scrutiny**; relationship between the board and committees; and effective **risk management.**

Dates for all sessions had been set prior to the end of the year and will be kept under review and adjusted if required as a result of COVID-19.

WALES AUDIT OFFICE[2] STRUCTURED ASSESSMENT – 2019

The Structured Assessment carried out in 2019 concluded that the Health Board finds itself in a very challenging position and that we needed to urgently address **significant weaknesses in governance and risk management** arrangements. It also highlighted **on-going workforce challenges** and its **organisational culture** which needed to be tackled. It acknowledged that new leadership in key executive roles, coupled with an acknowledgement and understanding of current challenges, and a good track record of financial management and strategic planning provide optimism that these improvements can be achieved.

Further detail as to its recommendations and CTMUHB's response to each of these are set out below:

1. Board Committees needed to ensure that there was adequate support to enable sufficient scrutiny of important areas of business and service delivery including strategy, planning, workforce and mental health. ***Response***: We have addressed this in a number of ways set out on pages 17-22

2. Improvements could be made around the information received by the Board and its committees in terms of the performance dashboard to enable a better overview thus enabling effective scrutiny and greater transparency.
   Response: We are implementing a new Performance Management Framework and a review of the PPF committee work programme will focus attention on specific areas where performance is of concern. We are also in the process of developing a quality dashboard with a view to this being used in parallel to bring the greatest value.

[2] Wales Audit Office changed their name to Audit Wales with effect from April 2020

3. There is a need to evaluate the capacity within the Programme Management Office to effectively support service transformation projects. ***Response***: Our Organisational Improvement Plan sets out that and full establishment of 'Improvement CTM' will enhance change management capacity alongside further recruitment to project management to ensure more rounded programme management capacity in the organisation. Together with on-going recruitment of project managers and staff with who IQT training, this will strengthen the capacity across the organisation to align our Bevan Fellowships and Exemplars with organisational transformation objectives.

4. There needs to be increased clarity on actions, deliverables and milestones regarding the IMTP to provide sufficient information on the delivery of the IMTP together with performance against overall objectives, and the annual priorities and greater focus on outcomes and impact. ***Response:*** We are seeking to be more specific wherever possible, incorporating more delivery information including milestone dates and anticipated performance outcomes. This should therefore allow us to further improve our submissions.

Wales Audit Office also produce an Annual Report each year summarising the findings of audit work undertaken at CTMUHB during 2019. This was considered by the Audit & Risk Committee in February 2020 and is available here.

Wales Audit Office (WAO) and Healthcare Inspectorate Wales (HIW) Joint Review

As highlighted above during 2019, HIW and WAO undertook a Joint Review into Quality Governance within CTMUHB which is available here. Whilst the report makes for challenging reading, we **welcomed and accepted its findings** and recommendations. They largely reflect issues we already recognise but they also give additional helpful perspective on these.

We immediately took to make improvements in these areas, including implementing a new Operating Model for our organisation, developing our values and behaviours to shape our culture, introducing active staff engagement and involvement, and strengthening the structures and processes underpinning quality governance and risk management in the organisation. While some things can be done quickly, others will take longer to address but we are **fully committed to working with HIW/WAO and other partners to make improvements.** The management response setting out details of the actions was received by the Board at its meeting in January 2020 and is available here.

There are two important aspects of our current organisational context relevant to this report. Firstly, we are subject to **enhanced performance arrangements** with Welsh Government – **SM** for Maternity Services, and **TI** for quality and governance, leadership and culture, rebuilding trust and confidence. Secondly, we have had reports highlighting limitations in our systems and processes for quality governance. To address these, we have been working closely with our Regulators, the Delivery Unit, staff, patients, partners and the Welsh Government, **taking the learning and recommendations** from relevant other reports to formulate a **coherent forward plan**. We have made some progress on some of these issues and therefore welcome the fact that this report recognises those early shoots of recovery which, although very much in their infancy, offer sense of a right direction of travel.

Ongoing developments in CTMUHB

A different approach is being actively developed in the new CTMUHB to ensure a culture, mind-set and behaviours that reflect its emerging ambition as a **patient/community centred and quality driven organisation**. An organisational development plan is being developed with ten separate but inter-related work-streams, and the information and recommendations from this Joint Review report will help **inform the future actions and requirements** of these work-streams, which include:

- Developing and embedding CTMUHB Values and Behaviours
- Developing the CTMUHB Vision and Mission
- Taking the Vision a step further developing the CTMUHB's long term strategy – Integrated Health and Care Strategy
- Establishing a clear Operating Model to enable CTMUHB to achieve its core purpose, based on agreed design principles
- Establishing a Quality Governance Framework and supporting systems (including workforce skills and support) and embedding these throughout the organisation.
- Reviewing, renewing and embedding the corporate governance framework, processes and systems
- Designing and implementing an involvement and engagement strategy and framework to ensure ongoing two way engagement and involvement with patients, communities, staff and partners
- Developing CTMUHB staff capability and capacity for improvement, transformation and making best use of health intelligence
- Designing and securing leadership and management skills development and continual learning for all staff, and as an organisation
- Establishing a clear delivery programme to secure sustainability for CTM's fragile services.

This plan is intended to create a cohesive CTMUHB, **clear on its vision for the future, underpinned by shared values and behaviours**, and a **strong**

quality governance framework. The plan will take time to deliver and embed, some elements can be delivered quickly whilst other elements will take time, particularly where changing culture, building capacity and capability is required.

Bridgend Boundary Change – 12 months on

CTMUHB's predecessor (Cwm Taf University Health Board - CTUHB) **changed its name** on 1 April 2019 to include 'Morgannwg' in its title following a decision in June 2018 by the Minister for Health & Social Services to transfer responsibility for the **commissioning of health care for the people in the Bridgend** County Borough Council (BCBC). Prior to this, these particular services were managed by Abertawe Bro Morgannwg University Health Board - ABMUHB (now known as 'Swansea Bay University Health Board'). The resultant impact was that the organisation became responsible for the commissioning of healthcare for around 450,000 residents (Stats Wales 2016) in Bridgend, Rhondda Cynon Taff and Merthyr with around **12,000 staff.**

There was a **significant degree of planning** during 2018/19 to make this possible which was overseen by a Joint Transition Board (JTB) established as a sub-committee of both CTMUHB and ABMUHB. The JTB met for a final time on 23 April 2019 when it received a final Governance Handover Statement and a Quality & Safety Legacy Document. Overall the implementation of the boundary change was successful with a number of Long Term Agreement (LTA) or Service Level Agreement (SLA) for particular services for defined periods. **Quality and delivery of patient care drove decision-making and joint- working arrangements** across the two Health Boards and Bridgend County Borough Council to deliver seamless local services during the Joint Transition Programme.

The Quality & Safety Legacy Statement set out a comprehensive summary of work from the Quality and Patient Safety work stream, identifying known quality and patient safety issues, actions in train or recommended and areas of good practice. At its final meeting on 23 April 2019 the JTB agreed the areas of outstanding and ongoing work in the context of the boundary change and agreed to take forward these via Joint Executive Team meetings, meeting initially on a monthly basis.

A residual work programme was put into place where work was still required to safely disaggregate the small number of clinical SLAs awaiting finalisation at the time boundary change occurred. Discussions on the post-boundary change financial framework continued into 2019/20 and the outcome of the **arbitration process** was received on 13 August 2019 confirming a £7.1m non-recurring allocation for 2019/20 to enable the Board to develop the required financial plan and mitigating actions to be put in place for future years.

INTERIM CHANGES TO OUR GOVERNANCE FRAMEWORK DUE TO CORONAVIRUS – MARCH 2020

On 11 March 2020, the World Health Organisation declared the Coronavirus as a pandemic. At the time of preparing this Annual Governance Statement the Health Board and the NHS in Wales is facing **unprecedented and increasing pressure** in planning and providing services to meet the needs of those who are affected by **COVID-19.** The required response has meant the whole organisation has had to work very differently both internally and with our staff, partners and stakeholders and it has been necessary to **revise the way the governance and operational framework is discharged**.

In accordance with the Public Bodies (Admissions to Meetings) Act 1960 the organisation is required to meet in public. However, as a result of the public health risk linked to the pandemic, on 23 March 2020, the UK and Welsh Government stopped public gatherings of more than two people. It was therefore not possible to allow the public to physically attend our Board meetings after that date but to ensure **business was conducted in as open and transparent manner** as possible during this time the following actions were taken:

Chairs Urgent Action was taken on 19 March 2020 to support the management of Board business during COVID-19, which was consistent with other NHS organisations across Wales to enact the following:

- Hold all Board meetings in **'Private'** as described in the Board Meetings section on page 17.
- Whilst social distancing requirements remain in place, **use video-conferencing to support meetings** usually attended in person by Board Members enabling maximum continuity and stronger governance. Where necessary 'Quorate' meetings would be used requiring a fewer number of Independent Members participating as well as a reduced number of executives attending. Such arrangements are designed to support efforts to minimise non-essential travel and social distancing and allows us to conduct the required business efficiently and effectively.
- Agreement that any requirement to take urgent Chair's Action would only be in **exceptional circumstances.**
- Agendas would be planned on the basis of **essential business** with a view to reducing the burden on Executives and operational staff.
- Board meetings to use **'Consent' Agenda** which operates on the basis that some items will not require discussion or debate either as they are routine items or have already been unanimously agreed and can therefore be approved as a group of reports making more time for those agenda items requiring more substantial discussion.
- 3rd and 4th delegate Chairs identified to **support contingency plans** for the Chair and Vice Chair, and similarly with the CEO.

Stand down <u>all</u> Committee meetings with the exception of Audit & Risk Committee and Quality & Safety Committee which have critical roles during public health emergencies by scrutinising decisions to ensure actions are quality and risk assessed and organisations act in the best interest of the public and staff for a three-month period initially with reviews each month.

These interim changes represent a change to our usual operating arrangements and required a **variation in our Standing Orders**. Therefore, details of the proposals were conveyed to Board members by email and, it was therefore necessary to request the changes be retrospectively approved by the Audit Committee. This approval was subsequently provided on the 6th April 2020.

Our Scheme of Delegation was revised and agreed to support decision-making during COVID19 to allow appropriate decision-making at the Bronze/Silver Gold Command levels. This was approved by the Board at its meeting in March 2020 and is summarised below:

CTMUHB's decision to establish 'Gold/Silver/Bronze' command structure in March 2020 was in response to the immediate crisis of the COVID19 pandemic. As time progressed, it became clear that COVID19 would remain an ongoing issue and would be factored into the operational management of services

NON FINANCIAL DECISIONS (i.e. clinical/workforce etc)		CAPITAL £ DECISIONS	REVENUE £ DECISIONS
Impact beyond CTMUHB boundary and/or Outside Policy and/or RED QIA (NB Urgent approval of Red QIA delegated to Medical Director and Nurse Director to be noted at Gold)	**GOLD**	£250k ≤£1m Short justification with capital team support Gold meeting approval required (HB Chair's action also needed if over £1m)	> £250k Short justification with capital team support Gold meeting approval required
Impact across CTMUHB within policy and/or AMBER QIA	**SILVER**	£100k ≤£250k Short justification with capital team support. Approval by → Director of Finance & 2 x Execs(normally Silver and Gold Executive Leads)	£100k ≤£250k Short justification with finance business partner support. Approval by → Director of Finance & 2 x Execs(normally Silver and Gold Executive Leads)
Impact in Locality within policy and/or GREEN & YELLOW QIA	**BRONZE**	≤£100k Service Group Manager level decision. Rapid email clearance by Head of Capital & Director of Finance	≤ £100k ILG Director or Director of Clinical Services Operations & cc £ Business Partner

across the CTMUHB. The CTMUHB therefore developed an **Operating Framework *'Resetting CTMUHB'*** to account for these longer term challenges and stood the 'Gold/Silver/Bronze' structure down on 21 May 2020.

PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives, to **evaluate the likelihood of those risks being realised** and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 March 2020 and up to the date of approval of the 2019-2020 annual report and accounts.

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

CAPACITY TO HANDLE RISK

As previously highlighted, the need to plan and respond to the COVID-19 pandemic presented a number of challenges and a number of new and emerging risks where identified. Whilst the organisation already had a major incident and business continuity plan in place, as required by the Civil Contingencies Act 2004, the scale and impact of the pandemic has been unprecedented.

Significant action has been taken at a national and local level to prepare and respond to the likely impact on the organisation and population.

There does remain a level of uncertainty about the overall impact this will have on the immediate and longer term delivery of services by the organisation, although the Health Board is confident that all appropriate action has been taken.

The organisation continues to **work closely** with a wide range of partners, including the Welsh Government as it continues with its response, and planning into the recovery phase. It will be necessary to ensure this is underpinned by robust risk management arrangements and the ability to identify, assess and

mitigate risks which may impact on the ability of the organisation to achieve their strategic objectives.

In addition to the **risks arising as a result of the COVID-19** pandemic there are other risks facing the organisation. Some of these risks will have been exacerbated as a result of the COVID-19 response.

Risk Register
Prior to September 2019, the Board received the Corporate Risk Register bi-annually. On advice from the new Interim Director of Governance, at the Board meeting in September 2019, the Board agreed to receive the **Risk Register at every meeting,** noting the progress that would need to be made to improve the whole system approach to risk across the CTMUHB. Work continues to ensure the processes that underpin the timely escalation of risks is effective and will be linked to the refresh of the BAF, taking learning from the WAO/HIW Joint Review conducted during 2019.

Each Committee with an allocated risk, reviews them on a quarterly basis. The Executive team ensure key risks aligned to delivery are considered and scrutinised by the relevant Committee of the Board which is then approved by the Board when it receives the report for scrutiny. The Corporate Risk Register is received and **updated at each monthly Management Board** to ensure risks identified are accurately reflected.

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

A review was undertaken of our risk management arrangements taking into account the recommendations from the HIW/WAO joint review into Quality and Governance, which specifically asked that CTMUHB strengthen how we identify and manage risk. The review required that the Board took a strategic and planned approach to **improve risk management** across the breadth of its services ensuring that all key strategies and frameworks were reviewed, updated and aligned to reflect the latest governance arrangements. The review also enabled us to ensure processes would work effectively under the new Operating Model which came into effect from 1st April 2020.

The impact of Coronavirus will inevitably impact upon some of the work flowing from this in terms of training programmes, risk appetite and principle risks, controls, assurance and any remaining gaps. Details of **risks identified relating to COVID-19** are set out on page 43.

Overall Risk Analysis as at March 2020:

For a more **complete picture of the risk profile**, please refer to the Corporate Risk Register presented to the Health Board Meeting in March 2020. This is available here.

Quality Impact Assessment (QIA)
In March 2020, the Management Board approved a Procedure for QIA. The procedure outlines how QIAs should be undertaken across the Health Board on new plans, service change, programmes, projects or savings schemes. All such activity should be reviewed to assess their potential impact on quality (safety, experience and effectiveness).

Using the QIA process has **enabled effective decision making** and provides a baseline assessment against which schemes can be monitored. The three domains of quality – safety, effectiveness and experience are considered.

The risk assessment tool (5x5 Matrix) is the same tool applied for risk registers across the Health Board. This ensures that the QIA process is aligned with other risk management and governance processes.

During March 2020, the **QIA process formed a bedrock for decision-making** during the Health Board's response to COVID-19.

Risk Management Strategy
The Health Board has a revised strategy for Risk Management which was approved at the Board meeting in March 2020, which is available here and a related action plan that clearly **outlines the organisation's risk appetite** and process for ensuring the Board's plans are built on a foundation of risk assessment that informs mitigating actions.

The revised strategy supports the Health Board's commitment to developing and implementing a Risk Management Strategy (and Board Assurance Framework) that will identify, analyse, evaluate and control the risks that threaten the delivery of its **strategic objectives** and delivering against its Integrated Medium Term Plan (IMTP).

The BAF will be used by the Board to **identify, monitor and evaluate risks which impact upon strategic objectives.** It will be considered alongside other key management tools, such as workforce, performance, quality dashboards and financial reports, to give the Board a comprehensive picture of the organisational risk profile.

The objectives of CTMUHB's Risk Management Strategy (and Board Assurance Framework) are to:

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

Learning has been identified as a result of the products of intervention where risk management can be strengthened across the organisation. A comprehensive review is being undertaken to identify opportunities to strengthen risk identification, assessment, mitigation and escalation from community/ward to Board. This work will assess the Board's **risk appetite** in relation to the achievement of strategic objectives set by the Board, and support officers in managing risks locally, enabling effective decision-making.

Staff awareness of the need to manage risks is encouraged through regular communication and the Health Board's Risk Management System 'DATIX'. Included in this system are the incident reporting system and the risk register. The risk register continues to be rolled-out to **better capture assessed risks** and the actions being taken to mitigate and/or escalate them.

The scrutiny and assurance in relation to Risk transferred from the Quality & Safety Committee to the Audit Committee in November 2019 which is now known as the Audit and Risk Committee. The committee has a specific role in relation to reviewing the effectiveness of the Risk Management Strategy and the Board Assurance Framework. In relation to risk management, the Audit and Risk Committee reviews the establishment and maintenance of an effective system of internal control and risk management.

All **Committees of the Board** receive and scrutinise risks and provide onwards assurance to the Board in relation to risks assigned to them to provide oversight and scrutiny. Committees also receive updates in terms of actions taken to mitigate risk.

The **Management Board** undertake the following duties in relation to risk management:

- Promotes a culture within the Health Board which encourages open and honest reporting of risk with local responsibility and accountability.
- Provides a forum for the discussion of key risk management issues within the Health Board.

- Ensures appropriate actions are applied to both clinical and non-clinical risks across the organisation.
- Enables risks which cannot be dealt with locally to be escalated, discussed and prioritised.
- Ensure Locality, Directorate, and Corporate Department Risk Registers are appropriately rated and action plans agreed to control them. In preparation for this activity work was undertaken during 2019-2020 for the introduction of Integrated Locality Groups and how they will be used moving into 2020-2021 in managing and escalating risk to the Management Board.
- Review the risks on the Corporate Risk Register (risks 15-25 from Locality, Directorate, and Corporate Departments) to determine whether any of them will impact on the Health Boards Strategic Objectives, and if so, the risk will be added to the BAF.
- Review the Board Assurance Framework prior to its presentation to the Board.
- Advises the Board of exceptional risks to the Health Board and any financial implications of these risks.
- Reviews and monitor the implementation of the Risk Management and BAF.
- Ensures that all appropriate and relevant requirements are met to enable the Chief Executive (Interim) to sign the Annual Governance Statement
- Approve documentation relevant to the implementation of the Risk Management and BAF.
- Provides assurance to the Board that there is an effective system of risk management across the organisation.

During 2019-2020, arrangements at a directorate level were 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.

From the 1st April 2020, the **Localities, Systems Groups, Directorates and Corporate Departments** are responsible for risks within their areas of operation and providing assurance to the Management Board on the operational management and any support required in relation to the

management of risk. They review and update existing risks, consider new risks for inclusion and escalate any extreme risks. These are presented to the Management Board by the relevant Locality, Directorate, and Corporate Representative.

Risk Reporting Structure and Risk Identification, Assessment and Management

To support this section further the reader is directed to the Risk Management Strategy and in particular the following appendices:

- Appendix 2 - Risk reporting structure
- Appendix 4 **–** Approach to identifying, assessing and managing risks

Significant progress is being made to further strengthen risk management with identified risk management milestones developed to address the recommendations from the joint review undertaken by HIW and WAO that will be progressed during 2020-2021. These **milestones** were presented to the Health Board meeting on the 26 March 2020.

Risk Appetite

Due to the impact of the COVID-19 pandemic the Board Development Session scheduled for April 2020 to review and agree the Board risk appetite will need to be rescheduled. This is a priority for the Board during 2020-2021 and is now planned for August 2020.

The Board will assess its risk appetite using the **Good Governance Institute Matrix for NHS Organisations.** This matrix has six risk levels as follows:

- **Avoid:** Avoidance of risk and uncertainty is a Key Organisational objective.
- **Minimal:** Preference for ultra-safe delivery options that have a low degree of inherent risk and only for limited reward potential
- **Cautious:** Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward
- **Open:** Willing to consider all potential delivery options and choose while also providing an acceptable level of reward
- **Seek:** Eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk)
- **Mature**: Confident in setting high levels of risk appetite because controls, forward scanning and responsive systems are robust.

Risk Management and COVID-19

Significant action has been taken at a national and local level from the end of March 2020, moving into the new period 2020-2021, to prepare and respond to the likely impact on the organisation and population. This has also involved **working in partnership on the multi-agency response** as a key member of the Strategic Co-ordination Group. Whilst there remains a level of

uncertainty about the overall impact this will have on the immediate and longer term delivery of services by the organisation, the Chief Executive (Interim) is confident that all appropriate action is being taken.

The Health Board's response to managing COVID-19 has resulted in the requirement to reassess the tolerance levels of risk being managed in delivering services. To address and minimise risks directly resulting from COVID-19 has required the Health Board to look at and **adjust the levels of risk afforded to other areas of service deliver**y whilst remaining focussed on quality and safety of our communities and staff.

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

Newly identified risks in response to COVID-19 were received at the Health Board Meeting in March 2020, these were:

- **Risk 054** – COVID-19 – There is a risk that the contingency and business continuity plans do not manage the outbreak of COVID-19 as well as they could, failing to manage the pandemic appropriately.
- **Risk 055** – COVID-19 – Impact on business as usual – there is a risk to the Health Board that the resources and focus going on managing the response to the outbreak of COVID-19 will lead to patient harm as a result of reduced service provision and capacity to respond to other areas of Health Board Operations.

Detail of these risks are available in our Corporate Risk Register.

It should also be noted that in addition to the COVID-19 risks outlined above, there has been a Gold Command COVID-19 risk register maintained and updated each week, reviewed via the Command and Control structure. This register will cease when the Command structure is formally closed and any open risks will be reviewed to consider if they require transfer to the Corporate Risk Register.

In March 2020 it was reported to the Quality & Safety Committee that CTMUHB had three fire enforcement notices from South Wales Fire & Rescue (SWFR) which relate to Prince Charles, the Royal Glamorgan and the Princess of Wales Hospitals. The Health Board is undertaking management action to address these in co-operation with SWFR.

HEALTH AND CARE STANDARDS FOR WALES

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

Following the launch of the Health and Care Standards we established framework arrangements through which self-assessments can be undertaken and action taken to implement improvements and changes required to enable the organisation to deliver the highest quality of services to the people of Wales. The Health Board uses and **electronic system called the Health and Care Monitoring System (HCMS),** to capture and assess its compliance against the standards.

As in previous years, during 2019/2020 there was a timetable of key dates in place for the preparation and completion of the self-assessments and training is provided where necessary. **Self-assessments** are completed in line with the Health Board's prescribed timescales and are subject to formal sign off at a ward level and central review for ensuring consistency.

Appropriate narrative, evidence and scoring is in place to support the self-assessments. **Action plans are developed at a ward / department level** following identification of issues with a central review of action plans to identify common issues across CTMUHB.

At the time this report was being prepared, the Internal Audit review and Annual Health & Care Standard report had not been completed. COVID-19 has inevitably had an impact on the ability to compete the activity within the original timeframe.

In relation to the Governance, Accountability and Leadership Standard, the Health Board considers that a self-assessment against the criteria has been undertaken through the various reviews and audits during 2019/2020, including the HIW and WAO Joint Review referred to earlier in this governance statement and the work with Deloitte in relation to Board Development.

REVIEW OF EFFECTIVENESS

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

My performance as Chief Executive (Interim) in the discharge of these personal responsibilities is assessed by the Chair, with input from the Director General of the Department of Health & Social Services/Chief Executive of NHS Wales.

The escalation status of the CTMUHB moved into TI for 'Leadership & Culture', 'Quality Governance' and 'Trust and Confidence' and SM for Maternity. This shone a spot light on areas that required **urgent attention and improvement**.

The past year has seen a **notable shift to embed quality at the centre of all decision-making and service improvement initiatives**. We have welcomed support offered to us by our inspectors, including HIW, WAO, Delivery Unit, Independent Maternity Services Oversight Panel (IMSOP) and our CHC to inform the development and improvement work across the CTMUHB.

Although not in post from the start of the financial year, my **advice to the Board is informed by reports on internal controls** received from all its Committees and in particular the Audit & Risk Committee, Quality & Safety Committee and the Finance, Performance & Workforce Committee. The Quality & Safety Committee also provides assurance relating to issues of quality governance, **clinical governance, patient safety and patient experience.** 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 activity during the last year, which have included a comprehensive range of **internal 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.

One key report received during 2019/2020 was the WAO/HIW Joint Review on Quality Governance. The subsequent **management response** was developed

with involvement from HIW and WAO, and focussed on ensuring alignment with the Programme for Improvement in response to TI and SM. The CTMUHB Management response was **scrutinised by the Quality & safety Committee and the Board** and continues to be monitored through the Committees of the Board and will be commented on in the 2020 Audit Wales Structured Assessment.

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.

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

- Children's Commissioner
- Community Health Councils
- Health & Safety Executive
- Healthcare Inspectorate Wales
- Welsh Language Commissioner
- Older People's Commissioner
- Wales Audit Office
- Welsh Government
- Internal Audit (NHS Wales Shared Services)
- Welsh Risk Pool Services
- Other accredited bodies

INTERNAL AUDIT OPINION FOR 2019-2020

Internal audit provides the Chief Executive (Interim) and the Board through the Audit & Risk Committee with a flow of assurance on the system of internal control. The Chief Executive (Interim) and Internal Audit **agreed a programme of audit work** which was approved by the Audit & Risk Committee, and delivered in accordance with public sector internal audit standards by the NHS Wales Internal Audit Service, part of the NHS Wales Shared Services Partnership. The programme of audit work is designed to focus on significant risks and local improvement priorities.

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

The programme has been impacted by the need to respond to the COVID-19 pandemic. The Head of Internal Audit has considered this when arriving at his Internal Audit opinion as outlined in the section that follows.

THE HEAD OF INTERNAL AUDIT OPINION

The scope of the HIA opinion is confined to those areas examined in the risk based audit plan, which has been agreed with senior management and approved by the Audit & Risk Committee. The Head of Internal Audit assessment should be interpreted in this context when reviewing the effectiveness of the system of internal control and be seen as an internal driver for continuous improvement. The Head of Internal Audit opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management, and control is set out below.

 - + Yellow	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.

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 Head of Internal Audit has concluded *reasonable assurance* can be reported for the eight assurance domains.

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 & Risk 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 result of audit assignments that have been issued in draft to the organisation before the issue of this opinion, but have yet to be reported to the Audit & Risk Committee.
- 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.

As stated above, 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.

At the time of issuing the annual report there is work in progress for eight reviews that have stopped due to COVID-19. These reviews are: risk management; efficiency savings; financial management of the Bridgend clinic; Medical agency usage; mental health directorate management arrangements and compliance reviews; and medicine and care of the elderly directorate at Princess of Wales management arrangements and compliance reviews. The Head of Internal Audit has considered the work completed to date in these areas, and **does not consider there to be any matters identified that would affect the annual opinion**. The outcome of these reviews will be included in the Head of Internal Audit opinion for 2020/2021 if it is assessed that it is appropriate to continue with these reviews.

COVID-19 has had a further impact on the audit work in 2020 and meant that the Acute and A&E directorate review did not fully cover compliance, and Internal Audit were unable to start two reviews relating to: data quality, and health & care standards.

During the year, for one review, relating to medical staffing in Bridgend, the audit resource was reallocated to a review of medical agency usage.

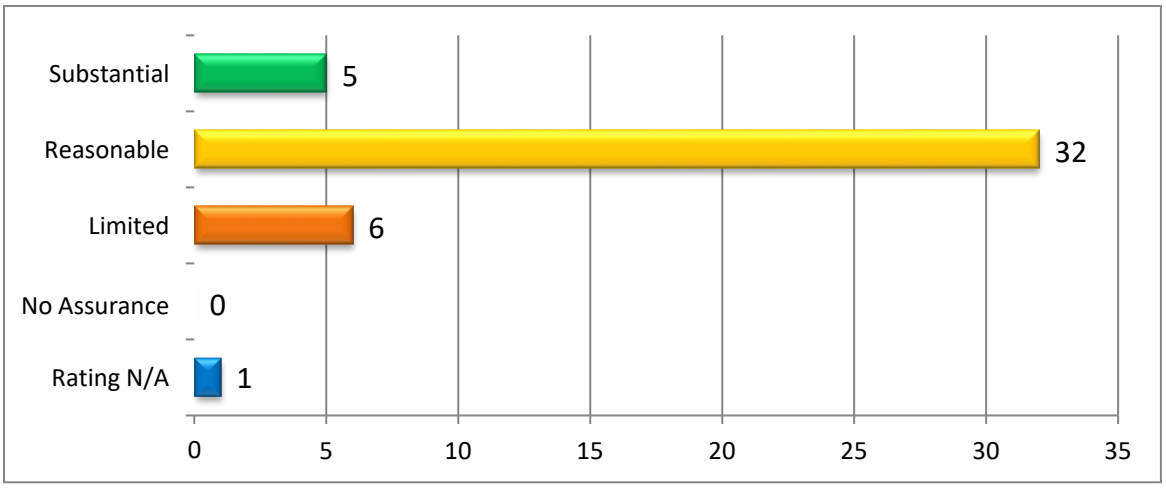
2019/2020 has been a year of **significant change** and **challenge** for the Health Board. The transfer of services relating to the Bridgend area, and closer monitoring by Welsh Government and other assurance providers has meant that the Internal Audit plan has been flexible throughout the year. As such, internal audit agreed to **defer a number of reviews to future years**. The planned reviews of committee governance arrangements, culture, and incident reporting have been deferred as other assurance providers undertook work in these areas. The planned work for the transformation fund, outpatients, continuous improvement review, and the Sunnyside capital review will be revisited in future planning. Finally, the focus of the planned review of three directorates within the Bridgend area will be reconsidered when the new Operating Model has been implemented and is embedded.

Internal Audit undertook two reviews that were not in the original plan for 2019/2020. One was a cyber-security follow up review, which followed up on a limited assurance review in 2018/2019. The second review was for medical equipment within the Princess of Wales Hospital in Bridgend.

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 their overall opinion.**

Overall Summary
In total 44 audits were reported to the Health Board's Audit & Risk Committee during the year. Figure 1 below presents the assurance ratings and the number of audits derived for each.

Figure 1 – Summary of Audit Findings



The following table identifies the reviews where the Board can take only **limited assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. More significant matters require management attention with moderate impact on residual risk exposure until resolved.

Limited Assurance Reports in the 2019-2020 Programme:

Review Title	Objective
Patient pathway appointment management process. Final Report issued October 2019.	Internal Audit looked to ensure that the procedure in place aligned to Welsh Government guidance. Internal Audit considered training needs, and that directorates are following the pathway guidance, and recording information in good time.
Retention of nursing staff – Follow up. Final report issued in August 2019.	This review sought to determine the status of progress made against recommendations raised in October 2018. The original report determined Limited Assurance.
Consultant job planning Final Report issued in October 2019.	The overall objective of the audit was to evaluate and determine the adequacy of the systems and controls in place for the management of the Consultant Job Planning process. We focused on compliance against the guidance and procedures that are in place. We also considered job planning monitoring and reporting.

Review Title	Objective
Fire Safety - Princess of Wales Hospital - Follow Up. Final Report issued May 2020.	This review sought to determine the status of recommendations raised at the November 2018 Fire Safety audit as relating to the Princess of Wales site (the audit was completed for the former Abertawe Bro Morgannwg University Health Board in 2018/19). The original report determined Limited Assurance.
Medical and Dental Rostering **(Draft)**	This review considered two elements of rostering. We looked at the project management for the implementation of the single electronic rostering system, and the use of existing rostering systems.
Head and neck Directorate review – management arrangements – Governance and risk **(Draft)** *Note: the governance and risk, workforce, and planning and performance opinions were issued as a combined report.*	The overall objective of our review was to assess the adequacy of management arrangements with a particular focus on governance and risk. We considered governance structures, including the reporting lines through committees and groups. We also looked at risk management arrangements, with a focus on recording, assessing, monitoring and reporting risk.

As indicated in the above table at the time of writing this report there were two audits at draft stage (Medical and Dental Rostering and Head and Neck Directorate review – Management Arrangements - Governance & Risk).

Where a limited assurance report is received, the Health Board will ensure the detailed findings are considered by the lead officer for the function and the report received by the Audit & Risk Committee, where the lead officer will be in attendance.

A follow up audit will also be commissioned by the Audit & Risk Committee for inclusion in the 2020/2021 audit programme as appropriate.

The management response to all assurance reports will be reviewed by the Audit & Risk Committee via the Audit Tracker process, and progress against management actions will be monitored at each meeting until all actions have been appropriately implemented.

The Internal Audit Reports which outline the management responses and detailed actions which have been agreed to address the weaknesses identified are published within the Audit & Risk Committee papers which are available here.

INFORMATION GOVERNANCE

We have **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 2019 – March 2020 **there were 14 personal data security incidents reported to the Information Commissioner's Office** (ICO). 13 required no further action; we are currently awaiting confirmation of the ICO's position on the final matter.

With regard to the above breaches the following recommendations were received and acted upon by the relevant departments and service areas:

- Continue to **review the procedures and security arrangements**. Any new processes that are implemented should be reflected in any on-going training.
- Continue to **investigate the causes of such incidents** with the aim to discover how and why it occurred, and what steps need to be taken to prevent it from happening again.
- Issuing **reminders to all staff of their obligations** under the General Data Protection Regulations (GDPR).
- Review the content and delivery of **data protection training**. Refresher training on data protection should be provided annually or at least every two years.
- **Spot checks** carried out to ensure the accuracy and security of the information the health board processes.
- Implementing a lessons learned approach for staff to be vigilant.
- Reviewing the process for transferring records to the medical storage hub to see if any improvements can be identified and implemented.

We have continued work to **raise awareness** across the organisation and **communicated with staff,** developing and implementing a **new** internal system for the organisation's **Information Asset Register** and ensured **good information governance practices** by increasing the awareness and requirements for completion of mandatory training via an e-learning package. Staff training numbers have also steadily increased with the **compliance at the end of March 2020 reaching 75.31%** which is an increase of 4.85% over the past 12 months.

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

- Establishment of a **Digital & Data Committee** which met for the first time in February 2020 which will **scrutinise reports around data quality**.
- **Alerts, briefings, compliance and recommendations issued regularly** to managers and staff to monitor performance and address areas of concern

- On-going **population of** our I**nformation Asset Register**
- Introduced a **Personal Data Breaches Procedure** (to meet the requirement to report data breaches within 72 hours) and a **Data Protection Impact Assessment** (DPIA) to meet the requirement to ensure a "privacy by design" approach and accountability requirements
- Development of **privacy notices**

In addition, **advice and support** has also been made available to GPs, pharmacists, opticians and dentists who, as independent contractors, retain legal responsibility for the personal identifiable data that they hold.

GDPR builds upon the previous Data Protection Act, strengthening individual's rights and the requirements for the appropriate and secure processing of personal data. During the 2019-2020 we have **continued to raise awareness** across the organisation and **communicated with staff** and ensured **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** with the compliance at the end of March 2020 reaching 75.31% which is an increase of 4.85% over the past 12 months.

Freedom of Information Act / Data Protection Act

The Freedom of Information Act (FOIA) is part of the **Government's commitment to greater openness in the public sector**, and its underlying principle is that all non-personal information held by a public body should be freely available unless an exemption applies. The Act requires responses to be processed within 20-working days unless there is need to consider the wider public interest in disclosing a piece of information or further clarity is required as to the information being sought. An internal audit review during the first quarter of 2019/20 which examined the arrangements in place for the management of Freedom of Information within CTMUHB produced a **'substantial assurance'** rating.

Between April 2019 and March 2020, 471 Freedom of Information requests were received. Of these requests, 346 responses had no exemptions applied and **441 were responded to within the 20-working day timeframe** which equates to compliance of around 93%. An appeals process is also in place where those receiving a response remain dissatisfied and two requests were received for this during the period. If a requestor remains dissatisfied with the way in which their request has been handled they have the right to refer the matter to the Information Commissioner's Office (ICO). We received no requests for review from the ICO during this period. Responses to FOIA requests are available at: http://cwmtaf.wales/foi/disclosure-log/

BUSINESS CONTINUITY & EMERGENCY PREPAREDNESS

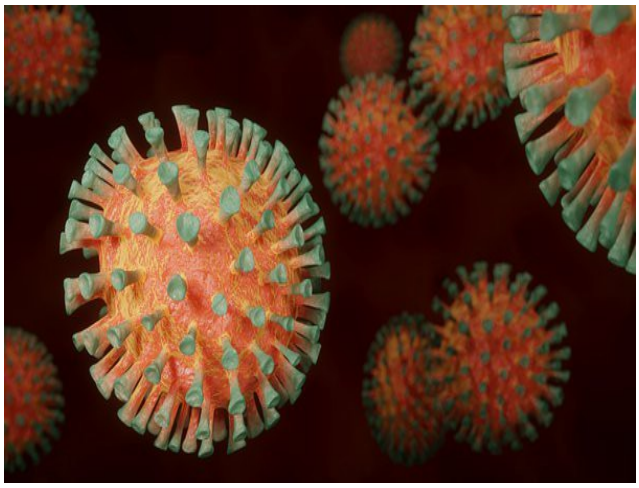
The Civil Contingencies Act requires organisations to **maintain emergency plans** to ensure that should such a situation arise, the organisation can respond in conjunction with its partner agencies, whether this is in the form of action to **prevent or reduce the risk of an emergency** or its effects. The Chief Executive (Interim) has responsibility for discharging the Health Board's obligations under the Civil Contingencies Act, however on a day-to-day basis, lead managers ensure existing plans are updated in line with legislative changes and national guidance.

Our Major Incident Plans (MIPs) are is designed to operate in acute hospitals. We have continued to **maintain our duties as a Category 1 responder** and strengthen our level of compliance by **further development of our Silver Commander Training package** delivered to senior managers and executives attending Wales Gold training.

We have an **all-Wales 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 MIP.

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.

The latter part of 2019/202020 was characterised by the declaration of the **COVID-19** Pandemic which led an **unprecedented change in the way in which the NHS operated**, nationally as well as locally. In response to the COVID-19 Pandemic, the Health Board followed a recognised framework for delivering a strategic, tactical and operational response.



This was organised into a Gold, Silver and Bronze command structure with the responsibilities and accountabilities of each command clearly set out.

A **Pandemic Framework** formed the **initial response to the COVID-19** and was built upon as the crisis developed.

Early in its emergency planning response the Health Board established a Gold, Silver and Bronze Scheme of Delegation to support the flexibility and rapid decision making required, this ensured that there was an agile approach to effective decision making whilst maintaining good governance. This process utilised the QIA approach as outlined above.

INTEGRATED MEDIUM TERM PLAN (IMTP)

Progress against the 2019-2020 IMTP:
Assessing the progress in relation to the 2019-2020 key priorities in the IMTP, was provided by regular quarterly updates presented to the Finance, Performance & Workforce Committee during 2019-2020. The Health Board publishes its committee papers on its website and therefore the **progress updates** are readily available to the public via the following link.

In order to monitor progress against the Health Boards IMTP 2019-2022, the Welsh Government also monitors progress against CTMUHB's IMTP for 2019-2020, via a **standard reporting proforma**, updated on a quarterly basis, to be submitted one week after the end of the relevant quarter. These returns are also received at the Finance, Performance and Workforce Committee available via the above link.

The IMTP for 2020-2023:
Whilst a considerable amount of work has been undertaken between January and March 2020 to finalise the IMTP for 2020-2023, the current and ongoing challenges presented by the global **COVID-19** pandemic must be taken into account with respect to how the plan prepared pre COVID-19 can be implemented.

The IMTP 2020-2023 sets out our **ambition** prior to this **enormous challenge**, allowing us to record a baseline position particularly in areas of performance and finance. It therefore takes no account of the inevitable and significant impact of COVID-19 on the ability of the organisation to implement the plan for 2020-2021. In the coming weeks and months the test will be how we flex and adapt this Plan while remaining true to our values and vision.

Given the current and ongoing COVID-19 challenges, Welsh Government notified the Health Board on 18 March 2020, that it is **pausing** the routine **IMTP process.** This means that WG are unable to consider the Health Board's IMTP for 2020-2023 which was submitted in accordance with the NHS Planning Framework, as the assessment process cannot be concluded at this point. It is important to note that the Health Board has an approved plan for 2019-2022 and this **approval is extant.**

The Health Board objectives, including its improvement journey, are only to be achieved by working closely with our people, our partners and our local communities; in line with our **quality and performance standards**; and within a financial envelope which provides value for money and is affordable. This would be challenging enough in a 'typical NHS year' however, as we enter a period of huge uncertainty and action related to the global COVID-19 pandemic, our staff, partners and population will be tested in ways not seen for generations.

In May 2020, the Welsh Government set a **new Operating Framework** for NHS Wales in response to the on-going challenges facing all Health bodies relating to COVID-19. In turn, CTMUHB developed a *'Resetting CTMUHB'* Operating Framework, approved by the Board in May 2020. The Framework outlines how the CTMUHB will ensure the balance of risk of providing services to our communities and protecting our staff, focussing on minimising harm. It is anticipated that close monitoring of progress against delivering the aims within the *'Resetting CTMUHB'* Operating Framework will be the key focus of the Board and Welsh Government throughout 2020.

The financial performance position of the Health Board at the 31 March 2020, is shown in the accounts section of the Annual Report.

MINISTERIAL DIRECTIONS & CIRCULARS

There was a single Ministerial Direction issued by the Welsh Government during 2019/2020 as follows:

- Ministerial Decision received in December 2019 in relation to the **tax implications for the pension schemes for clinicians.** CTMUHB implemented the Ministerial Direction in relation to implications for the pension

schemes for clinicians, which was taken forward by the Health Board's Medical Workforce Team and NWSSP Payroll. No significant issues arose following its implementation.

The Welsh Health Circulars (WHCs) published by Welsh Government during 2019/2020 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.

EQUALITY, DIVERSITY & HUMAN RIGHTS

The aim to continually raise awareness of Equality and our duties under the Equality Act 2010 and to mainstream it everyday business. One of the main ways we do this is through the Equality Impact Assessment process which is well established but we have also undertaken various initiatives which meet 'specific duties' under the Public Sector Equality Duty whilst also making improvements in accordance with the 'general duty'.

Strategic Equality Plan

We have developed and agreed our **new Strategic Equality Plan** for 2020-24 which was published in March 2020 in accordance with the Public Sector Equality Duty. This followed extensive engagement throughout our own communities, our staff and with national organisations. Our objectives take account of the Equality and Human Rights Commission's report *Is Wales Fairer?* national standards and developments and build on previous good work.

Lesbian Gay Bisexual Trans* (LGBT) Network

We have a well-established LGBT network of 145 LGBT staff, allies and external members and have developed a wide range of resources for LGBT staff. We supported Bridgend staff in an Aged With Pride event in Angelton Clinic, Glanrhyd Hospital in November 2019 (Transgender Day of Remembrance) aimed at raising awareness of older people's LGBT issues. We also provided Trans* awareness training sessions in secondary and primary care to support staff implementing the new gender identity pathway.

Disability Confident

Last year we were proud to achieve accreditation as a Disability Confident Leader which is the highest level of a government scheme aimed and improving

the recruitment and retention of disabled staff. We now have a newly established Disability Reference Group which is developing a prioritised work programme and is contributing to the Equality Impact Assessment process.

On-Line Interpretation

This is widely used throughout primary and secondary care for British Sign Language (BSL) and all other languages including Welsh providing instant access to interpreters 24/7. It has enabled easier access to primary care appointments for deaf service users which results in them being able to input into their care plans. We have also rolled-out hearing equipment to wards and departments and delivered training sessions on the all-Wales Standards.

Access to Mental Health Services

We launched a new Mental Health Sensory Loss toolkit in January 2020 which aims to improve access to services for Deaf service users and includes information on sight and/or hearing loss too. It was developed and launched in co-production with deaf service users and the British Deaf Association.

WELSH LANGUAGE

The Health Board is committed to ensuring that the **Welsh language is treated no less favourably to the English language.** 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 (No. 7) Regulations which were issued on 30 November 2018. The Standards are based on the principle that the Welsh language should not be treated less favourably than English.

The Standards also provide a legal structure that **strengthens the rights** of individuals working within the NHS to use the Welsh language as part of their daily communication needs. The Health Board is committed to meeting the Welsh language needs and preferences of service users and has made **good progress** to date in implementing the statutory Welsh Language Standards. The first report on compliance will be submitted to the Welsh Language Commissioner in September 2020.

Key documents have been created to support staff with compliance including a **Bilingual Skills Strategy** to assess the Welsh language skills requirements of jobs before advertisement. We have made good progress with the 'Active Offer' highlighted in Welsh Government's ***More Than Just Words Strategy*****.** This has been achieved through ongoing Welsh language awareness training as part of the Corporate Induction process. Work with primary care has included support with auditing, training and voicemail recording. Further work

with primary care will include the implementation of a new policy to ensure **patient's language needs** are taken into consideration.

The uptake of staff Welsh language training has exceeded expectations with all classes at the general hospitals well attended. New reception skills courses are equally popular. Our collaborative work with schools, colleges, Coleg Cymraeg Cenedlaethol and Careers Wales continues to provide opportunities to promote careers in the NHS and attract Welsh speakers to the Health Board. Recent work with Menter Bro Ogwr resulted in a very **successful Eisteddfod** for the elderly in care homes in Bridgend. This work was also part of a research project to evaluate the effect of Welsh language and cultural provision on the wellbeing of **patients with dementia**.

CONCLUSION

2019-2020 has been a **challenging year** for the CTMUHB. 1st April 2019 set the new 'Cwm Taf Morgannwg University Health Board' following the boundary change.

Our staff have been engaging in the development of new Values and Behaviours to improve the culture of the CTMUHB and **promote openness and transparency** in our daily activities. We are grateful for the engagement from families who are working with us to **share their experiences** that we take learning from to **inform our improvement programmes,** and to our **communities who are working with us** to explore all opportunities to **improve the quality and safety** of our fragile services.

There is still much to be achieved and the Health Board is committed to ensuring the **improvement measures** and activity undertaken to further improve its services in 2019-2020 continues in the same trajectory in 2020-2021 and beyond.

In response to the change in its escalation status and TI measures, CTMUHB has have worked hard to **embed quality** at the centre of all decision-making and service improvement initiatives and are **committed to continue to do so** as we go forward into 2020-2021.

The COVID-19 pandemic has also posed challenges to us all, and **our response has had a significant impact on the organisation, our staff and wider NHS**, **our communities and society as a whole**. It has required a new, dynamic and agile response which has presented a number of opportunities and challenges. The need to respond and recover from the pandemic will be with the organisation and our communities throughout 2020/2021 and beyond.

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

The system of internal control has been in place for the year ended 31st March 2020 and up to the date of approval of the 2019/2020 annual report and accounts.

There have been **no significant governance issues** identified during this period other than those already referenced in this document.

Signed by: ……

Chief Executive (Interim) Date: 29 June 2020

APPENDIX 1
CWM TAF MORGANNWG UNIVERSITY HEALTH BOARD COMMITTEE ACTIVITY (2019/2020)

Links to Board Committee annual reports are set out in the appendix on page 61.

Each year our Board Committees compile Annual Reports setting out the issues they have considered. This is combined with an annual self-assessment and review of the Committee's terms of reference to make sure these remain accurate and relevant. The Committee relays its Annual Report to the Board once it is agreed.

Board Meetings	Date of Meeting	Key Agenda Items 2019-2020
CTMUHB Board meeting held in public: Meeting Agendas, Papers are available here	30.4.19 30.5.19 31.7.19 26.9.19 28.11.19 19.12.19 30.1.20 27.2.20 26.3.20	- Maternity Services – Royal College Joint Report / Maternity Improvement Programme Updates/ Independent Review on Handling of Consultant Midwife Report - Board Committee Highlight Reports - Risk Management Strategy / Corporate Risk Register / Assurance Proposals/ Board Assurance Framework - Targeted Intervention – Programme for Continuous Improvement - Quality Dashboard/Patient Experience Report / Patient Stories / Welsh Language Standards Update - Strategic Equality Plan & Equality Annual Report - Integrated Performance Dashboard/Performance Management Framework - Updates on Integrated Medium Term Plan (IMTP) - Major Trauma Network/ Regional Transformation/ Adult Thoracic Surgery - Annual Accounts & Annual Governance Statement/ Annual Report / Standing Orders - Values & Behaviors - Nurse Staffing Act / Funded Nursing Care Update - Workforce Metrics / Employee Relations - IMTP Updates - Finance Report / Capital Update / Estates Update - Carer's Strategy & Annual Report - Partnership Agreement - Winter Planning - Information Governance - Public Service Ombudsman Report /Annual Letter - Integrated Health & Care Strategy - HIW Annual Report / HIW/WAO Joint Report on Quality Governance - South Wales Programme – Accident & Emergency Services - Shared Services Partnership Committee/ Emergency Ambulance Services Committee Update - Coronavirus Update
Board Development Sessions	25.4.19 27.6.19 29.8.19 31.10.19 19.12.19 27.2.20	- Maternity Services Update - Tackling Bullying & Harassment - IMTP Development - Updates from Welsh Ambulance Services Trust & Welsh Health Specialised Services Committee - Financial Implications of Bridgend Boundary Change - Quality Governance Arrangements

Board Development Sessions (continued)		- Review of Serious Incidents - Update on Quality & Engagement Bill - Training on Corporate Manslaughter - Training on Safeguarding /Risk Management - Values & Behaviors - New Operating Model - Major Trauma Network - Update on TI / SM status - Update on Major Trauma Network - Site Visits
Board Committee Meetings 2019-2020		
Committee	Date Met	Key Issues Considered
Audit & Risk Meeting Agendas, and Papers are available here	1.4.19 13.5.19 15.7.19 3.9.17 28.10.19 20.1.20 25.2.20	The Committee's Annual Report which outlines the activity of the Committee for the year ending 31 March 2019 is published on our website and is available here.
Quality & Safety Meeting Agendas and Papers are available here	6.6.19 9.7.19 5.8.19 5.9.19 3.10.19 5.11.19 10.12.19 14.1.20 4.3.20	The Committee's Annual Report which outlines the activity of the Committee for the year ending 31 March 2019 is published on our website and is available here.
Digital & Data Meeting Agendas and Papers are available here	6.2.20	As this Committee only held it inaugural meeting on 6 February it has yet to produce an Annual Report.

Primary, Community, Population Health & Partnerships Meeting Agendas and Papers are available here	3.4.19 24.7.19 30.10.19 10.2.20	The Committee's Annual Report which outlines the activity of the Committee for the year ending 31 March 2019 is published on our website and is available here.
Mental Health Act Monitoring Meeting Agendas and Papers are available here	2.4.19 6.8.19 21.11.19 21.3.20	The Committee's Annual Report which outlines the activity of the Committee for the year ending 31 March 2019 is published on our website and is available here.
Finance, Performance & Workforce Meeting Agendas and Papers are available here	18.4.19 23.5.19 20.6.19 25.7.19 19.9.19 24.10.19 21.11.19 21.1.20 20.2.20	The Committee's Annual Report which outlines the activity of the Committee for the year ending 31 March 2019 is published on our website and is available here.
Charitable Funds Committee Meeting Agendas and Papers are available here	28.11.19	This Committee only met once with Board Trustees to consider the former Cwm Taf NHS General Charitable Fund Accounts and Annual Report for the year ended 31 March 2019.
Remuneration & Terms of Service Committee	30.5.19 3.6.19 17.6.19 27.6.19 8.7.19 31.7.19	During 2019-20 the Committee considered a range of issues including: - Appointment of Director of Workforce & Organisational Development - Appointment of Director of Planning, Performance & Partnerships - Appointment of Director of Therapies & Health Sciences - Appointment of Director of Clinical Service Operations

	6.8.19 28.11.19 19.12.19 10.1.20 30.1.20 18.3.20 26.3.20	- Recruitment of a Chief Executive (Interim) - Salary arrangements for of Executive Team and other Board Directors - Reports on Senior Leadership Support - Reports on actions arising from the Handling of Consultant Midwife Report

APPENDIX 2
CWM TAF MORGANNWG UNIVERSITY HEALTH BOARD
BOARD MEMBER ATTENDANCE - BOARD MEETINGS (2019 / 2020)

Details of our Board meetings and levels of Board Member attendance are set out on page 61 onwards

BOARD MEMBER	POSITION (AREA OF EXPERTISE)	BOARD/ BOARD COMMITTEE	BOARD / BOARD COMMITTEE ATTENDANCE 2019/2020	CHAMPION ROLE
Marcus Longley	Chair	Board Remuneration and Terms of Service Committee (Chair) Charitable Funds Committee	**8/9** **11/11**	
Maria Thomas	Vice-Chair	Board Remuneration & Terms of Service Committee Charitable Funds Committee Audit & Risk Committee Quality & Safety Committee Mental Health Act Monitoring Committee (Chair) Primary, Community, Population Health & Partnerships Committee (Chair)	**8/9** **11/11** **1/1** **6/7** **9/9** **4/4** **4/4**	Safeguarding Volunteers Mental Health
Paul Griffiths	Independent Member (Finance)	Board Remuneration & Terms of Service Committee Charitable Funds Committee Audit & Risk Committee (Chair) Finance, Performance & Workforce Committee Digital & Data Committee	**8/9** **6/11** **1/1** **7/7** **9/9** **0/1**	Capital (Design) Capital (Environment) Energy Management
James Hehir	Independent Member (Legal)	Board Remuneration & Terms of Service Committee Charitable Funds Committee Quality & Safety Committee Digital & Data Committee	**9/9** **1/1** **8/9** **1/1**	Equality and Diversity Violence & Aggression Welsh Language

BOARD MEMBER	POSITION (AREA OF EXPERTISE)	BOARD/ BOARD COMMITTEE	BOARD / BOARD COMMITTEE ATTENDANCE 2019/2020	CHAMPION ROLE
Jayne Sadgrove	Independent Member (University)	Board Remuneration & Terms of Service Committee Charitable Funds Committee Audit & Risk Committee Digital & Data Committee	**9/9** **8/11** **1/1** **6/7** **1/1**	
Mel Jehu	Independent Member (Community)	Board Remuneration & Terms of Service Committee Charitable Funds Committee Finance, Performance & Workforce Committee (Chair) Mental Health Act Monitoring Committee Digital & Data Committee	**6/9** **9/11** **1/1** **9/9** **3/4** **0/1**	Veterans Health Armed Forces
Keiron Montague	Independent Member (Community)	Board Remuneration & Terms of Service Committee Charitable Funds Committee Finance, Performance & Workforce Committee Quality & Safety Committee Primary, Community, Population Health & Partnerships Committee	**6/9** **4/11** **1/1** **2/5** **5/8** **0/3**	Cleanliness, Hygiene & Infection Control Corporate Health Standards
Robert Smith (until May 2019)	Independent Member (Local Authority)	Board Remuneration & Terms of Service Committee; Charitable Funds Committee; Finance, Performance & Workforce Committee; Primary, Community, Population Health & Partnerships Committee	**0/1** Not Applicable Not Applicable **1/1** **1/1**	Organ Donation
Phil White (from November 2019)	Independent Member	Board Remuneration & Terms of Service Committee Finance, Performance & Workforce Committee Primary, Community, Population Health & Partnerships Committee Mental Health Act Monitoring Committee	**3/3** **1/5** **0/2** **2/2** **0/1**	
Nicola Milligan	Independent Member (Trade Union)	Board; Remunerations & Terms of Service Committee Charitable Funds Committee Quality & Safety Committee Primary, Community, Population Health & Partnerships Committee	**8/9** **10/11** **1/1** **8/9** **4/4**	Workforce Issues

BOARD MEMBER	POSITION (AREA OF EXPERTISE)	BOARD/ BOARD COMMITTEE	BOARD / BOARD COMMITTEE ATTENDANCE 2019/2020	CHAMPION ROLE
Dilys Jouvenat	Independent Member (Third Sector)	Board; Remunerations & Terms of Service Committee Charitable Funds Committee Audit & Risk Committee Finance, Performance & Workforce Committee Quality & Safety Committee Primary, Community, Population Health & Parternships Committee	**8/9** **10/11** **1/1** **6/7** **8/9** **9/9** **2/2**	Raising Concerns Carers Vulnerable Adults Older People Whistleblowing
Ian Wells (from May 2019)	Independent Member (ICT & Governance)	Board; Remuneration & Terms of Service Committee Digital & Data Committee (Chair) Finance, Performance & Workforce Committee Audit Committee	**8/9** **6/11** **1/1** **4/5** **1/2**	Freedom of Information, Information Governance, Digitisation
Gio Isingrini (Associate)	Local Authority	Board	**6/9**	Not Applicable
Phil White (Associate Board Member until November 2019)	Local Authority	Board	**5/6**	Not Applicable
Sharon Richards (Associate Board Member from February 2020)	Chair - Stakeholder Reference Group	Board	Not applicable	Not applicable
Suzanne Scott-Thomas (Associate Board Member from July 2019)	Chair, Health Professionals Forum	Board	**4/9**	Not applicable
Allison Williams (Chief Executive (Interim) until June 2019)	Chief Executive (Interim)	Board; Charitable Funds Committee; Emergency Ambulance Services Committee	**AW-2/2 SH-7/7** **AW-NA SH-1/1** **AW 1/1 SH 4/5** **SH 3/4**	Not applicable

BOARD MEMBER	POSITION (AREA OF EXPERTISE)	BOARD/ BOARD COMMITTEE	BOARD / BOARD COMMITTEE ATTENDANCE 2019/2020	CHAMPION ROLE
Sharon Hopkins (Appointed Interim Chief Executive (Interim) from June 2019)	Interim Chief Executive (Interim)	Welsh Health Specialised Services Committee.		
Steve Webster	Director of Finance & Procurement	Board; Charitable Funds Committee; Audit & Risk Committee (**IA**); Finance, Performance & Workforce Committee (**IA**);	**8/9** **0/1** **7/7** **8/9**	Not applicable
Kelechi Nnoaham	Director of Public Health	Board Charitable Funds Committee Quality & Safety Committee (**IA**) Primary, Community, Population Health & Partnerships Committee **(IA)**	**6/9** **1/1** **7/9** **3/4**	Not applicable
Alan Lawrie	Director of Primary, Community & Mental Health	Board; Charitable Funds Committee; Finance, Performance & Workforce Committee (**IA**); Quality & Safety Committee (**IA**); Mental Health Act Monitoring Committee (**IA**); Primary, Community, Population Health & Partnerships Committee **(IA)**	**9/9** **0/1** **4/9** **6/9** **1/4** **4/4**	Not applicable
Ruth Treharne (until March 2020)	Director of Planning and Performance And Deputy Chief Executive (Interim) (until July 2019)	Board; Charitable Funds Committee; Finance, Performance & Workforce Committee; Primary, Community, Population Health & Partnerships Committee **(IA)**	**6/9** **1/1** **7/9** **4/4**	Not applicable
Joanna Davies (until May 2019) Anne Phillimore (from May 2019 – March 2019) Hywel Daniel (from March 2019)	Director of Workforce & OD	Board; Charitable Funds Committee; Finance, Performance & Workforce Committee (**IA**); Quality & Safety Committee (**IA**); Primary, Community, Population Health & Partnerships Committee **(IA)**	**JD-1/1 AP-7/8** **AP-1/1** **JD-1/1 AP-6/8** **JD-1/1 AP-5/9** **JD-1/1 AP-1/2**	Not applicable

BOARD MEMBER	POSITION (AREA OF EXPERTISE)	BOARD/ BOARD COMMITTEE	BOARD / BOARD COMMITTEE ATTENDANCE 2019/2020	CHAMPION ROLE
Kamal Asaad (until Sept 2019) Nick Lyons from September 2019)	Medical Director	Board Charitable Funds Committee Quality & Safety Committee (**IA**) Primary, Community, Population Health & Partnerships Committee **(IA)**	**KA-5/6 NL-5/5** **KA-0/1 NL-1/1** **KA-3/4 NL-3/5** **KA-0/2 NL-0/1**	Not applicable

Explanatory Notes

Due to Coronavirus the Board meeting scheduled for 26 March 2020 could not be held in public. Also, order to comply with the need for social distancing and avoiding all unnecessary travel the meeting was held as a quorate meeting whereby Standing Orders requires that three Independent Members and Executive Members be present. This was achieved partly by some attendees and others participating via teleconferencing. In the circumstances the submission of apologies from those not in attendance was unnecessary and this meeting is therefore not reflected in the total number of Board meetings held. It was necessary for the Remuneration Committee for the same date to meet under the same circumstances. Therefore that meeting is also not reflected in the above figures. The Performance Finance & Workforce Committee was due to have met in March 2020 however this meeting was cancelled due to Coronavirus. IA stands for 'in attendance'. Where the appointment of a Board Member is made part way through a financial 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. Lower attendance figures may also reflect changes to the membership arrangements in-year.

GIG CYMRU NHS WALES

Bwrdd Iechyd Prifysgol
Cwm Taf Morgannwg
University Health Board

Remuneration & Staff Report 2019-2020

REMUNERATION & STAFF REPORT

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

The banded remuneration of the highest paid Director in CTMUHB in the financial year 2019-2020 was £185,000 - £190,000. This was 6.6 times the median remuneration of the workforce which was £28,481. The figure for 2018-19was £180,000-£185,000 and was 6.4 times the median remuneration of the work, which was £28,442.

The banded remuneration of the Accountable Officer in the financial year 2019-2020 was £175,000 - £180,000 (2018-19, £180,000 - £185,000). This was 6.2 times the median remuneration of the workforce, which was £28,481. The figure for 2018-2019 was 6.4 times the median remuneration of £28,442.

In 2019-20, 22 UHB workers received remuneration in excess of the highest-paid director. Remuneration ranged from £185,001 to £500,000. The range for 2018-19 was £180,001 to £290,000 which related to 10 individuals. The upper limit of this range increased in 2019-20 as a direct consequence of the UHB boundary change in April 2019 and continuing to secure the services of individuals* engaged prior to the boundary change in areas of shortage specialties.

* For data protection purposes, the exact number of number of individuals affecting the increase in range for 2019-20 cannot be confirmed, but is less than 5.

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.

In establishing the highest paid Director (Chief Executive), account has been taken of the remuneration received by Directors with clinical and director responsibilities.

The pay and terms and conditions of employment for the Executive Team and Very Senior Managers (VSM) who are paid on the VSM pay scale is determined by the Welsh Government and CTMUHB pays in accordance with regulations. For 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 aware incremental uplift within the pay scale and should an increase be considered outside the range, a job description is submitted to Welsh Government for job evaluation. There are clear guidelines in place with regard to the awarding of additional increments and, during the year there have not been any additional increments agreed.

The Remuneration & Terms of Service Committee also considers and approves applications relating to the Voluntary Early Release Scheme. The Committee's membership are all Independent Members of the Board including its Chair who is also the Chair of the Health Board. Membership details are set out on pages 3-7 of the Directors' Report.

Existing public sector pay arrangements apply to all other staff including members of the Executive Team. The performance of members of the Executive Team is assessed against personal objectives and against the

overall performance of the Health Board. All Executive Directors have the option to have a lease car, under the terms of our lease car agreement.

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

The CTMUHB senior management team consists of the Chair, the Chief Executive, the Executive Directors and the Independent Members, the Chief Operating Officer and the Director of Corporate Governance / Board Secretary. Full details of senior managers' remuneration are shown later in the table on pages 76 onwards.

The totals in some of the following tables may differ from those in the Annual Accounts as they represent staff in post at 31 March 2020, whilst the Annual Accounts shows the average number of employees during the year.

STAFF COMPOSITION BY GENDER

A breakdown of the workforce by gender is set out in the following table. This figure represents the composition as at 31March 2020.

*FTE – Full-time Equivalent

Employee Gender	Headcount	FTE	% of Headcount
Female	9986	8371.55	78.51
Male	2733	2259.55	21.49
Total	**12,719**	**10,631.10**	**100**

Board Member Gender	Female	Male
Independent Members	4	7
Associate Board Members	2 (2 part year)	2 (1 part year)
Executive Directors/ Directors	8 (6 part year)	9 (3 part year)

STAFF COMPOSITION BY STAFF GROUP

During 2019/2020 the average whole-time equivalent (FTE) number of staff permanently employed was 10,420.05 The average number of employees is calculated as the full time equivalent number of employees in each week of the financial year divided by the number of weeks in the financial year.

As at 31 March 2020	Female		Male		Totals	
	FTE	Head count	FTE	Head count	FTE	Head count
Admin, Clerical & Board Members	1724.89	2022	333.94	345	2058.5	2367
Medical & Dental	433.79	659	557.33	947	991.12	1606
Nursing & Midwifery Registered	3031.36	3397	305.72	321	3337.08	3718
Professional, Scientific & Technical Staff	246.10	294	115.25	127	361.34	421
Additional Clinical Services	1638.54	1925	318.14	333	1956.68	2258
Allied Health Professionals	482.78	543	118.91	121	601.68	664
Healthcare Scientists	121.10	135	75.91	77	197.00	212
Estates & Ancillary	675.37	994	433.37	461	1108.74	1455
Students	17.63	17	1.00	1	18.63	18
Total	**8371.55**	**9986**	**2259.55**	**2733**	**10631.10**	**12719**

SICKNESS ABSENCE DATA 2019-2020

CTMUHB's 2019/2020 sickness absence rate was 6.22% which means we did not achieve the Welsh Government's target of 5% or less.

Anxiety/stress/other psychiatric illnesses and musculoskeletal issues remain the top reasons and account for 44.30% of all sickness absence. A comprehensive programme of work is in place, work with staff side partners to address sickness absences which are managed in line with the all-Wales Sickness Absence Policy.

	2019/2020	2018/2019
Total Days Lost (Long Term):	179,886.46	119,240.85
Total Days Lost (Short Term):	56,657.47	35,456.34
Total Days Lost:	236,543.93	154,697.19
Total Staff Years Lost: (Average Staff Employed in the Period – Full Time Equivalent)	10,420.05	7,310.85
Average Working Days Lost:	14.18	13.24
Total Staff Employed in Period (Headcount):	12,719	8353
Total Staff Employed in Period with No Absence (Headcount):	4307	2775
Percentage Staff with No Sick Leave:	37%	38%

STAFF POLICIES

During 2019/2020, a number of policies and procedures were reviewed and reapproved or approved as new documents. All policies and procedures are equality impact assessed against the nine protected characteristics, to ensure that they do not discriminate against people who apply to work with us or are employed by us. All policies and procedures are available via our website here.

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

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

The amount included in the table for pension benefit is based on the increase in accrued pension adjusted for inflation. This will generally take into account an additional year of service together with any changes in pensionable pay. This is not an amount which has been paid to an individual during the year; it is a calculation which uses information from the pension benefit table. These figures can be influenced by many factors e.g. changes in a person's salary, whether or not they choose to make additional contributions to the pension scheme from their pay, and other valuation factors affecting the pension scheme as a whole.

The salary and pension disclosures reflect the senior managers' information. The senior management team consists of the Chief Executive, the Executive Directors and the Independent Members (Non-Executive Directors), the Chief Operating Officer, and the Director of Corporate Governance / Board Secretary.

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

Single Total Figure of Remuneration 2019-20	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	**195-200**	**0**	**1**	**n/a**	**21**	**215-220**
Chief Executive to 20th August 2019						
Dr. S Hopkins	**145-150**	**0**	**n/a**	**n/a**	**n/a**	**145-150**
Interim Chief Executive from 24th June 2019 (Note 1)						
Mr S J Webster	**165-170**	**0**	**n/a**	**n/a**	**n/a**	**165-170**
Director of Finance(Note 1)						
Mr A Lawrie	**115-120**	**72**	**0**	**n/a**	**28**	**150-155**
Director of Primary, Community & Mental Health Services						
Mr K Asaad	**75-80**	**2**	**0**	**n/a**	**n/a**	**75-80**
Medical Director to 30th September 2019						
Mr N Lyons	**90-95**	**0**	**n/a**	**n/a**	**n/a**	**90-95**
Medical Director from 1st October 2019 (Note 1)						
Mr G Dix	**130-135**	**0**	**n/a**	**n/a**	**n/a**	**130-135**
Director of Nursing, Midwifery and Patient Care from 1st April 2019 (Note 1)						
Ms R Treharne	**125-130**	**0**	**0**	**n/a**	**30**	**155-160**
Director of Planning and Performance						
Deputy Chief Executive to 18th June 2019						
Mrs J M Davies	**20-25**	**0**	**0**	**n/a**	**n/a**	**20-25**
Director of Workforce and Organisational Development to 31st May 2019.						
Mrs A Phillimore	**100-105**	**0**	**n/a**	**n/a**	**n/a**	**100-105**
Interim Director of Workforce and Organisational Development from 7th May 2019 to 6th March 2020.(Note 1)						
Mr H Daniel	**10-15**	**0**	**132**	**n/a**	**23**	**160-165**
Interim Director of Workforce and Organisational Development from 1st March 2020.						
Dr K Nnoaham	**130-135**	**0**	**n/a**	**0**	**32**	**160-165**
Director of Public Health						
Miss E Wilkinson	**45-50**	**0**	**164**	**n/a**	**n/a**	**210-215**
Director of Therapies and Health Sciences from 1st November 2019						
Directors						
Mr J Palmer	**125-130**	**0**	**n/a**	**0**	**32**	**155-160**
Chief Operating Officer						
Mr R Williams	**80-85**	**0**	**0**	**n/a**	**9**	**90-95**
Director of Corporate Services & Governance/ Board Secretary to 30th November 2019						
Miss G Roberts	**5-10**	**0**	**0**	**n/a**	**19**	**25-30**
Interim Board Secretary to 1st May 2019						
Mrs G Galletly						
Interim Director of Corporate Services & Governance/ Board Secretary from 28th July 2019.	**65-70**	**0**	**66**	**0**	**25**	**155-160**

Independent Members						
Prof M Longley	**55-60**	**0**				**55-60**
Chairman						
Mrs M Thomas	**45-50**	**0**				**45-50**
Vice Chair						
Mr P Griffiths	**10-15**	**0**				**10-15**
Independent Member (Finance)						
Mr J Hehir	**10-15**	**0**				**10-15**
Independent Member (Legal)						
Mr I Wells	**10-15**	**0**				**10-15**
Independent Member (ICT) from 8th May 2019						
Mr K Montague	**10-15**	**0**				**10-15**
Independent Member (Community)						
Cllr R Smith	**0-5**	**0**				**0-5**
Independent Member (Elected Representative) to 8th May 2019						
Cllr P White	**5-10**	**0**				**5-10**
Independent Member (Elected Representative) from 15th November 2019						
Mr M Jehu	**10-15**	**0**				**10-15**
Independent Member						
Mrs J Sadgrove	**10-15**	**0**				**10-15**
Independent Member (University)						
Mrs N D Milligan	**0**	**0**				**0**
Independent Member (Staff) (Note 2)						
D Jouvenat	**10-15**	**0**				**10-15**
Independent Member (Third Sector)						
Mr G Isingrini, Cllr P White (to 14/11/2019) and Ms S Scott-Thomas(from 18/07/19) 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.- Dr S Hopkins, Mr S Webster, Mr N Lyons, Mr G Dix and Mrs A Phillimore chose not to be covered by the NHS pension arrangements during 2019-20						
2. - Mrs ND Milligan is a paid, full time employee of the organisation and receives no additional remuneration as an Independent Member.						

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)
	£000	£00	£000	£000	£000	£000
Executive Directors						
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 A Lawrie	110 - 115	95	655	n/a	28	800-805
Director of Primary, Community & Mental Health Services (Note 3)						
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 Care to 10th August 2018						
Mrs A Hopkins	70-75	0	0	0	0	70-75
Interim Director of Nursing, Midwifery and Patient Care 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						
Directors						
Mr J Palmer	125-130	0	n/a	1	30	155-160
Chief Operating Officer (Note 4)						
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						
Independent Members						
Prof M Longley	55-60	0				55-60
Chairman						
Mrs M Thomas	45-50	0				45-50
Vice Chair						
Mr P Griffiths	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						
Mrs J Sadgrove (nee Dowden)	0	0				0
Independent Member (University) (Note 6)						
Mrs G Jones	0	0				0
Independent Member (Staff) to 11th April 2018 (Note 7)						
Mrs N D Milligan	0	0				*0*
Independent Member (Staff) from 19th August 2018 (Note 8)						
D Jouvenat	5-10	0				5-10
Independent Member (Third Sector) from 30th August 2018						

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

4 - 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

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.

Pension Benefits 2019-20	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 2020	Lump sum at pensionable age accrued pension at 31 March 2020	Equivalent Transfer Value at 31 March 2020	Equivalent Transfer Value at 31 March 2019	Real Increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
Name and title	**(bands of £2,500)**	**(bands of £2,500)**	**(bands of £5,000)**	**(bands of £5,000)**				
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Cwm Taf Morgannwg University Local Health Board								
Executive Directors								
Mrs A J Williams 1995 Pension Scheme	0-2.5	0-2.5	50-55	160-165	1198	1143	11	0
Mrs A J Williams 2015 Pension Scheme	0-2.5	0	10-15	0	170	142	5	0
Chief Executive to 20th August 2019 (Note 1)								
Dr. S Hopkins	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Interim Chief Executive from 24th June 2019 (Note 2)								
Mr S J Webster	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Director of Finance(Note 2)								
Mr A Lawrie 1995 Pension Scheme	0	0	40-45	130-135	967	924	21	0
Mr A Lawrie 2015 Pension Scheme	0-2.5	0	10-15	0	141	106	16	0
Director of Primary, Community & Mental Health Services								
Mr K Asaad	5-7.5	57.5-60	55-60	320-325	n/a	n/a	n/a	0
Medical Director to 30th September 2019 (Note 3)								
Mr N Lyons	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Medical Director (from 1st October 2019 Note 2)								
Mr G Dix	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Director of Nursing, Midwifery and Patient Care from 1st April 2019 (Note 2)								
Ms R Treharne 1995 Scheme	0	0	45-50	145-150	1,117	1095	0	0
Ms R Treharne 2015 Scheme	0-2.5	0	5-10	0	85	49	16	0
Director of Planning and Performance								
Deputy Chief Executive to 18th June 2019 (Note 4)								
Mrs J M Davies	0	7.5-10	35-40	190-195	n/a	1058	n/a	0
Director of Workforce and Organisational Development to 31st May 2019.(Note 5)								
Mrs A Phillimore	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Interim Director of Workforce and Organisational Development from 7th May 2019 to 6th March 2020.(Note 2)								
Mr H Daniel 1995 Pension Scheme	0-2.5	0-2.5	15-20	45-50	227	134	8	0
Mr H Daniel 2015 Pension Scheme	0-2.5	0	5-10	0	64	46	0	0
Interim Director of Workforce and Organisational Development from 1st March 2020(Note 6)								
Dr K Nnoaham 2008 Pension Scheme	0	0	10-15	0	149	144	2	0
Dr K Nnoaham 2015 Pension Scheme	2.5-5	0	10-15	0	139	104	13	0
Director of Public Health								
Miss E Wilkinson 1995 Pension Scheme	2.5-5	7.5-10	30-35	95-100	750	549	75	0
Director of Therapies and Health Sciences from 1st November 2019								

Directors								
Mr J Palmer 2008 Pension Scheme	0	0	0-5	0	18	17	0	0
Mr J Palmer 2015 Pension Scheme	2.5-5	0	10-15	0	132	99	12	0
Chief Operating Officer (Note 7)								
Mr R Williams 1995 Pension Scheme	0	65-67.5	30-35	230-235	n/a	945	n/a	0
Mr R Williams 2015 Pension Scheme	0	12.5-15	0-5	15-20	n/a	38	n/a	0
Director of Corporate Services & Governance/ Board Secretary to 30th November 2019 (Note 8 & Note 9).								
Miss G Roberts 1995 Pension Scheme	0	0	25-30	85-90	638	664	0	0
Miss G Roberts 2015 Pension Scheme	0-2.5	0	5-10	0	93	70	1	0
Interim Board Secretary to 1st May 2019								
Mrs G Galletly 1995 Pension Scheme	0-2.5	5-7.5	15-20	55-60	354	289	40	0
Mrs G Galletly 2015 Pension Scheme	0-2.5	0	5-10	0	78	54	6	0
Interim Director of Corporate Services & Governance/ Board Secretary from 28th July 2019 (Note 10)								

Notes:

1.- Mrs A J Williams transferred from the 1995 pension scheme to the 2015 pension scheme on 1 February 2016

2.- Dr S Hopkins, Mr S Webster, Mr N Lyons, Mr G Dix and Mrs A Phillimore chose not to be covered by the NHS Pension arrangements during 2019-20

3.- Mr K Asaad retired during 2019-20, and was over the normal retirement age for 1995 Section members in 2018-19. Therefore CETVs are not applicable

4.- Ms R Treharne transferred from the 1995 pension scheme to the 2015 pension scheme on 1 October 2017

5.- Mrs JM Davies retired during 2019-20, therefore a CETV is not applicable

6.- Mr H Daniel transferred from the 1995 pension scheme to the 2015 pension scheme on the 1st April 2015.

7.- Mr J Palmer transferred from the 2008 pension scheme to the 2015 pension scheme on 1 April 2015

8.- Mr R Williams transferred from the 1995 pension scheme to the 2015 pension scheme on 1 October 2017.

9.- Mr R Williams retired during 2019-20, therefore a CETV is not applicable

10.Mrs G Galletly transferred from the 1995 pension scheme to the 2015 pension scheme on 1st April 2015.

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 20.68%. Pensionable pay is determined by the number of year's 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 August 2019 the method used to calculate CETVs changed, to remove the adjustment for Guaranteed Minimum Pension (GMP). The calculation of the real increase in CETV, for individuals entitled to GMP, would have an effect on the values disclosed (mainly 1995 & 2008 schemes).

Pension Benefits 2018-2019	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 accrued pension at 31 March 2020	Equivalent Transfer Value at 31 March 2019	Equivalent Transfer Value at 31 March 2018	Real Increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
Name and title	**(bands of £2,500)**	**(bands of £2,500)**	**(bands of £5,000)**	**(bands of £5,000)**				
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Cwm Taf Morgannwg University Local Health Board								
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
Chief Executive (Note 1)								
Mr S J Webster	n/a	n/a	n/a	n/a	n/a	1484	n/a	n/a
Director of Finance from the 11th April 2018 (Note 2)								
Mr M Thomas	0-2.5	0-2.5	20-25	60-65	476	385	2	0
Interim Director of Finance to 10th April 2018								
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
Director of Primary, Community & Mental Health Services								
Mr K Asaad	0-2.5	2.5-5	65-70	200-205	n/a	n/a	n/a	0
Medical Director (Note 3)								
Mrs L Williams	0	0	40-45	160-165	n/a	1,254	n/a	0
Director of Nursing, Midwifery and Patient Care to 10th August 2018 (Note 4)								
Mrs A Hopkins	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Interim Director of Nursing, Midwifery and Patient Care from 3rd September 2018 (Note 5)								
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
Director of Planning and Performance								
Deputy Chief Executive (Note 6)								
Mrs J M Davies	0-2.5	0-2.5	45-50	135-140	1,058	923	89	0
Director of Workforce & Organisational Development								
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
Director of Public Health								
Directors								
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
Chief Operating Officer (Note 7)								
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
Director of Corporate Services & Governance/ Board Secretary (Note 8) (Note 9)								
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
Interim Board Secretary from 1st September 2018								

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 K Asaad is over the normal retirement age for 1995 Section members, therefore a CETV is not applicable

4.- Ms L Williams retired on 12th August 2018, therefore a CETV is not applicable

5. - Mrs A Hopkins is a member of the NEST (National Employment Savings Trust). The UHB is contributing to the NEST scheme in respect of this member. The UHB was unableto obtain pension benefit information from NEST in time for publication, however as the UHB has only paid £403 Employers Pension Contributions to this scheme in regard to Mrs A Hopkins it does not expect the pension benefit to be material.

6.- Ms R Treharne transferred from the 1995 pension scheme to the 2015 pension scheme on 1 October 2017 7

7.- Mr J Palmer transferred from the 2008 pension scheme to the 2015 pension scheme on 1 April 2015

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 24th September 2018 to 26th 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 year’s 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.

REPORTING OF OTHER COMPENSATION SCHEMES – EXIT PACKAGES

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS). Where the Health Board has agreed early retirements, the additional costs are met by the organisation and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the tables provided. £131,449 exit costs were paid in 2019-2020, the year of departure. The exit packages include a payment to the former Chief Executive as detailed below.

Allison Williams, Chief Executive for Cwm Taf Morgannwg University Health Board, stepped down on 20th August 2019. In line with the agreement for her departure, her final salary received included a payment of £8,190 for accrued but untaken annual leave, an ex-gratia payment for the termination of employment of £75,119, a payment of £45,071 in respect of the contractual entitlement to payment in lieu of notice and a contribution towards her legal fees of £3,600. The terms of the exit package were agreed by the Remuneration and Terms of Service Committee, and where necessary approved by the Welsh Government.

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 2019/2020 CTMUHB spent £335,000 on external consultancy fees compared with £233,000 in 2018/19.

TAX ASSURANCE FOR OFF-PAYROLL ENGAGEMENTS

Following the Review of Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23 May 2012, departments must publish information on their highly paid and/or senior off-payroll engagements. The information, contained in the three tables below, includes all off-payroll engagements as at 31 March 2020 for those earning more than £245 per day and that last longer than six months for the core department, its executive agencies and its arm’s length bodies.

Table 1: Off-payroll engagements as at 31 March 2020, for more than £245 per day and lasted longer than six months

Number of existing engagements as of 31 March 2020	17
Of which, the number that have existed:	
for less than one year at time of reporting.	4
for between one and two years at time of reporting.	4
for between two and three years at time of reporting.	5
for between three and four years at time of reporting.	4
for four or more years at time of reporting.	0

Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020, for more than £245 per day and that lasted longer than six months

Number of new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020	3
Of which…	
Number assessed as caught by IR35	3
Number assessed as not caught by IR35	0
Number engaged directly (via PSC contracted to department) and are on the departmental payroll.	0
Number of engagements reassessed for consistency/assurance purposes during the year.	0
Number of engagements that saw a change to IR35 status following the consistency review.	0

Table 3; For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2019 and 31 March 2020

No. of off-payroll engagements of board members, and /or, senior officials with significant financial responsibility, during the financial year.	0
No. of individuals that have been deemed "board members, and/or senior officials with significant financial responsibility", during the financial year. This figure should include both off-payroll and on-payroll engagements.	17

REPORTING OF OTHER COMPENSATION SCHEMES – EXIT PACKAGES

		2019-20		2019-20		2019-20		2019-20		2018-19
Exit packages cost band (including any special payment element)		**Number of compulsory redundancies**		**Number of other departures**		**Total number of exit packages**		**Number of departures where special payments have been made**		Total number of exit packages
		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		1		1		0		0
£25,000 to £50,000		0		1		1		0		0
£50,000 to £100,000		0		1		1		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**		**3**		**3**		**0**		0

REPORTING OF OTHER COMPENSATION SCHEMES – EXIT PACKAGES (CONTD)

		2019-20		2019-20		2019-20		2019-20		2018-19
Exit packages cost band (including any special payment element)		**Cost of compulsory redundancies**		**Cost of other departures**		**Total cost of exit packages**		**Cost of special element included in exit packages**		Total cost of exit packages
		£'s		**£'s**		**£'s**		**£'s**		£'s
less than £10,000		0		0		0		0		0
£10,000 to £25,000		0		10,000		10,000		0		0
£25,000 to £50,000		0		40,152		40,152		0		0
£50,000 to £100,000		0		81,297		81,297		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**		**131,449**		**131,449**		**0**		0

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Sharon Hopkins
Chief Executive (Interim)

Dated: 29 June 2020

GIG CYMRU NHS WALES

Bwrdd Iechyd Prifysgol
Cwm Taf Morgannwg
University Health Board

National Assembly for Wales Accountability & Audit Report

Where the Health Board undertakes an activity which is not funded directly by the Welsh Government CTMUHB receives and income to cover its costs. Further detail of income received is published our 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.

Regularity of expenditure
It is expected that public funds will be used in a way that gives reasonable assurance that public resources will be used to deliver the intended objectives. Expenditure must be compliant with relevant legislation including EU legislation, delegated authorities and following guidance in Managing Welsh Public Money.

Fees and charges
Charges for services provided by public sector organisations normally pass on the full cost of providing those services. There is scope for charging more or less than this provided that the relevant Ministerial approval is given and there is full disclosure. Public sector organisations may also supply commercial services on commercial terms designed to work in fair competition with private sector providers. The Welsh Government expects proper controls over how, when and at what level charges may be levied.

This report 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.

Remote contingent liabilities

These are 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 2020:

	2019 - 20 £000	2018 - 19 £000
Guarantees	-	-
Indemnities	275	1,025
Letter of Comfort	-	-
Total	275	1,025

Miscellaneous Income	2015-16	2016-17	2017-18	2018-19	2019-20
	£000	£000	£000	£000	£000
	79,386	80,188	82,852	91,573	144,961

THE CERTIFICATE AND INDEPENDENT AUDITOR'S REPORT OF THE AUDITOR GENERAL FOR WALES TO THE SENDEDD

Report on the audit of the financial statements

I certify that I have audited the financial statements of Cwm Taf Morgannwg University Local Health Board for the year ended 31 March 2020 under Section 61 of the Public Audit (Wales) Act 2004. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Cash Flow Statement and Statement of Changes in Tax Payers Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and HM Treasury's Financial Reporting Manual based on International Financial Reporting Standards (IFRSs).

Opinion

In my opinion the financial statements:

- give a true and fair view of the state of affairs of Cwm Taf Morgannwg University Local Health Board as at 31 March 2020 and of its net operating costs for the year then ended; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

Basis for opinion

Emphasis of Matter – clinicians' pension tax liabilities

I draw attention to Note 21 of the financial statements, which describes the impact of a Ministerial Direction issued on 18 December 2019 to the Permanent Secretary of the Welsh Government, instructing her to fund NHS Clinicians' pension tax liabilities incurred by NHS Wales bodies in respect of the 2019-20 financial year. The Health Board has disclosed the existence of a contingent liability at 31 March 2020, and my opinion is not modified in respect of this matter.

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting

Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chief Executive has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Health Board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Chief Executive is responsible for the other information in the annual report and accounts. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on regularity

In my opinion, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Report on other requirements

Opinion on other matters

In my opinion, the part of the remuneration report to be audited has been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

In my opinion, based on the work undertaken in the course of my audit:

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

Matters on which I report by exception

In the light of the knowledge and understanding of the board and its environment obtained in the course of the audit, I have not identified material misstatements in the Foreword and Accountability Report.

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

- proper accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns;
- information specified by HM Treasury or Welsh Ministers regarding remuneration and other transactions is not disclosed; or
- I have not received all the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.

Responsibilities

Responsibilities of Directors and the Chief Executive for the financial statements

As explained more fully in the Statements of Directors' and Chief Executive's Responsibilities, the Directors and the Chief Executive are responsible for the preparation of financial statements which give a true and fair view and for such internal control as the Directors and Chief Executive determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Responsibilities for regularity

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

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

Adrian Crompton

Auditor General for Wales

2 July 2020

24 Cathedral Road

Cardiff

CF11 9LJ

GIG CYMRU NHS WALES

Bwrdd Iechyd Prifysgol
Cwm Taf Morgannwg
University Health Board

Annual Accounts 2019-2020

CWM TAF MORGANNWG UNIVERSITY HEALTH BOARD

FOREWORD

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

Statutory background

The Local Health Board was established on 1 October 2009 following the merger of Cwm Taf NHS Trust, Rhondda Cynon Taf Local Health Board and Merthyr Tydfil Local Health Board.

The Welsh Health Specialised Services Committee (WHSSC) was established on 1 April 2010, responsible for the joint planning of specialised and tertiary services on behalf of Local Health Boards in Wales. The Committee is hosted by Cwm Taf Morgannwg University Local Health Board.

The Emergency Ambulance Services Committee (EASC) was established on 1 April 2014, responsible for planning and securing the provision of emergency ambulance services on behalf of Local Health Boards in Wales. The Committee is hosted by Cwm Taf Morgannwg University Local Health Board.

Following the Bridgend boundary change on 1 April 2019, Cwm Taf Morgannwg University Health Board has responsibility for the commissioning and provision of healthcare for the communities of Merthyr Tydfil, Rhondda Cynon Taf and Bridgend County Borough Council.

Performance Management and Financial Results

Welsh Health Circular WHC/2016/054 replaces WHC/2015/014 'Statutory and Administrative Financial Duties of NHS Trusts and Local Health Boards' and further clarifies the statutory financial duties of NHS Wales bodies and is effective for 2019-20. The annual financial duty has been revoked and the statutory breakeven duty has reverted to a three year duty, with the first assessment of this duty in 2016-17.

Local Health Boards in Wales must comply fully with the Treasury's Financial Reporting Manual to the extent that it is applicable to them. As a result the Primary Statement of in-year income and expenditure is the Statement of Comprehensive Net Expenditure, which shows the net operating cost incurred by the LHB which is funded by the Welsh Government. This funding is allocated on receipt directly to the General Fund in the Statement of Financial Position.

Under the National Health Services Finance (Wales) Act 2014 the annual requirement to achieve balance against Resource Limits has been replaced with a duty to ensure, in a rolling 3 year period, that its aggregate expenditure does not exceed its aggregate approved limits.

The Act came into effect from 1 April 2014 and under the Act the first assessment of the 3 year rolling financial duty took place at the end of 2016-17.

These accounts are a consolidation of the Health Board, WHSSC and EASC activities, with the balances relating to Cwm Taf Morgannwg University Health Board only separately disclosed where appropriate.

Statement of Comprehensive Net Expenditure for the year ended 31 March 2020

	Note	2019-20 £'000 Cwm Taf HB Activities	2019-20 £'000	2018-19 £'000 Cwm Taf HB Activities	2018-19 £'000
Expenditure on Primary Healthcare Services	3.1	**234,802**	**234,802**	147,605	147,605
Expenditure on healthcare from other providers	3.2	**292,814**	**955,323**	165,770	819,233
Expenditure on Hospital and Community Health Services	3.3	**684,350**	**691,200**	465,516	472,209
		1,211,966	**1,881,325**	778,891	1,439,047
Less: Miscellaneous Income	4	**(144,961)**	**(814,320)**	(91,573)	(751,729)
LHB net operating costs before interest and other gains and losses		**1,067,005**	**1,067,005**	687,318	687,318
Investment Revenue	5	**(2)**	**(2)**	(1)	(1)
Other (Gains) / Losses	6	**(82)**	**(82)**	(44)	(44)
Finance costs	7	**65**	**65**	74	74
Net operating costs for the financial year		**1,066,986**	**1,066,986**	**687,347**	**687,347**

See note 2 on page 25 for details of performance against Revenue and Capital allocations.

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

Other Comprehensive Net Expenditure

	2019-20 £'000	2018-19 £'000
Net (gain) / loss on revaluation of property, plant and equipment	(4,024)	(1,184)
Net (gain) / loss on revaluation of intangibles	0	0
(Gain) / loss on other reserves	0	0
Net (gain)/ loss on revaluation of PPE & Intangible assets held for sale	0	0
Net (gain)/loss on revaluation of financial assets held for sale	0	0
Impairment and reversals	0	0
Transfers between reserves	0	0
Transfers (to) / from other bodies within the Resource AccountingBoundar	0	0
Reclassification adjustment on disposal of available for sale financial asset	0	0
Other comprehensive net expenditure for the year	(4,024)	(1,184)
Total comprehensive net expenditure for the year	**1,062,962**	686,163

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

Statement of Financial Position as at 31 March 2020

	Notes	31 March 2020 £'000 Cwm Taf HB Activities	31 March 2020 £'000	31 March 2019 £'000 Cwm Taf HB Activities	31 March 2019 £'000
Non-current assets					
Property, plant and equipment	11	**532,624**	**532,624**	363,772	363,772
Intangible assets	12	**3,631**	**3,631**	913	913
Trade and other receivables	15	**50,069**	**50,069**	38,734	38,734
Other financial assets	16	**0**	**0**	0	0
Total non-current assets		**586,324**	**586,324**	403,419	403,419
Current assets					
Inventories	14	**6,071**	**6,071**	4,291	4,291
Trade and other receivables	15	**101,242**	**107,185**	84,183	93,798
Other financial assets	16	**0**	**0**	0	0
Cash and cash equivalents	17	**376**	**14,755**	316	8,957
		107,689	**128,011**	88,790	107,046
Non-current assets classified as "Held for Sale"	11	**0**	**0**	0	0
Total current assets		**107,689**	**128,011**	88,790	107,046
Total assets		**694,013**	**714,335**	492,209	510,465
Current liabilities					
Trade and other payables	18	**(133,114)**	**(165,137)**	(96,500)	(126,436)
Other financial liabilities	19	**0**	**0**	0	0
Provisions	20	**(38,844)**	**(38,985)**	(47,797)	(47,959)
Total current liabilities		**(171,958)**	**(204,122)**	(144,297)	(174,395)
Net current assets/ (liabilities)		**(64,269)**	**(76,111)**	(55,507)	(67,349)
Non-current liabilities					
Trade and other payables	18	**(1,307)**	**(1,307)**	(1,466)	(1,466)
Other financial liabilities	19	**0**	**0**	0	0
Provisions	20	**(56,259)**	**(56,259)**	(43,372)	(43,372)
Total non-current liabilities		**(57,566)**	**(57,566)**	(44,838)	(44,838)
Total assets employed		**464,489**	**452,647**	303,074	291,232
Financed by :					
Taxpayers' equity					
General Fund		**416,325**	**404,483**	277,070	265,228
Revaluation reserve		**48,164**	**48,164**	26,004	26,004
Total taxpayers' equity		**464,489**	**452,647**	303,074	291,232

The financial statements on pages 2 to 7 were approved by the Board on 29th June 2020 and signed on its behalf by:

Chief Executive and Accountable Officer

Date: 29th June 2020.

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

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

	General Fund £000s	Revaluation Reserve £000s	Total Reserves £000s
Changes in taxpayers' equity for 2019-20			
Balance as at 31 March 2019	265,228	26,004	**291,232**
Adjustment	0	0	**0**
Balance at 1 April 2019	265,228	26,004	**291,232**
Net operating cost for the year	(1,066,986)		**(1,066,986)**
Net gain/(loss) on revaluation of property, plant and equipment	0	4,024	**4,024**
Net gain/(loss) on revaluation of intangible assets	0	0	**0**
Net gain/(loss) on revaluation of financial assets	0	0	**0**
Net gain/(loss) on revaluation of assets held for sale	0	0	**0**
Impairments and reversals	0	0	**0**
Other reserve movement	0	0	**0**
Transfers between reserves	715	(715)	**0**
Release of reserves to SoCNE	0	0	**0**
Transfers to/from LHBs	131,589	18,851	**150,440**
Total recognised income and expense for 2019-20	(934,682)	22,160	**(912,522)**
Net Welsh Government funding	1,052,205		**1,052,205**
Notional Welsh Government Funding	21,732		**21,732**
Balance at 31 March 2020	404,483	48,164	**452,647**

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

Statement of Changes in Taxpayers' Equity
For the year ended 31 March 2019

	General Fund £000s	Revaluation Reserve £000s	Total Reserves £000s
Changes in taxpayers' equity for 2018-19			
Balance at 31 March 2018	265,119	30,717	**295,836**
Adjustment for Implementation of IFRS 9	(763)	0	**(763)**
Balance at 1 April 2018	264,356	30,717	**295,073**
Net operating cost for the year	(687,347)		**(687,347)**
Net gain/(loss) on revaluation of property, plant and equipment	0	1,184	**1,184**
Net gain/(loss) on revaluation of intangible assets	0	0	**0**
Net gain/(loss) on revaluation of financial assets	0	0	**0**
Net gain/(loss) on revaluation of assets held for sale	0	0	**0**
Impairments and reversals	0	0	**0**
Other reserve movement	0	0	**0**
Transfers between reserves	5,897	(5,897)	**0**
Release of reserves to SoCNE	0	0	**0**
Transfers to/from LHBs	0	0	**0**
Total recognised income and expense for 2018-19	(681,450)	(4,713)	**(686,163)**
Net Welsh Government funding	682,322		**682,322**
Notional Welsh Government Funding			**0**
Balance at 31 March 2019	265,228	26,004	**291,232**

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

Statement of Cash Flows for year ended 31 March 2020

	Notes	2019-20 £'000 Cwm Taf HB Activities	2019-20 £'000	2018-19 £'000 Cwm Taf HB Activities	2018-19 £'000
Cash Flows from operating activities					
Net operating cost for the financial year		**(1,066,986)**	**(1,066,986)**	(687,347)	(687,347)
Movements in Working Capital	27	**8,767**	**14,526**	1,255	(1,678)
Other cash flow adjustments	28	**63,927**	**63,913**	38,776	38,776
Provisions utilised	20	**(17,121)**	**(17,128)**	(11,521)	(11,521)
Net cash outflow from operating activities		**(1,011,413)**	**(1,005,675)**	(658,837)	(661,770)
Cash Flows from investing activities					
Purchase of property, plant and equipment		**(39,114)**	**(39,114)**	(22,458)	(22,458)
Proceeds from disposal of property, plant and equipment		**88**	**88**	44	44
Purchase of intangible assets		**(1,548)**	**(1,548)**	(298)	(298)
Proceeds from disposal of intangible assets		**0**	**0**	0	0
Payment for other financial assets		**0**	**0**	0	0
Proceeds from disposal of other financial assets		**0**	**0**	22	22
Payment for other assets		**0**	**0**	0	0
Proceeds from disposal of other assets		**0**	**0**	0	0
Net cash inflow/(outflow) from investing activities		**(40,574)**	**(40,574)**	(22,690)	(22,690)
Net cash inflow/(outflow) before financing		**(1,051,987)**	**(1,046,249)**	(681,527)	(684,460)
Cash Flows from financing activities					
Welsh Government funding (including capital)		**1,052,205**	**1,052,205**	682,322	682,322
Capital receipts surrendered		**0**	**0**	0	0
Capital grants received		**0**	**0**	0	0
Capital element of payments in respect of finance leases and on-SoFP		**(158)**	**(158)**	(190)	(190)
Cash transferred (to)/ from other NHS bodies		**0**	**0**	0	0
Net financing		**1,052,047**	**1,052,047**	682,132	682,132
Net increase/(decrease) in cash and cash equivalents		**60**	**5,798**	605	(2,328)
Cash and cash equivalents (and bank overdrafts) at 1 April 2019		**316**	**8,957**	(289)	11,285
Cash and cash equivalents (and bank overdrafts) at 31 March 2020		**376**	**14,755**	316	8,957

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

Notes to the Accounts

1. Accounting policies

The Minister for Health and Social Services has directed that the financial statements of Local Health Boards (LHB) in Wales shall meet the accounting requirements of the NHS Wales Manual for Accounts. Consequently, the following financial statements have been prepared in accordance with the 2019-20 Manual for Accounts. The accounting policies contained in that manual follow the 2019-20 Financial Reporting Manual (FReM), which applies European Union adopted IFRS and Interpretations in effect for accounting periods commencing on or after 1 January 2019, except for IFRS 16 Leases, which is deferred until 1 April 2021; to the extent that they are meaningful and appropriate to the NHS in Wales.

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

1.1. Accounting convention

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

1.2. Acquisitions and discontinued operations

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

1.3. Income and funding

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

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

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

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

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

identified as a result of the adoption of IFRS 15 are significantly below materiality levels.

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

Only non-NHS income may be deferred.

1.3.1. WHSSC/EASC

Neither Welsh Health Specialised Services Committee nor Emergency Ambulance Services Committee hold any statutory responsibility for a resource limit. Services are funded by income from LHBs and based on an agreed financial plan. The committees account for all expenditure on agreed services against the income received as part of their plans. All variances from plan are allocated to LHBs on the basis of an agreed risk sharing framework and matched by income adjustments consistent with this framework. The net operating cost for the financial year is therefore zero.

1.4. Employee benefits

1.4.1. Short-term employee benefits

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

1.4.2. Retirement benefit costs

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

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

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

However, NHS Wales' organisations are required to account for **their staff** employer contributions of 20.68% in full and on a gross basis, in the 2019-20 annual accounts. Payments made on their behalf by Welsh Government are accounted for on a notional basis. For detailed information see Other Note within these accounts.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time

the NHS Wales organisation commits itself to the retirement, regardless of the method of payment.

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

1.4.3. NEST Pension Scheme

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

1.5. Other expenses

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

1.6. Property, plant and equipment

1.6.1. Recognition

Property, plant and equipment is capitalised if:

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

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

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

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

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

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

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

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

1.6.2. Valuation

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

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

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost

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

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

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

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

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

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

In accordance with the adaptation of IAS 16 in table 6.2 of the FReM, for non-specialised assets in

operational use, current value in existing use is interpreted as market value for existing use which is defined in the RICS Red Book as Existing Use Value (EUV).

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

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

1.6.3. Subsequent expenditure

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

1.7. Intangible assets

1.7.1. Recognition

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

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example

application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

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

● the intention to complete the intangible asset and use it

● the ability to use the intangible asset

● how the intangible asset will generate probable future economic benefits

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

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

Measurement

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

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

1.8. Depreciation, amortisation and impairments

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

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

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

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

1.9. Research and Development

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

1.10 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

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

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

1.11. Leases

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

1.11.1. The NHS Wales organisation as lessee

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

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

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

1.11.2. The NHS Wales organisation as lessor

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

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

1.12. Inventories

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

considered to be a reasonable approximation to fair value due to the high turnover of stocks. Work-in-progress comprises goods in intermediate stages of production. Partially completed contracts for patient services are not accounted for as work-in-progress.

1.13. Cash and cash equivalents

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

1.14. Provisions

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

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

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

A restructuring provision is recognised when the NHS Wales organisation has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out

the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

1.14.1. Clinical negligence and personal injury costs

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

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

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

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

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

1.15. Financial Instruments

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

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

1.16. Financial assets

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

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

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

1.16.1. Financial assets are initially recognised at fair value

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

1.16.2. Financial assets at fair value through SoCNE

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

1.16.3 Held to maturity investments

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

1.16.4. Available for sale financial assets

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

1.16.5. Loans and receivables

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

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

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

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

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

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

1.17. Financial liabilities

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

1.17.1. Financial liabilities are initially recognised at fair value

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

1.17.2. Financial liabilities at fair value through the SoCNE

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

1.17.3. Other financial liabilities

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

1.18. Value Added Tax (VAT)

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

1.19. Foreign currencies

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

1.20. Third party assets

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

1.21. Losses and Special Payments

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

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

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

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

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

1.22. Pooled budget

The NHS Wales organisation has/has not entered into pooled budgets with Local Authorities. Under the arrangements funds are pooled in accordance with section 33 of the NHS (Wales) Act 2006 for specific activities defined in the Pooled budget Note.

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

1.23. Critical Accounting Judgements and key sources of estimation uncertainty

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

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

1.24. Key sources of estimation uncertainty

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

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

claims would be recoverable through the Welsh Risk Pool.

Significant estimations are also made for continuing care costs resulting from claims post 1 April 2003. An assessment of likely outcomes, potential liabilities and timings of these claims are made on a case by case basis. Material changes associated with these claims would be adjusted in the period in which they are revised.

stimates are also made for contracted primary care services. These estimates are based on the latest payment levels. Changes associated with these liabilities are adjusted in the following reporting period.

1.24.1. Provisions

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

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

1.24.2. Probable & Certain Cases – Accounting Treatment

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

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

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

Clinical negligence cases - In accordance with the Manual for Accounts, defence fee provision calculation is based on analysis of historical information covering a three year period. Accordingly, 21.04% of the defence fee costs are accounted for as provision and the remaining 78.96% is accounted for in Contingent Liabilities.

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

The solicitor will estimate the case value including defence fees, using professional judgement and from obtaining counsel advice. Valuations are then discounted for the future loss elements using individual life expectancies and the Government Actuary's Department actuarial tables (Ogden tables) and Personal Injury Discount Rate of minus 0.75%.

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

1.25 Private Finance Initiative (PFI) transactions

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

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

a) Payment for the fair value of services received;

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

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

1.25.1. Services received

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

1.25.2. PFI asset

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

1.25.2. PFI liability

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

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

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

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

1.25.3. Lifecycle replacement

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

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

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

1.25.4. Assets contributed by the NHS Wales organisation to the operator for use in the scheme

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

1.25.5. Other assets contributed by the NHS Wales organisation to the operator

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

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

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

1.26. Contingencies

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

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

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

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

1.27. Absorption accounting

Transfers of function are accounted for as either by merger or by absorption accounting dependent

upon the treatment prescribed in the FReM. Absorption accounting requires that entities account for their transactions in the period in which they took place with no restatement of performance required.

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

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

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

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

IFRS 16 Leases is to be effective from 1st April 2021.

IFRS 17 Insurance Contracts, Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

1.29. Accounting standards issued that have been adopted early

During 2019-20 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

1.30. Charities

Following Treasury's agreement to apply IAS 27 to NHS Charities from 1 April 2013, the NHS Wales

organisation has established that as it is the corporate trustee of the Cwm Taf Morgannwg NHS Charitable Fund, it is considered for accounting standards compliance to have control of the Cwm Taf Morgannwg NHS Charitable Fund as a subsidiary and therefore is required to consolidate the results of the Cwm Taf Morgannwg NHS Charitable Fund within the statutory accounts of the NHS Wales organisation.

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

However, the NHS Wales organisation has with the agreement of the Welsh Government adopted the IAS 27 (10) exemption to consolidate. Welsh Government as the ultimate parent of the Local Health Boards will disclose the Charitable Accounts of Local Health Boards in the Welsh Government Consolidated Accounts. Details of the transactions with the charity are included in the related parties' notes.

2. Financial Duties Performance

The National Health Service Finance (Wales) Act 2014 came into effect from 1 April 2014 . The Act amen ded the financial duties of L cal Health Boards under section 175 of the National Health Service (Wales) Act 2006. From 1 April2014 section 175 of the National Health Ser ice (Wales) Act places two financial duties on Local Health Boards:

- A duty under section 175 (1) to secure that its expenditure does not exceed the aggreg te of the fundin allotted t it over a period o 3 financial years

- A duty under section 175 (2A) to prepare a plan in accordance with planning directionsissued by the W elsh Minist rs, to secure co pliance with the duty under section 175 (1) while improving the health of the people for whom it is reponsible, and the provision of health care to such people, and for that plan to be submitted to and approved by the Welsh Ministers.

The first assessment of performance against the 3 year statutory duty under section 175 (1) was at the end of 2016 -17, being the first 3 year period of assessment.

Welsh Health Circular WHC/2016/054 "Statutory and Financial Duties of Local Health Bo rds and NHS Trusts" clarifies the statutory fin ncial duties of NHS Wales bodies effective from 2016 -17.

2.1 Revenue Resource Performance

Annual financial performance

	2017-18	2018-19	2019-20	**Total**
	£'000	£'000	£'000	**£'000**
Net operating costs for the year	645,338	687,347	1,066,986	**2,399,671**
Less general ophthalmic services expenditure and other non-cash limited expenditure	(784)	(725)	(672)	**(2,181)**
Less revenue consequences of bringing PFI schemes onto SoFP	(119)	(120)	(122)	**(361)**
Total operating expenses	644,435	686,502	1,066,192	**2,397,129**
Revenue Resource Allocation	644,458	686,518	1,067,075	**2,398,051**
Under /(over) spend against Allocation	23	16	883	**922**

Cwm Taf LHB **has** met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2017-18 to 2019-20.

The Health Board **did not** receive any repayable brokerage during the year.

2.2 Capital Resource Performance

	2017-18	2018-19	2019-20	**Total**
	£'000	£'000	£'000	**£'000**
Gross capital expenditure	34,962	27,283	40,244	**102,489**
Add: Losses on disposal of donated assets	0	0	0	**0**
Less NBV of property, plant and equipment and intangible assets disposed	(4)	0	(5)	**(9)**
Less capital grants received	0	0	(49)	**(49)**
Less donations received	(64)	(3,115)	(1,862)	**(5,041)**
Charge against Capital Resource Allocation	34,894	24,168	38,328	**97,390**
Capital Resource Allocation	34,902	24,178	38,352	**97,432**
(Over) / Underspend against Capital Resource Allocation	8	10	24	**42**

Cwm Taf LHB **has** met its financial duty to break-even against its Capital Resource Limit over the 3 years 2017-18 to 2019-20.

2.3 Duty to prepare a 3 year plan

The NHS Wales Planning Framework for the period 2019-19 to 2020-21 issued to LHBs placed a requirement upon them to prepare and submit Integrated Medium Term Plans to the Welsh Government.

The LHB submitted an Integrated Medium Term Plan for the period 2019-20 to 2021-22 in accordance with NHS Wales Planning Framework.

	2019-20 to 2021-22
The Minister for Health and Social Services approval **Status**	**Approved**
Date	26/03/2019

The LHB **has** therefore met its statutory duty to have an approved financial plan for the period 2019-20 to 2021-22.

2.4. Creditor payment

The LHB is required to pay 95% of the number of non-NHS bills within 30 days of receipt of goods or a valid invoice (whichever is the later). The Trust has achieved the following results:

	2019-20	2018-19
Total number of non-NHS bills paid	**220,616**	152,781
Total number of non-NHS bills paid within target	**210,771**	146,830
Percentage of non-NHS bills paid within target	**95.5%**	96.1%

The LHB has met the target.

3. Analysis of gross operating costs

3.1 Expenditure on Primary Healthcare Services

	Cash limited £'000	Non-cash limited £'000	2019-20 Total £'000	2018-19 £'000
General Medical Services	79,585		**79,585**	51,875
Pharmaceutical Services	26,072	(4,991)	**21,081**	14,479
General Dental Services	27,248		**27,248**	17,285
General Ophthalmic Services	1,548	5,663	**7,211**	4,949
Other Primary Health Care expenditure	12,231		**12,231**	4,588
Prescribed drugs and appliances	87,446		**87,446**	54,429
Total	**234,130**	**672**	**234,802**	147,605

Included within Note 3.1 General Medical Services are staff costs of £6.184m (2018-19 £7.167m).

3.2 Expenditure on healthcare from other providers	**2019-20 £'000 CT activities**	**2019-20 £'000**	2018-19 £'000 CT activities	2018-19 £'000
Goods and services from other NHS Wales Health Boards	**72,875**	**478,394**	29,927	409,638
Goods and services from other NHS Wales Trusts	**21,462**	**226,818**	12,690	201,082
Goods and services from Health Education and Improvement Wales (HEIW)	**4**	**4**	0	0
Goods and services from other non Welsh NHS bodies	**1,385**	**143,747**	1,598	133,550
Goods and services from WHSSC / EASC	**115,411**	**0**	69,963	0
Local Authorities	**7,813**	**7,813**	6,089	6,093
Voluntary organisations	**11,481**	**15,467**	3,451	7,002
NHS Funded Nursing Care	**7,269**	**7,269**	4,867	4,867
Continuing Care	**46,653**	**46,653**	33,298	33,298
Private providers	**8,290**	**28,987**	3,817	23,633
Specific projects funded by the Welsh Government	**0**	**0**	0	0
Other	**171**	**171**	70	70
Total	**292,814**	**955,323**	165,770	819,233

3.3 Expenditure on Hospital and Community Health Services

	2019-20 £'000 CT activities	2019-20 £'000	2018-19 £'000 CT activities	2018-19 £'000
Directors' costs	2,275	2,275	1,948	1,948
Staff costs	529,622	535,178	344,149	349,035
Supplies and services - clinical	75,481	75,662	54,728	55,694
Supplies and services - general	9,302	9,302	5,719	5,719
Consultancy Services	335	477	233	291
Establishment	9,718	10,026	7,000	7,339
Transport	2,053	2,053	711	711
Premises	22,985	23,604	15,353	15,798
External Contractors	88	88	47	47
Depreciation	23,901	23,901	15,765	15,765
Amortisation	421	421	477	477
Fixed asset impairments and reversals (Property, plant & equipment)	(1,189)	(1,189)	11,569	11,569
Fixed asset impairments and reversals (Intangible assets)	0	0	0	0
Impairments & reversals of financial assets	0	0	0	0
Impairments & reversals of non-current assets held for sale	0	0	0	0
Audit fees	350	400	352	401
Other auditors' remuneration	0	0	0	0
Losses, special payments and irrecoverable debts	1,586	1,586	3,062	3,062
Research and Development	0	0	0	0
Other operating expenses	7,422	7,416	4,403	4,353
Total	**684,350**	**691,200**	465,516	472,209

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

	2019-20 £'000	Restatements 2018-19 £'000
Increase/(decrease) in provision for future payments:		
Clinical negligence;		
Secondary care	17,841	17,404
Primary care	0	0
Redress Secondary Care	274	563
Redress Primary Care	0	0
Personal injury	1,487	1,115
All other losses and special payments	412	307
Defence legal fees and other administrative costs	823	465
Gross increase/(decrease) in provision for future payments	**20,837**	**19,854**
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	(1,026)	(594)
Less: income received/due from Welsh Risk Pool	(18,225)	(16,198)
Total	**1,586**	**3,062**

	2019-20 £	2018-19 £
Permanent injury included within personal injury £:	2,058,803	1,694,000

The clinical negligence payments for 2018-19 have been restated to provide analysis of payments relating to clinical negligence and redress secondary care claims.

4. Miscellaneous Income

	2019-20 £'000 CT activities	2019-20 £'000	2018-19 £'000 CT activities	2018-19 £'000
Local Health Boards	74,972	753,699	39,981	707,913
Welsh Health Specialised Services Committee (WHSSC)/Emergency Ambulance Services Committee (EASC)	9,859	0	7,976	0
NHS trusts	8,415	8,537	5,791	5,975
Health Education and Improvement Wales (HEIW)	15	15	15	15
Foundation Trusts	0	0	0	0
Other NHS England bodies	650	650	623	623
Other NHS Bodies	0	0	0	0
Local authorities	10,329	10,329	6,304	6,304
Welsh Government	5,225	5,370	4,141	4,141
Welsh Government Hosted bodies	0	0	0	0
Non NHS:				
Prescription charge income	0	0	0	0
Dental fee income	5,917	5,917	4,124	4,124
Private patient income	2,470	2,470	79	79
Overseas patients (non-reciprocal)	0	0	0	0
Injury Costs Recovery (ICR) Scheme	(237)	(237)	1,474	1,474
Other income from activities	567	842	433	460
Patient transport services	0	0	0	0
Education, training and research	16,491	16,491	10,381	10,381
Charitable and other contributions to expenditure	415	415	142	142
Receipt of donated assets	1,862	1,862	3,115	3,115
Receipt of Government granted assets	49	49	0	0
Non-patient care income generation schemes	716	716	537	537
NHS Wales Shared Services Partnership (NWSSP)	0	0	0	0
Deferred income released to revenue	363	363	211	211
Contingent rental income from finance leases	0	0	0	0
Rental income from operating leases	0	0	0	0
Other income:				
Provision of laundry, pathology, payroll services	799	799	1,303	1,303
Accommodation and catering charges	3,944	3,944	2,602	2,602
Mortuary fees	403	403	281	281
Staff payments for use of cars	277	277	186	186
Business Unit	0	0	0	0
Other	1,460	1,409	1,874	1,863
Total	**144,961**	**814,320**	91,573	751,729

Injury Cost Recovery (ICR) Scheme income is subject to a provision for impairment re personal injury claims

	2019-20 %	2018-19 %
To reflect expected rates of collection ICR income is subject to a provision for impairment of:	21.79	21.89

5. Investment Revenue

	2019-20	2018-19
	£000	£000
Rental revenue :		
PFI Finance lease income		
planned	0	0
contingent	0	0
Other finance lease revenue	0	0
Interest revenue :		
Bank accounts	0	0
Other loans and receivables	2	1
Impaired financial assets	0	0
Other financial assets	0	0
Total	**2**	1

6. Other gains and losses

	2019-20	2018-19
	£000	£000
Gain/(loss) on disposal of property, plant and equipment	82	44
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of assets held for sale	0	0
Gain/(loss) on disposal of financial assets	0	0
Change on foreign exchange	0	0
Change in fair value of financial assets at fair value through SoCNE	0	0
Change in fair value of financial liabilities at fair value through SoCNE	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0
Total	**82**	44

7. Finance costs

	2019-20	2018-19
	£000	£000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	1	1
Interest on obligations under PFI contracts		
main finance cost	46	69
contingent finance cost	0	0
Interest on late payment of commercial debt	0	0
Other interest expense	0	0
Total interest expense	**47**	70
Provisions unwinding of discount	18	4
Other finance costs	0	0
Total	**65**	74

8. Operating leases

LHB as lessee

The lease information below relates to lease agreements for buildings, vehicle and equipmen .
There are no significant leasing arrangements that require further disclosure.

Payments recognised as an expense	**2019-20**	2018-19
	£000	£000
Minimum lease payments	**4,608**	2,298
Contingent rents	**0**	0
Sub-lease payments	**0**	0
Total	**4,608**	2,298

Total future minimum lease payments		
Payable	**£000**	£000
Not later than one year	**3,916**	2,177
Between one and five years	**9,169**	5,134
After 5 years	**17,445**	5,497
Total	**30,530**	12,808

LHB as lessor

Rental revenue	**£000**	£000
Rent	**(237)**	(90)
Contingent rents	**0**	0
Total revenue rental	**(237)**	(90)

Total future minimum lease payments		
Receivable	**£000**	£000
Not later than one year	**(240)**	(90)
Between one and five years	**(853)**	(270)
After 5 years	**(945)**	0
Total	**(2,038)**	(360)

9. Employee benefits and staff numbers

9.1 Employee costs

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Other	Total	2018-19
	£000	£000	£000	£000	£000	£000
Salaries and wages	396,691	1,646	24,674	19,854	**442,865**	300,516
Social security costs	42,972	52	0	0	**43,024**	29,493
Employer contributions to NHS Pension Scheme	74,801	67	0	0	**74,868**	36,478
Other pension costs	139	0	0	0	**139**	49
Other employment benefits	0	0	0	0	**0**	0
Termination benefits	0	0	0	0	**0**	0
Total	514,603	1,765	24,674	19,854	**560,896**	366,536
Charged to capital					**2,393**	894
Charged to revenue					**558,503** 365,642	
					560,896	366,536
Net movement in accrued employee benefits (untaken staff leave accrual included above)					(126)	108

Following categories of costs are included within the 'Other' heading:
1) Medacs/Retinue contracted staff.
2) IR35 applicable staff.
3) GP out of hours staff.

The employer contributions to the NHS Pension Scheme disclosed above includes £21.7m of NHS Pension contributions paid by Welsh Government for the twelve month period, calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions. This expenditure accounted for by the health board as notional expenditure paid to NHS BSA by Welsh Government have been covered off by notional funding provided to the health board. There is therefore no impact on the health board's Revenue Resource Performance as a result of the inclusion of these notional transactions. Further information is disclosed in Note 34.1.

9.2 Average number of employees

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Other	Total	2018-19
	Number	Number	Number		Number	Number
Administrative, clerical and board members	1,968	21	37	4	**2,030**	1,503
Medical and dental	972	0	1	188	**1,160**	829
Nursing, midwifery registered	3,280	1	311	1	**3,593**	2,407
Professional, Scientific, and technical staff	355	0	1	0	**356**	258
Additional Clinical Services	1,907	0	31	0	**1,938**	1,324
Allied Health Professions	600	0	16	0	**616**	448
Healthcare Scientists	191	0	7	0	**198**	162
Estates and Ancilliary	1,102	0	5	0	**1,107**	737
Students	9	0	0	0	**9**	6
Total	**10,384**	**22**	**408**	**193**	**11,007**	7,674

9.3. Retirements due to ill-health

	2019-20	2018-19
Number	9	8
Estimated additional pension costs £	274,395	155,589

The estimated additional pension costs of these ill-health retirements have been calculated on an average basis and are borne by the NHS Pension Scheme.

9.4 Employee benefits

The LHB does not have an employee benefit scheme.

9.5 Reporting of other compensation schemes - exit packages

Exit packages cost band (including any special payment element)	2019-20 Number of compulsory redundancies	2019-20 Number of other departures	2019-20 Total number of exit packages	2019-20 Number of departures where special payments have been made	2018-19 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	1	1	0	0
£25,000 to £50,000	0	1	1	0	0
£50,000 to £100,000	0	1	1	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**	**3**	**3**	**0**	0

Exit packages cost band (including any special payment element)	2019-20 Cost of compulsory redundancies	2019-20 Cost of other departures	2019-20 Total cost of exit packages	2019-20 Cost of special element included in exit packages	2018-19 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	10,000	10,000	0	0
£25,000 to £50,000	0	40,152	40,152	0	0
£50,000 to £100,000	0	81,297	81,297	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**	**131,449**	**131,449**	**0**	0

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

£131,449 exit costs were paid in 2019-20, the year of departure. No applications for VERS were made and/or agreed during 2018/19.

The exit packages include an ex-gratia payment of £75,119 plus £6,178 of employers on costs to the former Chief Executive Officer, the detail of which can be found in the Remuneration and Staff Report 2019 -20.

9.6 Remuneration Relationship

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

The banded remuneration of the highest-paid director in the LHB in the financial year 2019-20 was £185,000 - £190,000 (2018-19, £180,000 - £185,000). This was 6.6 times (2018-19, 6.4) the median remuneration of the workforce, which was £28,481 (2018-19, £28,442).

The banded remuneration of the Accounting Officer in the financial year 2019 -20 was £175,000 - £180,000 (2018-19, £180,000 - £185,000). This was 6.2 times (2018-19, 6.4) the median remuneration of the workforce, which was £28,481 (2018-19, £28,442).

In 2019-20, 22 (2018-19, 10) employees received remuneration in excess of the highest-paid director. Remuneration for staff ranged from £185,001 to £500,000 (2018-19 £180,001 to £290,000).

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.

9.7 Pension costs

PENSION COSTS

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2020, is based on valuation data as 31 March 2019, updated to 31 March 2020 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6%, and the Scheme Regulations were amended accordingly.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

c) National Employment Savings Trust (NEST)

NEST is a workplace pension scheme, which was set up by legislation and is treated as a trust-based scheme. The Trustee responsible for running the scheme is NEST Corporation. It's a non-departmental public body (NDPB) that operates at arm's length from government and is accountable to Parliament through the Department for Work and Pensions (DWP).

NEST Corporation has agreed a loan with the Department for Work and Pensions (DWP). This has paid for the scheme to be set up and will cover expected shortfalls in scheme costs during the earlier years while membership is growing.

NEST Corporation aims for the scheme to become self-financing while providing consistently low charges to members.

Using qualifying earnings to calculate contributions, currently the legal minimum level of contributions is 8% of a jobholder's qualifying earnings, for employers whose legal duties have started. The employer must pay at least 3% of this.

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £6,136 and £50,000 for the 2019-20 tax year (2018-19 £6,032 and £46,350).

Restrictions on the annual contribution limits were removed on 1st April 2017.

10. Public Sector Payment Policy - Measure of Compliance

10.1 Prompt payment code - measure of compliance

The Welsh Government requires that Health Boards pay all their trade creditors in accordance with the CBI prompt payment code and Government Accounting rules. The Welsh Government has set as part of the Health Board financial targets a requirement to pay 95% of the number of non-NHS creditors within 30 days of delivery.

	2019-20	**2019-20**	2018-19	2018-19
NHS	**Number**	**£000**	Number	£000
Total bills paid	**8,487**	**879,857**	6,083	765,796
Total bills paid within target	**6,923**	**864,126**	4,891	756,350
Percentage of bills paid within target	**81.6%**	**98.2%**	80.4%	98.8%
Non-NHS				
Total bills paid	**220,616**	**429,950**	152,781	291,031
Total bills paid within target	**210,771**	**406,291**	146,830	278,973
Percentage of bills paid within target	**95.5%**	**94.5%**	96.1%	95.9%
Total				
Total bills paid	**229,103**	**1,309,807**	158,864	1,056,827
Total bills paid within target	**217,694**	**1,270,417**	151,721	1,035,323
Percentage of bills paid within target	**95.0%**	**97.0%**	95.5%	98.0%

10.2 The Late Payment of Commercial Debts (Interest) Act 1998

	2019-20	2018-19
	£	£
Amounts included within finance costs (note 7) from claims made under this legislation	**0**	0
Compensation paid to cover debt recovery costs under this legislation	**0**	0
Total	**0**	0

11.1 Property, plant and equipment

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 April 2019	22,017	344,872	2,652	20,691	67,098	165	25,949	6,804	**490,248**
Indexation	(185)	4,609	42	0	0	0	0	0	**4,466**
Additions									
- purchased	0	5,433	0	19,278	8,511	0	3,053	94	**36,369**
- donated	0	1,501	0	0	35	0	229	79	**1,844**
- government granted	0	0	0	0	0	0	19	0	**19**
Transfer from/into other NHS bodies	16,677	124,604	3,818	565	24,529	164	4,171	1,164	**175,692**
Reclassifications	0	7,344	0	(7,515)	0	0	(954)	0	**(1,125)**
Revaluations	0	0	0	0	0	0	0	0	**0**
Reversal of impairments	0	3,860	77	0	0	0	0	0	**3,937**
Impairments	(197)	(2,704)	0	0	0	0	0	0	**(2,901)**
Reclassified as held for sale	0	0	0	0	0	0	0	0	**0**
Disposals	0	0	0	0	(2,875)	0	0	(47)	**(2,922)**
At 31 March 2020	38,312	489,519	6,589	33,019	97,298	329	32,467	8,094	**705,627**
Depreciation at 1 April 2019	0	58,303	528	0	45,539	111	16,622	5,373	**126,476**
Indexation	0	436	6	0	0	0	0	0	**442**
Transfer from/into other NHS bodies	0	5,152	122	0	16,952	158	2,168	702	**25,254**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Revaluations	0	0	0	0	0	0	0	0	**0**
Reversal of impairments	0	0	0	0	0	0	0	0	**0**
Impairments	0	(153)	0	0	0	0	0	0	**(153)**
Reclassified as held for sale	0	0	0	0	0	0	0	0	**0**
Disposals	0	0	0	0	(2,870)	0	0	(47)	**(2,917)**
Provided during the year	0	13,169	205	0	6,543	10	3,421	553	**23,901**
At 31 March 2020	0	76,907	861	0	66,164	279	22,211	6,581	**173,003**
Net book value at 1 April 2019	22,017	286,569	2,124	20,691	21,559	54	9,327	1,431	**363,772**
Net book value at 31 March 2020	38,312	412,612	5,728	33,019	31,134	50	10,256	1,513	**532,624**
Net book value at 31 March 2020 comprises :									
Purchased	37,438	405,584	5,728	33,019	30,980	50	9,976	1,435	**524,210**
Donated	874	7,028	0	0	154	0	257	78	**8,391**
Government Granted	0	0	0	0	0	0	23	0	**23**
At 31 March 2020	38,312	412,612	5,728	33,019	31,134	50	10,256	1,513	**532,624**
Asset financing :									
Owned	38,075	411,296	4,534	33,019	31,132	50	10,256	1,513	**529,875**
Held on finance lease	0	0	0	0	2	0	0	0	**2**
On-SoFP PFI contracts	237	1,316	1,194	0	0	0	0	0	**2,747**
PFI residual interests	0	0	0	0	0	0	0	0	**0**
At 31 March 2020	38,312	412,612	5,728	33,019	31,134	50	10,256	1,513	**532,624**

The net book value of land, buildings and dwellings at 31 March 2020 comprises :

	£000
Freehold	**456,651**
Long Leasehold	**0**
Short Leasehold	**0**
	456,651

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation has been prepared in accordance with the terms of the Royal Institute of Chartered Surveyors Valuation Standards, 6th Edition . LHB s are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

11.1 Property, plant and equipment

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 April 2018	21,046	331,811	2,631	27,289	65,555	119	21,721	6,839	**477,011**
Indexation	50	1,198	21	0	0	0	0	0	**1,269**
Additions									
- purchased	0	5,868	0	9,087	4,609	53	4,220	2	**23,839**
- donated	0	0	0	3,003	94	0	18	0	**3,115**
- government granted	0	0	0	0	0	0	0	0	**0**
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	**0**
Reclassifications	550	18,138	0	(18,688)	0	0	0	0	**0**
Revaluations	0	0	0	0	0	0	0	0	**0**
Reversal of impairments	371	1,707	0	0	0	0	0	0	**2,078**
Impairments	0	(13,850)	0	0	0	0	0	0	**(13,850)**
Reclassified as held for sale	0	0	0	0	0	0	0	0	**0**
Disposals	0	0	0	0	(3,160)	(7)	(10)	(37)	**(3,214)**
At 31 March 2019	22,017	344,872	2,652	20,691	67,098	165	25,949	6,804	**490,248**
Depreciation at 1 April 2018	0	49,797	447	0	44,357	118	14,370	4,954	**114,043**
Indexation	0	84	1	0	0	0	0	0	**85**
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Revaluations	0	0	0	0	0	0	0	0	**0**
Reversal of impairments	0	0	0	0	0	0	0	0	**0**
Impairments	0	(203)	0	0	0	0	0	0	**(203)**
Reclassified as held for sale	0	0	0	0	0	0	0	0	**0**
Disposals	0	0	0	0	(3,160)	(7)	(10)	(37)	**(3,214)**
Provided during the year	0	8,625	80	0	4,342	0	2,262	456	**15,765**
At 31 March 2019	0	58,303	528	0	45,539	111	16,622	5,373	**126,476**
Net book value at 1 April 2018	21,046	282,014	2,184	27,289	21,198	1	7,351	1,885	**362,968**
Net book value at 31 March 2019	22,017	286,569	2,124	20,691	21,559	54	9,327	1,431	**363,772**
Net book value at 31 March 2019 comprises :									
Purchased	21,135	284,894	2,124	17,542	21,452	54	9,283	1,424	**357,908**
Donated	882	1,675	0	3,149	106	0	21	7	**5,840**
Government Granted	0	0	0	0	1	0	23	0	**24**
At 31 March 2019	22,017	286,569	2,124	20,691	21,559	54	9,327	1,431	**363,772**
Asset financing :									
Owned	21,777	284,715	918	20,691	21,556	54	9,327	1,431	**360,469**
Held on finance lease	0	479	0	0	3	0	0	0	**482**
On-SoFP PFI contracts	240	1,375	1,206	0	0	0	0	0	**2,821**
PFI residual interests	0	0	0	0	0	0	0	0	**0**
At 31 March 2019	22,017	286,569	2,124	20,691	21,559	54	9,327	1,431	**363,772**

The net book value of land, buildings and dwellings at 31 March 2019 comprises :

	£000
Freehold	**310,231**
Long Leasehold	**0**
Short Leasehold	**479**
	310,710

11. Property, plant and equipment (continued)

Disclosures:

i) Donated Assets

Cwm Taf Morgannwg LHB has received the following donated assets during the year:

	£'000
RGH Palliative Care Unit	1,709
RFID System	49
Cardiology Fysicon System	138
YCC Palliative Care Ultrasound	6
Ipads	2
Bariatric Hoist	7

ii) Valuations

The LHBs land and Buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation has been prepared in accordance with the terms of the Royal Institute of Chartered Surveyors' Valuation Standards, 6th edition.

The LHB is required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in operation.

iii) Asset Lives

Depreciated as follows:
- Land is not depreciated.
- Buildings as determined by the Valuation Office Agency.
- Equipment 5-15 years.

iv) Compensation

There has been no compensation received from third parties for assets impaired, lost or given up, that is included in the income statement.

v) Write Downs

During 19/20 the following impairments arose:

	£'000
The impairments as a result of bringing assets into use.	
RGH Palliative Care Unit	1,051
PCH Decontamination Unit	882
Tonypandy Health Centre	620
Impairment due to negative indexation on land	194
Reversal of Impairments	**(3,936)**
Total Impairments	(1,189)

vi) The LHB does not hold any property where the value is materially different from its open market value.

vii) Assets Held for Sale or sold in the period.

There are no assets held for sale or sold in the period.

11. Property, plant and equipment

11.2 Non-current assets held for sale

	Land	Buildings, including dwelling	Other property, plant and equipment	Intangible assets	Other assets	Total
	£000	£000	£000	£000	£000	£000
Balance brought forward 1 April 2019	0	0	0	0	0	**0**
Plus assets classified as held for sale in the year	0	0	0	0	0	**0**
Revaluation	0	0	0	0	0	**0**
Less assets sold in the year	0	0	0	0	0	**0**
Add reversal of impairment of assets held for sale	0	0	0	0	0	**0**
Less impairment of assets held for sale	0	0	0	0	0	**0**
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	**0**
Balance carried forward 31 March 2020	0	0	0	0	0	**0**
Balance brought forward 1 April 2018	0	0	0	0	0	**0**
Plus assets classified as held for sale in the year	0	0	0	0	0	**0**
Revaluation	0	0	0	0	0	**0**
Less assets sold in the year	0	0	0	0	0	**0**
Add reversal of impairment of assets held for sale	0	0	0	0	0	**0**
Less impairment of assets held for sale	0	0	0	0	0	**0**
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	**0**
Balance carried forward 31 March 2019	0	0	0	0	0	**0**

12. Intangible non-current assets

2019-20

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure-internally generated	Carbon Reduction Commitments	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2019	416	0	2,490	0	0	0	**2,906**
Revaluation	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Reclassifications	**1,126**	**0**	**0**	**0**	**0**	**0**	**1,126**
Reversal of impairments	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Impairments	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Additions- purchased	**1,965**	**0**	**0**	**0**	**0**	**0**	**1,965**
Additions- internally generated	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Additions- donated	**13**	**0**	**6**	**0**	**0**	**0**	**19**
Additions- government granted	**29**	**0**	**0**	**0**	**0**	**0**	**29**
Reclassified as held for sale	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Transfers	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Disposals	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Gross cost at 31 March 2020	**3,549**	**0**	**2,496**	**0**	**0**	**0**	**6,045**
Amortisation at 1 April 2019	349	0	1,644	0	0	0	**1,993**
Revaluation	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Reclassifications	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Reversal of impairments	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Impairment	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Provided during the year	**28**	**0**	**393**	**0**	**0**	**0**	**421**
Reclassified as held for sale	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Transfers	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Disposals	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Amortisation at 31 March 2020	**377**	**0**	**2,037**	**0**	**0**	**0**	**2,414**
Net book value at 1 April 2019	**67**	**0**	**846**	**0**	**0**	**0**	**913**
Net book value at 31 March 2020	**3,172**	**0**	**459**	**0**	**0**	**0**	**3,631**
At 31 March 2020							
Purchased	**3,132**	**0**	**446**	**0**	**0**	**0**	**3,578**
Donated	**13**	**0**	**6**	**0**	**0**	**0**	**19**
Government Granted	**27**	**0**	**7**	**0**	**0**	**0**	**34**
Internally generated	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total at 31 March 2020	**3,172**	**0**	**459**	**0**	**0**	**0**	**3,631**

12. Intangible non-current assets
2018-19

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure-internally generated	Carbon Reduction Commitments	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2018	458	0	2,161	0	0	0	**2,619**
Revaluation	0	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	0	**0**
Reversal of impairments	0	0	0	0	0	0	**0**
Impairments	0	0	0	0	0	0	**0**
Additions- purchased	0	0	329	0	0	0	**329**
Additions- internally generated	0	0	0	0	0	0	**0**
Additions- donated	0	0	0	0	0	0	**0**
Additions- government granted	0	0	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	0	**0**
Transfers	0	0	0	0	0	0	**0**
Disposals	(42)	0	0	0	0	0	**(42)**
Gross cost at 31 March 2019	**416**	**0**	**2,490**	**0**	**0**	**0**	**2,906**
Amortisation at 1 April 2018	385	0	1,173	0	0	0	**1,558**
Revaluation	0	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	0	**0**
Reversal of impairments	0	0	0	0	0	0	**0**
Impairment	0	0	0	0	0	0	**0**
Provided during the year	6	0	471	0	0	0	**477**
Reclassified as held for sale	0	0	0	0	0	0	**0**
Transfers	0	0	0	0	0	0	**0**
Disposals	(42)	0	0	0	0	0	**(42)**
Amortisation at 31 March 2019	**349**	**0**	**1,644**	**0**	**0**	**0**	**1,993**
Net book value at 1 April 2018	**73**	**0**	**988**	**0**	**0**	**0**	**1,061**
Net book value at 31 March 2019	**67**	**0**	**846**	**0**	**0**	**0**	**913**
At 31 March 2019							
Purchased	52	0	846	0	0	0	**898**
Donated	15	0	0	0	0	0	**15**
Government Granted	0	0	0	0	0	0	**0**
Internally generated	0	0	0	0	0	0	**0**
Total at 31 March 2019	**67**	**0**	**846**	**0**	**0**	**0**	**913**

Additional disclosures re Intangible Assets

In year £ 2.013m assets were acquired relating to software and licences.

Software and licences are allocated a useful life of five years.

13 . Impairments

	2019-20 Property, plant & equipment £000	2019-20 Intangible assets £000	2018-19 Property, plant & equipment £000	2018-19 Intangible assets £000
Impairments arising from :				
Loss or damage from normal operations	**0**	**0**	0	0
Abandonment in the course of construction	**0**	**0**	0	0
Over specification of assets (Gold Plating)	**0**	**0**	0	0
Loss as a result of a catastrophe	**0**	**0**	0	0
Unforeseen obsolescence	**0**	**0**	0	0
Changes in market price	**0**	**0**	0	0
Others (specify)	**2,747**	**0**	13,647	0
Reversal of Impairments	**(3,936)**	**0**	**(2,077)**	0
Total of all impairments	**(1,189)**	**0**	11,570	0
Analysis of impairments charged to reserves in year :				
Charged to the Statement of Comprehensive Net Expenditure	**(1,189)**	**0**	11,570	0
Charged to Revaluation Reserve	**0**	**0**	0	0
	(1,189)	**0**	11,570	0

The following impairment losses were incurred for assets brought into use during the year:

	£'000
Palliative Care Unit - Royal Glamorgan Hospital	1,051
Tonypandy Health Centre	882
Decontamination Unit - Prince Charles Hospital	620
	2,553
Impairment due to negative indexation on land	194
Reversal of impairments as a result of indexation on assets previously impaired	**(3,936)**
	(1,189)

14.1 Inventories

	31 March 2020	31 March 2019
	£000	£000
Drugs	2,451	1,706
Consumables	3,512	2,487
Energy	108	98
Work in progress	0	0
Other	0	0
Total	6,071	4,291
Of which held at realisable value	0	0

14.2 Inventories recognised in expenses

	31 March 2020	31 March 2019
	£000	£000
Inventories recognised as an expense in the period	60	47
Write-down of inventories (including losses)	0	0
Reversal of write-downs that reduced the expense	0	0
Total	60	47

15. Trade and other Receivables

Current	31 March 2020 £000 CT activities	31 March 2020 £000	Restatements 31 March 2019 £000 activities	Restatements 31 March 2019 £000
Welsh Government	5,244	5,389	2,884	2,884
WHSSC / EASC	117	0	612	0
Welsh Health Boards	4,043	6,254	4,256	13,603
Welsh NHS Trusts	2,646	3,514	1,330	1,784
Health Education and Improvement Wales (HEIW)	311	311	250	250
Non - Welsh Trusts	135	2,864	38	426
Other NHS	64	64	115	115
Welsh Risk Pool Claim reimbursement;				
NHS Wales Secondary Health Sector	64,660	64,660	60,265	60,265
NHS Wales Primary Sector FLS Reimbursement	0	0	0	0
NHS Wales Redress	531	531	251	251
Other	0	0	0	0
Local Authorities	12,634	12,634	5,874	5,874
Capital debtors - Tangible	77	77	0	0
Capital debtors - Intangible	0	0	0	0
Other debtors	7,190	7,238	7,349	7,351
Provision for irrecoverable debts	(2,516)	(2,516)	(3,045)	(3,045)
Pension Prepayments	0	0	0	0
Other prepayments	5,286	5,345	3,111	3,147
Other accrued income	820	820	893	893
Sub total	**101,242**	**107,185**	84,183	93,798
Non-current				
Welsh Government	0	0	0	0
WHSSC / EASC	0	0	0	0
Welsh Health Boards	0	0	0	0
Welsh NHS Trusts	0	0	0	0
Health Education and Improvement Wales (HEIW)	0	0	0	0
Non - Welsh Trusts	0	0	0	0
Other NHS	0	0	0	0
Welsh Risk Pool Claim reimbursement;				
NHS Wales Secondary Health Sector	49,860	49,860	38,483	38,483
NHS Wales Primary Sector FLS Reimbursement	0	0	0	0
NHS Wales Redress	106	106	134	134
Other	0	0	0	0
Local Authorities	0	0	0	0
Capital debtors - Tangible	0	0	0	0
Capital debtors - Intangible	0	0	0	0
Other debtors	0	0	0	0
Provision for irrecoverable debts	0	0	0	0
Pension Prepayments	0	0	0	0
Other prepayments	103	103	117	117
Other accrued income	0	0	0	0
Sub total	**50,069**	**50,069**	38,734	38,734
Total	**151,311**	**157,254**	122,917	132,532

Restatements:
The Welsh Risk Pool Claim reimbursement receivables for 2018-19 have been restated to provide analysis of the balance between different categories of claims.

The capital debtors balance for 2018-19 have been restated to provide analysis of the balance between tangible and intangible debtors.

15. Trade and other Receivables

	31 March 2020 £000 CT activities	31 March 2020 £000	31 March 2019 £000 CT activities	31 March 2019 £000
Receivables past their due date but not impaired				
By up to three months	**4,507**	**4,637**	1,255	1,363
By three to six months	**430**	**470**	107	107
By more than six months	**325**	**325**	50	52
	5,262	**5,432**	1,412	1,522

Expected Credit Losses (ECL) / Provision for impairment of receivables				
Balance at 31 March 2019			(2,494)	(2,494)
Adjustment for Implementation of IFRS 9			(763)	(763)
Balance at 1 April 2019	**(3,045)**	**(3,045)**	(3,257)	(3,257)
Transfer from other NHS Wales body	**(350)**	**(350)**	0	0
Amount written off during the year	**519**	**519**	0	0
Amount recovered during the year	**94**	**94**	293	293
(Increase) / decrease in receivables impaired	**266**	**266**	(81)	(81)
Bad debts recovered during year	**0**	**0**	0	0
Balance at 31 March 2020	**(2,516)**	**(2,516)**	(3,045)	(3,045)

In determining whether a debt is impaired consideration is given to the age of the debt and the results of actions taken to recover the debt, including reference to credit agencies.

Receivables VAT				
Trade receivables	**0**	**0**	0	0
Other	**1,631**	**0**	991	991
Total	**1,631**	**0**	991	991

16. Other Financial Assets

	Current		Non-current	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
	£000	£000	**£000**	£000
Financial assets				
Shares and equity type investments				
Held to maturity investments at amortised costs	**0**	0	**0**	0
At fair value through SOCNE	**0**	0	**0**	0
Available for sale at FV	**0**	0	**0**	0
Deposits	**0**	0	**0**	0
Loans	**0**	0	**0**	0
Derivatives	**0**	0	**0**	0
Other (Specify)		0		0
Held to maturity investments at amortised costs	**0**	0	**0**	0
At fair value through SOCNE	**0**	0	**0**	0
Available for sale at FV	**0**	0	**0**	0
Total	**0**	**0**	**0**	**0**

17. Cash and cash equivalents

	2019-20	**2019-20**	2018-19	2018-19
	£000	**£000**	£000	£000
	CT activities		CT activities	
Balance at 1 April 2019	**316**	**8,957**	(289)	11,285
Net change in cash and cash equivalent balances	**60**	**5,798**	605	(2,328)
Balance at 31 March 2020	**376**	**14,755**	316	8,957
Made up of:				
Cash held at GBS	**322**	**14,701**	273	8,914
Commercial banks	**4**	**4**	24	24
Cash in hand	**50**	**50**	19	19
Current Investments	**0**	**0**	0	0
Cash and cash equivalents as in Statement of Financial Position	**376**	**14,755**	316	8,957
Bank overdraft - GBS	**0**	**0**	0	0
Bank overdraft - Commercial banks	**0**	**0**	0	0
Cash and cash equivalents as in Statement of Cash Flows	**376**	**14,755**	316	8,957

In response to the IAS 7 requirement for additional disclosure, the changes in liabilities arising for financing activities are;

Lease Liabilities £6k
PFI liabilities £152k

The movement relates to cash, no comparative information is required by IAS 7 in 2019-20.

18. Trade and other payables

Current	31 March 2020 £000 CT activities	31 March 2020 £000	Restatements 31 March 2019 £000 CT activities	Restatements 31 March 2019 £000
Welsh Government	6	28	0	0
WHSSC / EASC	1,450	0	1,170	0
Welsh Health Boards	5,181	17,132	2,183	10,669
Welsh NHS Trusts	2,853	3,281	2,195	3,062
Health Education and Improvement Wales (HEIW)	4	4	0	0
Other NHS	2,741	19,756	2,112	20,425
Taxation and social security payable / refunds	0	54	0	51
Refunds of taxation by HMRC	0	0	0	0
VAT payable to HMRC	0	0	0	0
Other taxes payable to HMRC	867	867	3,225	3,225
NI contributions payable to HMRC	4,810	4,873	673	724
Non-NHS payables revenue	13,874	15,537	3,994	5,002
Local Authorities	16,478	16,478	10,260	10,260
Capital Creditors-Tangible	2,358	2,358	5,026	5,026
Capital Creditors- Intangible	461	461	44	44
Overdraft	0	0	0	0
Rentals due under operating leases	0	0	0	0
Obligations under finance leases, HP contracts	1	1	5	5
Imputed finance lease element of on SoFP PFI contracts	157	157	152	152
Pensions: staff	1,214	1,214	5,171	5,171
Non NHS Accruals	66,778	69,050	44,885	47,209
Deferred Income:				
Deferred Income brought forward	521	521	422	422
Deferred Income Additions	334	334	310	310
Transfer to / from current/non current deferred income	0	0	0	0
Released to SoCNE	(363)	(363)	(211)	(211)
Other creditors	13,389	13,389	14,884	14,884
PFI assets –deferred credits	0	0	0	0
Payments on account	0	5	0	6
Total	**133,114**	**165,137**	96,500	126,436
Non-current				
Welsh Government	0	0	0	0
WHSSC / EASC	0	0	0	0
Welsh Health Boards	0	0	0	0
Welsh NHS Trusts	0	0	0	0
Health Education and Improvement Wales (HEIW)	0	0	0	0
Other NHS	0	0	0	0
Taxation and social security payable / refunds	0	0	0	0
Refunds of taxation by HMRC	0	0	0	0
VAT payable to HMRC	0	0	0	0
Other taxes payable to HMRC	0	0	0	0
NI contributions payable to HMRC	0	0	0	0
Non-NHS payables revenue	0	0	0	0
Local Authorities	0	0	0	0
Capital Creditors-Tangible	0	0	0	0
Capital Creditors- Intangible	0	0	0	0
Overdraft	0	0	0	0
Rentals due under operating leases	0	0	0	0
Obligations under finance leases, HP contracts	0	0	2	2
Imputed finance lease element of on SoFP PFI contracts	1,307	1,307	1,464	1,464
Pensions: staff	0	0	0	0
Non NHS Accruals	0	0	0	0
Deferred Income :				
Deferred Income brought forward	0	0	0	0
Deferred Income Additions	0	0	0	0
Transfer to / from current/non current deferred income	0	0	0	0
Released to SoCNE	0	0	0	0
Other creditors	0	0	0	0
PFI assets –deferred credits	0	0	0	0
Payments on account	0	0	0	0
Total	**1,307**	**1,307**	1,466	1,466
Total	**134,421**	**166444**	**97966**	**127902**

It is intended to pay all invoices within the 30 day period directed by the Welsh Government.

The capital creditors balance for 2018-19 have been restated to provide analysis of the balance between tangible and intangible categories.

19. Other financial liabilities

	Current		Non-current	
Financial liabilities	**31 March 2020 £000**	31 March 2019 £000	**31 March 2020 £000**	31 March 2019 £000
Financial Guarantees:				
At amortised cost	**0**	0	**0**	0
At fair value through SoCNE	**0**	0	**0**	0
Derivatives at fair value through SoCNE	**0**	0	**0**	0
Other:				
At amortised cost	**0**	0	**0**	0
At fair value through SoCNE	**0**	0	**0**	0
Total	**0**	0	**0**	0

20. Provisions

Restatements

	At 1 April 2019	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2020
Current	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Clinical negligence:-									
Secondary care	**41,408**	8,319	0	(6,078)	30,139	(11,458)	(28,227)	0	**34,103**
Primary care	**0**	0	0	0	0	0	0	0	**0**
Redress Secondary care	**134**	0	0	0	1,650	(76)	(1,374)	0	**334**
Redress Primary care	**0**	0	0	0	0	0	0	0	**0**
Personal injury	**603**	0	0	(429)	1,477	(725)	(83)	0	**843**
All other losses and special payments	**0**	0	0	0	432	(412)	(20)	0	**0**
Defence legal fees and other administration	**1,674**	0	0	17	1,422	(570)	(794)		**1,749**
Pensions relating to former directors	**0**			0	0	0	0	0	**0**
Pensions relating to other staff	**137**			9	314	(304)	(3)	0	**153**
Restructuring	**0**			0	0	0	0	0	**0**
Other	**4,003**		(3)	0	(454)	(999)	(744)		**1,803**
Total	**47,959**	**8,319**	**(3)**	(6,481)	34,980	(14,544)	(31,245)	**0**	**38,985**
Non Current									
Clinical negligence:-									
Secondary care	**37,964**	0	0	6,078	17,668	(2,510)	(10,085)	0	**49,115**
Primary care	**0**	0	0	0	0	0	0	0	**0**
Redress Secondary care	**0**	0	0	0	61	1	(36)	0	**26**
Redress Primary care	**0**	0	0	0	0	0	0	0	**0**
Personal injury	**4,264**	0	0	429	1,127	0	0	16	**5,836**
All other losses and special payments	**0**	0	0	0	0	0	0	0	**0**
Defence legal fees and other administration	**924**	0	0	(17)	337	(75)	(142)		**1,027**
Pensions relating to former directors	**0**			0	0	0	0	0	**0**
Pensions relating to other staff	**220**			(9)	42	0	0	2	**255**
Restructuring	**0**			0	0	0	0	0	**0**
Other	**0**		0	0	0	0	0		**0**
Total	**43,372**	**0**	**0**	**6,481**	**19,235**	**(2,584)**	**(10,263)**	**18**	**56,259**
TOTAL									
Clinical negligence:-									
Secondary care	**79,372**	**8,319**	**0**	**0**	**47,807**	**(13,968)**	**(38,312)**	**0**	**83,218**
Primary care	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Redress Secondary care	**134**	**0**	**0**	**0**	**1,711**	**(75)**	**(1,410)**	**0**	**360**
Redress Primary care	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Personal injury	**4,867**	**0**	**0**	**0**	**2,604**	**(725)**	**(83)**	**16**	**6,679**
All other losses and special payments	**0**	**0**	**0**	**0**	**432**	**(412)**	**(20)**	**0**	**0**
Defence legal fees and other administration	**2,598**	**0**	**0**	**0**	**1,759**	**(645)**	**(936)**	**0**	**2,776**
Pensions relating to former directors	**0**			**0**	**0**	**0**	**0**	**0**	**0**
Pensions relating to other staff	**357**			**0**	**356**	**(304)**	**(3)**	**2**	**408**
Restructuring	**0**			**0**	**0**	**0**	**0**	**0**	**0**
Other	**4,003**		**(3)**	**0**	**(454)**	**(999)**	**(744)**	**0**	**1,803**
Total	**91,331**	**8,319**	**(3)**	**0**	**54,215**	**(17,128)**	**(41,508)**	**18**	**95,244**

Expected timing of cash flows:

	In year to 31 March 2021	Between 1 April 2021 31 March2025	Thereafter	Total
				£000
Clinical negligence:-				**0**
Secondary care	34,103	49,115	0	**83,218**
Primary care	0	0	0	**0**
Redress Secondary care	334	26	0	**360**
Redress Primary care	0	0	0	**0**
Personal injury	843	5,836	0	**6,679**
All other losses and special payments	0	0	0	**0**
Defence legal fees and other administration	1,749	1,027	0	**2,776**
Pensions relating to former directors	0	0	0	**0**
Pensions relating to other staff	153	255	0	**408**
Restructuring	0	0	0	**0**
Other	1,803	0	0	**1,803**
Total	**38,985**	**56,259**	**0**	**95,244**

Restatements : the current and non-current balances for clinical negligence provisions as at 1 April 2019 have been restated to provide analysis between primary and secondary care clinical negligence and redress cases.

The expected timing of cashflows are based on best available information; but they could change on the basis of individual case changes.

The Legal & Risk Service (part of the NHS Wales Shared Service Partnership) provide details of Clinical Negligence and person al Injury cases including estimated settlement amounts and the timing of the cashflow.

The provision for Permanent Injury Benefit is supplied by NHS Pensions Agency.

Other provisions include £442k for Continuing Healthcare Claims (2018 -19: £1,629k) and £937k for Continuing Healthcare - Judicial Review.

The Health Board estimates that it will receive £84,521k from the Welsh Risk Pool in respect of losses and special payments cases (including Clinical Negligence, Redress and Personal Injury). In addition to the provisions shown above, contingent liabilities are given in Note 21.1 Contingent Liabilities.

20. Provisions (continued)

	Restatements		Restatements	Restatements	Restatements	Restatements	Restatements		Restatements
	At 1 April 2018	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2019
Current	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Clinical negligence:-									
Secondary care	28,937	0	(5,757)	21,737	11,363	(8,127)	(6,745)	0	**41,408**
Primary care	0	0	0	0	0	0	0	0	**0**
Redress Secondary care	0	0	0	0	571	(429)	(8)	0	**134**
Redress Primary care	0	0	0	0	0	0	0	0	**0**
Personal injury	1,677	0	(243)	(1,219)	2,422	(727)	(1,307)	0	**603**
All other losses and special payments	0	0	0	0	307	(307)	0	0	**0**
Defence legal fees and other administration	1,829	0	0	226	1,071	(621)	(831)		**1,674**
Pensions relating to former directors	0			0	0	0	0	0	**0**
Pensions relating to other staff	149			141	67	(208)	(12)	0	**137**
Restructuring	0			0	0	0	0	0	**0**
Other	2,303		(69)	2,036	1,727	(547)	(1,447)		**4,003**
Total	**34,895**	**0**	**(6,069)**	**22,921**	**17,528**	**(10,966)**	**(10,350)**	**0**	**47,959**
Non Current									
Clinical negligence:-									
Secondary care	47,447	0	0	(21,737)	12,786	(532)	0	0	**37,964**
Primary care	0	0	0	0	0	0	0	0	**0**
Redress Secondary care	0	0	0	0	0	0	0	0	**0**
Redress Primary care	0	0	0	0	0	0	0	0	**0**
Personal injury	3,042	0	0	1,219	0	0	0	3	**4,264**
All other losses and special payments	0	0	0	0	0	0	0	0	**0**
Defence legal fees and other administration	948	0	0	(226)	230	(23)	(5)		**924**
Pensions relating to former directors	0			0	0	0	0	0	**0**
Pensions relating to other staff	360			(141)	0	0	0	1	**220**
Restructuring	0			0	0	0	0	0	**0**
Other	2,036		0	(2,036)	0	0	0		**0**
Total	**53,833**	**0**	**0**	**(22,921)**	**13,016**	**(555)**	**(5)**	**4**	**43,372**
TOTAL									
Clinical negligence:-									
Secondary care	76,384	0	(5,757)	0	24,149	(8,659)	(6,745)	0	**79,372**
Primary care	0	0	0	0	0	0	0	0	**0**
Redress Secondary care	0	0	0	0	571	(429)	(8)	0	**134**
Redress Primary care	0	0	0	0	0	0	0	0	**0**
Personal injury	4,719	0	(243)	0	2,422	(727)	(1,307)	3	**4,867**
All other losses and special payments	0	0	0	0	307	(307)	0	0	**0**
Defence legal fees and other administration	2,777	0	0	0	1,301	(644)	(836)		**2,598**
Pensions relating to former directors	0			0	0	0	0	0	**0**
Pensions relating to other staff	509			0	67	(208)	(12)	1	**357**
Restructuring	0			0	0	0	0	0	**0**
Other	4,339		(69)	0	1,727	(547)	(1,447)		**4,003**
Total	**88,728**	**0**	**(6,069)**	**0**	**30,544**	**(11,521)**	**(10,355)**	**4**	**91,331**

Restatements: the current and non-current balances for clinical negligence provisions as at 31st March 2019 have been restated to provide analysis between primary and secondary care clinical negligence and redress cases.

21. Contingencies

21.1 Contingent liabilities

		Restatements
	2019-20	2018-19
Provisions have not been made in these accounts for the following amounts :	**£'000**	£'000
Legal claims for alleged medical or employer negligence;		
Secondary Care	**148,467**	132,774
Primary Care	**0**	0
Secondary Care Redress	**1,190**	0
Primary Care Redress	**0**	0
Doubtful debts	**0**	0
Equal Pay costs	**0**	0
Defence costs	**1,974**	1,875
Continuing Health Care costs	**839**	2,361
Other	**235**	0
Total value of disputed claims	**152,705**	137,010
Amounts (recoverable) in the event of claims being successful	**(148,642)**	(132,424)
Net contingent liability	**4,063**	4,586

Restatements : the contingent liabilities relating to legal claims for alleged medical and employer negligence for 2018-19 have been restated to provide analysis between primary and secondary care clinical negligence and redress cases.

Other litigation claims could arise in the future due to known incidents. The expenditure which may arise from such claims cannot be determined and no provision has been made for them.

Liability for Permanent Injury Benefit under the NHS Injury Benefit Scheme lies with the employer. Individual claims to the N HS Pensions Agency could arise due to known incidents.

Liabilities for continuing healthcare costs continue to reduce following periods of increasing volume of claims after the introduction of deadlines and cut off dates by Welsh Government commencing on the 31st July 2014. The contingenct liability reflects claims that have been received by the LHB at the 31st March 2020.

Cwm Taf LHB is responsible for post 1st April 2003 costs and the financial statements include the following amounts relating to those uncertain continuing healthcare costs:

Note 20 sets out the £0.4m provision made for probable continuing care costs relating to 26 claims received;

Note 21.1 sets out the £0.8m contingent liability for possible continuing care costs relating to 18 claims received.

Other contingent liabilities includes claims from employees where the outcome of the claims are uncertain.

Pensions tax annual allowance – Scheme Pays arrangements 2019/20

In accordance with a Ministerial Direction issued on 18 December 2019, the Welsh Government have taken action to support circ umstances where pensions tax rules are impacting upon clinical staff who want to work additional hours, and have determined that:

- clinical staff who are members of the NHS Pension Scheme and who, as a result of work undertaken in the 2019-20 tax year, face a tax charge on the growth of their NHS pension benefits, may opt to have this charge paid by the NHS Pension Scheme, with their pension reduced on retirement;
- Cwm Taf Morgannwg University Health Board will then pay them a corresponding amount on retirement, ensuring that they arefully compensated for the effect of the deduction.

This scheme will be fully funded by the Welsh Government with no net cost to Cwm Taf Morgannwg University Health Board.

Clinical staff have until 31 July 2021 to opt for this scheme and the ability to make changes up to 31 July 2024.

Using information provided by the Government Actuaries Department and the NHS Business Services Authority, a national 'averag e discounted value per nomination' (calculated at £3,345) could be used by NHS bodies to estimate a local provision by multiplying it by t he number of staff expected to take up the offer.

At the date of approval of these accounts, there was no evidence of take-up of the scheme by our clinical staff in 2019-20 and no information was available to enable a reasonable assessment of future take up to be made. As no reliable estimate can therefore be made to su pport the creation of a provision at 31 March 2020, the existence of an unquantified contingent liability is instead disclosed.

21.2 Remote Contingent liabilities

	2019-20 £'000	2018-19 £'000
Please disclose the values of the following categories of remote contingent liabilities :		
Guarantees	0	0
Indemnities	275	1,025
Letters of Comfort	0	0
Total	**275**	**1,025**

21.3 Contingent assets

	2019-20 £'000	2018-19 £'000
	0	0
	0	0
	0	0
Total	**0**	0

22. Capital commitments

Contracted capital commitments at 31 March	2019-20 £'000	2018-19 £'000
Property, plant and equipment	15,215	30,491
Intangible assets	0	0
Total	**15,215**	30,491

23. Losses and special payments

Losses and special payments are charged to the Statement of Comprehensive Net Expenditure in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore this note is prepared on a cash basis.

Gross loss to the Exchequer

Number of cases and associated amounts paid out during the financial year

	Amounts paidout during period to 31March 2020	
	Number	**£**
Clinical negligence	103	19,970,966
Personal injury	61	678,502
All other losses and special payments	232	407,020
Total	396	21,056,488

Analysis of cases which exceed £300,000 and all other cases

Cases exceeding £300,000	**Number**	**Case type**	**Amounts paid out in year** £	**Cumulative amount** £
	03RRSPI0020	Personal Injury	47,379	729,058
	05RRSMN0039	Clinical Negligence	150,000	830,800
	05RVEMN0022	Clinical Negligence	460,000	460,000
	08RVEMN0013	Clinical Negligence	4,710,000	5,610,000
	09RVEMN0017	Clinical Negligence	0	944,619
	10RYLMN0092	Clinical Negligence	0	343,000
	11RYLMN0068	Clinical Negligence	0	416,000
	12RYLMN0004	Clinical Negligence	380,000	2,060,000
	12RYLMN0037	Clinical Negligence	1,300,000	1,300,000
	13RYLMN0096	Clinical Negligence	200,000	350,000
	13RYLMN0131	Clinical Negligence	7,455,000	8,255,000
	14RYLMN0010	Clinical Negligence	0	451,156
	14RYLMN0062	Clinical Negligence	120,000	1,170,000
	14RYLMN0127	Clinical Negligence	1,247,732	1,367,733
	14RYLMN0200	Clinical Negligence	70,000	1,715,880
	14RYLMN0208	Clinical Negligence	7,500	377,520
	14RYLPI0055	Personal Injury	0	361,722
	15RYLMN0010	Clinical Negligence	0	1,907,204
	15RYLMN0018	Clinical Negligence	0	380,549
	15RYLMN0109	Clinical Negligence	1,250,000	1,495,000
	16RYLMN0078	Clinical Negligence	73,030	973,030
	17RYLMN0185	Clinical Negligence	27,000	714,283
Sub-total			**17,497,641**	**32,212,554**
All other cases			3,558,847	10,766,147
Total cases			**21,056,488**	**42,978,701**

24. Finance leases

24.1 Finance leases obligations (as lessee)

The Buildings finance lease reported on page 58 includes building improvements to the Dental Teaching Unit. There are no other significant leasing arrangements which require further disclosure.

Amounts payable under finance leases:

Land	**31 March 2020 £000**	31 March 2019 £000
Minimum lease payments		
Within one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Less finance charges allocated to future periods	**0**	0
Minimum lease payments	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0
Present value of minimum lease payments		
Within one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Present value of minimum lease payments	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0

24.1 Finance leases obligations (as lessee) continue

Amounts payable under finance leases:

Buildings	**31 March 2020**	31 March 2019
Minimum lease payments	**£000**	£000
Within one year	**0**	4
Between one and five years	**0**	0
After five years	**0**	0
Less finance charges allocated to future periods	**0**	0
Minimum lease payments	**0**	4
Included in:		
Current borrowings	**0**	4
Non-current borrowings	**0**	0
	0	4
Present value of minimum lease payments		
Within one year	**0**	4
Between one and five years	**0**	0
After five years	**0**	0
Present value of minimum lease payments	**0**	4
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0

Other	**31 March 2020**	31 March 2019
Minimum lease payments	**£000**	£000
Within one year	**2**	2
Between one and five years	**0**	2
After five years	**0**	0
Less finance charges allocated to future periods	**0**	1
Minimum lease payments	**2**	5
Included in:		
Current borrowings	**2**	1
Non-current borrowings	**0**	2
	2	3
Present value of minimum lease payments		
Within one year	**2**	1
Between one and five years	**0**	2
After five years	**0**	0
Present value of minimum lease payments	**2**	3
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0

24.2 Finance leases obligations (as lessor) continued

The Local Health Board has no finance leases receivable as a lessor.

Amounts receivable under finance leases:

	31 March 2020	31 March 2019
Gross Investment in leases	**£000**	£000
Within one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Less finance charges allocated to future periods	**0**	0
Minimum lease payments	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0
Present value of minimum lease payments		
Within one year	**0**	0
Between one and five years	**0**	0
After five years	**0**	0
Less finance charges allocated to future periods	**0**	0
Present value of minimum lease payments	**0**	0
Included in:		
Current borrowings	**0**	0
Non-current borrowings	**0**	0
	0	0

25. Private Finance Initiative contracts

25.1 PFI schemes off-Statement of Financial Position

The Local Health Board has no PFI Schemes off-statement of financial position.

Commitments under off-SoFP PFI contracts	**Off-SoFP PFI contracts**	Off-SoFP PFI contracts
	31 March 2020	31 March 2019
	£000	£000
Total payments due within one year	**0**	0
Total payments due between 1 and 5 years	**0**	0
Total payments due thereafter	**0**	0
Total future payments in relation to PFI contracts	**0**	0
Total estimated capital value of off-SoFP PFI contracts	**0**	0

25.2 PFI schemes on-Statement of Financial Position

Capital value of scheme included in Fixed Assets Note 11	**£000**
Staff Residences - Royal Glamorgan Hospital	**1,431**
Contract start date:	**09/10/1998**
Contract end date:	**21/09/2028**

Scheme Description

The staff residences scheme covers the design, build, financing and operation of staff accommodation on the Royal Glamorgan Hospital site. The Health Board entered into a project agreement with Charter Housing Association on the 9th October 1998.

	£000
Combined Heat and Power Plant-Prince Charles Hospital	**1,316**
Contract start date:	**01/04/2004**
Contract end date:	**31/03/2029**

The contract is for the installation, operation, maintenance and ownership of a Combined Heat and Power plant and the complete management and operation of a central boiler plant installation, light fittings and building management system on the Prince Charles Hospital site. The contract includes performance guarantees for the supply of hot water and electricity. The charging structure requires the Health Board to pay for the heat (in the form of hot water) created from the electricity generated by the Combined Heat and Power plant being supplied free of charge to the Health Board.

Total obligations for on-Statement of Financial Position PFI contracts due:

	On SoFP PFI Capital element 31 March 2020 £000	**On SoFP PFI Imputed interest 31 March 2020 £000**	**On SoFP PFI Service charges 31 March 2020 £000**
Total payments due within one year	**157**	**41**	**428**
Total payments due between 1 and 5 years	**684**	**111**	**1,714**
Total payments due thereafter	**624**	**27**	**1,500**
Total future payments in relation to PFI contracts	**1,465**	**179**	**3,642**

	On SoFP PFI Capital element 31 March 2019 £000	On SoFP PFI Imputed interest 31 March 2019 £000	On SoFP PFI Service charges 31 March 2019 £000
Total payments due within one year	152	47	406
Total payments due between 1 and 5 years	661	133	1,626
Total payments due thereafter	803	46	1,829
Total future payments in relation to PFI contracts	1,616	226	3,861
Total present value of obligations for on-SoFP PFI contracts	**0**		

25.3 Charges to expenditure	**2019-20**	2018-19
	£000	£000
Service charges for On Statement of Financial Position PFI contracts (excl interest costs)	**424**	399
Total expense for Off Statement of Financial Position PFI contracts	**0**	0
The total charged in the year to expenditure in respect of PFI contracts	**424**	399

The LHB is committed to the following annual charges

	31 March 2020	31 March 2019
PFI scheme expiry date:	**£000**	£000
Not later than one year	**0**	0
Later than one year, not later than five years	**0**	0
Later than five years	**428**	406
Total	**428**	406

The estimated annual payments in future years will vary from those which the LHB is committed to make during the next year by the impact of movement in the Retail Prices Index.

25.4 Number of PFI contracts

	Number of on SoFP PFI contracts	**Number of off SoFP PFI contracts**
Number of PFI contracts	2	0
Number of PFI contracts which individually have a total commitment > £500m	0	0

PFI Contract	**On / Off-statement of financial position**
Number of PFI contracts which individually have a total commitment > £500m	0

PFI Contract	
Staff residences, Royal Glamorgan Hospital	On
Combined heat and power plant, Prince Charles Hospital	On

25.5 The LHB has no Public Private Partnerships

26. Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. The LHB is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which these standards mainly apply. The LHB has limited powers to invest and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the LHB in undertaking its activities.

Currency risk
The LHB is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The LHB has no overseas operations. The LHB therefore has low exposure to currency rate fluctuations.

Interest rate risk
LHBs are not permitted to borrow. The LHB therefore has low exposure to interest rate fluctuations

Credit risk
Because the majority of the LHB's funding derives from funds voted by the Welsh Government the LHB has low exposure to credit risk.

Liquidity risk
The LHB is required to operate within cash limits set by the Welsh Government for the financial year and draws down funds from the Welsh Government as the requirement arises. The LHB is not, therefore, exposed to significant liquidity risks.

27. Movements in working capital

	2019-20 £000 CT activities	2019-20 £000	2018-19 £000 CT activities	2018-19 £000
(Increase)/decrease in inventories	**(1,780)**	**(1,780)**	81	81
(Increase)/decrease in trade and other receivables - non-current	**(11,335)**	**(11,335)**	9,353	9,353
(Increase)/decrease in trade and other receivables - current	**(17,059)**	**(13,387)**	(26,850)	(25,826)
Increase/(decrease) in trade and other payables - non-current	(159)	(159)	(155)	(155)
Increase/(decrease) in trade and other payables - current	36,614	38,701	20,811	16,854
Total	**6,281**	**12,040**	3,240	307
Adjustment for accrual movements in fixed assets - creditors	**2,251**	**2,251**	(1,412)	(1,412)
Adjustment for accrual movements in fixed assets - debtors	**77**	**77**	0	0
Other adjustments	**158**	**158**	(573)	(573)
	8,767	**14,526**	1,255	(1,678)

28. Other cash flow adjustments

	2019-20 £000 CT activities	2019-20 £000	2018-19 £000 CT activities	2018-19 £000
Depreciation	**23,901**	**23,901**	15,765	15,765
Amortisation	**421**	**421**	477	477
(Gains)/Loss on Disposal	**(82)**	**(82)**	(44)	(44)
Impairments and reversals	**-1,189**	**-1,189**	11,569	11,569
Release of PFI deferred credits	**0**	**0**	0	0
Donated assets received credited to revenue but non-cash	**(1,862)**	**(1,862)**	(3,115)	(3,115)
Government Grant assets received credited to revenue but non-cash	**(49)**	**(49)**	0	0
Non-cash movements in provisions	**21,055**	**21,041**	14,124	14,124
Other movements	**21,732**	**21,732**	0	0
Total	**63,927**	**63,913**	38,776	38,776

29. Events after the Reporting Period

The need to plan and respond to the COVID-19 pandemic has had a significant impact on the organisation, wider NHS and society as a whole. It has required a dynamic response which has presented a number of opportunities in addition to the risks. The need to respond and recover from the pandemic will be with the organisation and wider society throughout 2020/21 and beyond. The organisation's Governance Framework will need to consider and respond to this need.

30. Related Party Transactions

During the year none of the Board members or members of the key management staff or parties related to them has undertaken any material transactions with the Local Health Board.

The Welsh Government is regarded as a related party. During the year Cwm Taf Morgannwg University Local Health Board has had a significant number of material transactions with the Welsh Government and with other entities for which the Welsh Government is regarded as the parent body namely,

	2019-20 Expenditure £000	2019-20 Income £000	2019-20 Creditors £000	2019-20 Debtors £000
Welsh Assembly Government	182	1,062,208	6	5,244
WHSSC (see below)	115,435	9,960	1,450	117
NHS Trusts				
Public Health Wales	1,832	2,629	411	510
Velindre	30,214	6,225	2,648	2,133
Welsh Ambulance Services	2,043	129	9	3
Local Health Boards				
Aneurin Bevan	1,609	22,570	869	277
Betsi Cadwaladwr	115	188	60	43
Cardiff & Vale	30,597	17,311	1,669	1,556
Hywel Dda	562	759	83	102
Powys	109	2,555	96	241
Swansea Bay	45,109	33,087	2,419	1,824
Special Health Authority				
HEIW	4	11,449	4	311
TOTAL	227,811	1,169,070	9,724	12,361

In addition, the Local Health Board has had a number of material transactions with other Government Departments and other central and local Government bodies. Most of these transactions have been with:

Bridgend County Borough Council	11,138	2,112	5,786	649
Rhondda Cynon Taf County Borough Cou	11,467	18,158	7,983	11,357
Merthyr Tydfil County Borough Council	3,333	1,278	2,699	443

The LHB has also received revenue payments from Cwm Taf Morgannwg NHS Charitable Funds totalling £0.415m (£0.138m in 2018-19) and capital contributions totalling £0.059m (£0.054m in 2018-19). The Trustees for which are also members of the Board.

A number of the LHB's Board members have interests in related parties as follows:

Name	Details	Interests
Mrs Allison Williams	Chief Executive	Spouse is employee of Welsh Ambulance Services Trust
Mrs Ruth Tehearne	Director of Planning & Performance	Daughter is employee of Blake Morgan Solicitors
Dr Nicholas T Lyons	Medical Director	Spouse is employee of Cwm Taf Morgannwg University Health Board
Mrs Joanna Davies	Director Of Workforce & Organisation	Daughter is employee of Cwm Taf Morgannwg University Health Board
Mrs Anne Phillmore	Interim Director Of Workforce & Organisation	Daughter is employee of North Bristol NHS Trust
Dr Kelechi Nnoaham	Director of Public Health	Spouse is employee of Cwm Taf Morgannwg University Health Board
		Director Welsh Wound Innovation Ltd.
Mr Robert Williams	Director of Corporate Services & Governance	Spouse is employee of Cwm Taf Morgannwg University Health Board
		Brother is employee of Cwm Taf Morgannwg University Health Board
		Uncle is employee of Cwm Taf Morgannwg University Health Board
Miss Gwenan Roberts	Interim Board Secretary	Partner is employee of Cwm Taf Morgannwg University Health Board
Mrs Maria Thomas	Vice Chair	Executive Member Macmillan Cancer Support Merthyr Tydfil
		Trustee Safer Merthyr Tydfil
		Member of St Johns
Mr Ian Wells	Independent Member	Research with NHS Wales Informatics Service(Hosted by Velindre NHS Trust)
Councillor Keiron Montague	Independent Member	Trustee Merthyr and Valleys MIND
Councillor Philip White	Independent Member	Trustee Care & Repair Bridgend
Councillor Robert Smith	Independent Member	Councillor Rhondda Cynon Taf County Borough Council
Mr Mel Jehu	Independent Member	Independent Member Police Crime Panel South Wales Police
		Trustee Cancer Aid Merthyr Tydfil
		Chair RCTCBC Standards Committee
		Trustee on Board Safer Merthyr Tydfil
Mrs Jayne Sadgrove	Independent Member	Senior Professional Fellow & Trustee Cardiff University
Mrs Nicola Milligan	Independent Member	Member RCN Welsh Board
Mrs Dilys Jouvenat	Independent member	Chair RCT Citizens Advice
Mrs Suzanne Scott-Thomas	Associate Board Member	Chair Royal Pharmaceutical Society Wales Pharmacy Board
		Sister is Professor, Cardiff University
		Sister-in-law is employee of Cwm Taf Morgannwg University Health Board
		Niece is employee of Cwm Taf Morgannwg University Health Board
Mrs Sharon Richards	Associate Board Member	Health & Wellbeing Manager, Voluntary Action Merthyr Tydfil

Total value of transactions with these related parties:

	Expenditure £000	Income £000	Creditors £000	Debtors £000
Blake Morgan Group	30	0	0	0
Blake Morgan LLP	65	0	0	0
Cancer Aid Merthyr Tydfil	25	0	5	0
Cardiff University	365	85	188	2
Care and Repair Bridgend	36	0	29	0
Macmillan Cancer Support	0	2,128	0	346
Merthyr and Valleys MIND	377	0	7	0
North Bristol NHS Trust	78	0	2	0
Order of St Johns	180	0	23	0
Police Crime Panel South Wales Police	6	187	4	0
Rhondda Cynon Taff Citizens Advice	22	0	4	0
Royal College of Nursing Welsh Board	5	2	2	0
Safer Merthyr Tydfil	70	0	0	0
Voluntary Action Merthyr Tydfil	669	0	127	0
Welsh Wound Innovation Ltd	3	21	0	0

30. Related Party Transactions

Welsh Health Specialised Services and Emergency Ambulance Services

WHSSC and EASC are sub-committees of each of the 7 Local Health Boards in Wales. Therefore, any related transaction would form part of each LHB's statutory financial statements. Whilst the committees have executive teams these are not executive directors and they are employed by Cwm Taf Morgannwg LHB as the host organisation.

During 2019/2020, the Joint Committees adopted a risk sharing approach which is applied to all financial transactions. In accordance with the Standing Orders, the Joint Committees must agree a total budget to plan and secure the relevant services delegated to them. The Joint Committees must also agree the appropriate contribution of funding required from each LHB.

Each LHB will be required to make available to the Joint Committees the level of funds outlined in the annual plan.

· The plan will include the risk sharing income received from each LHB during 2019/2020 as per Note 4,
· Expenditure incurred by WHSSC and EASC with providers of tertiary and specialist services is as per Note 3.2 and analysed in the Segmental Analysis in Note 33.
· Running costs, staffing and admin expenditure incurred with other NHS Wales organisations has been extracted from Note 3.3 but does not encompass the total of all running costs, the majority of which are transactions with organisations outside NHS Wales or are staff costs.
· Velindre and The Welsh Abmulance Service are included as providers only, as both are merely associate members of the Committees and do not have voting rights.

	Income (Note 4) £000's	Expenditure (Note 3.2) £000's	Running costs (Note 3.3)	Debtor (Note 15) £000's	Creditor (Note 18) £000's
Cardiff and Vale UHB	128,887	240,161	229	1,203	4,163
Aneurin Bevan UHB	144,529	8,774	125	164	998
Betsi Cadwalladr UHB	177,042	41,927		470	2,051
Swansea Bay UHB	96,701	112,251	64	278	3,328
Cwm Taf Morgannwg UHB	115,435	9,423	537	1,449	117
Hywel Dda UHB	94,532	2,325	46	78	1,180
Powys Teaching HB	37,036	81	53	19	231
Public Health Wales NHS Trust	26	205	20	26	219
Velindre NHS Trust	96	46,618	102	24	166
Welsh Ambulance Services NHS Trust		158,533	165	818	43
	794,284	**620,298**	**1,341**	**4,529**	**12,496**

Members of the Joint Committees for 2019/2020

LHB Chief Executives have voting rights on the committee while Trust Chief Executives are associate members only
During 2019/2020 WHSSC and EASC have entered into material transactions with the organisations represented as listed above

Mrs Judith Paget	Member		Chief Executive Aneurin Bevan UHB	
Mrs Carol Shillabeer	Member		Chief Executive Powys Teaching HB	
Mr Gary Doherty	Member	to Feb 2020	Chief Executive Betsi Cadwalladr UHB	
Mr Simon Dean	Member	from Feb 2020	Interim Chief Executive Betsi Cadwalladr UHB	
Mrs Allison Williams	Member		Chief Executive Cwm Taf Morgannwg UHB	**Spouse is employee of the Welsh Ambulance Services NHS Trust
Mrs Sharon Hopkins	Member		Interim Chief Executive Cwm Taf Morgannwg UHB	
Mr Len Richards	Member		Chief Executive Cardiff and Vale UHB	
Mr Steve Moore	Member		Chief Executive Hywel Dda UHB	
Mrs Tracy Myhill	Member		Chief Executive Swansea Bay UHB	

The following are Associate Members of the Joint Committees and therefore have no voting rights on the Joint Committee

Dr Tracey Cooper	Associate Member		Chief Executive Public Health Wales NHS Trust (WHSSC & EASC)
Mr Steve Ham	Associate Member		Chief Executive Velindre NHS Trust (WHSSC only)
Mr Jason Killens	Associate Member		Chief Executive, Welsh Ambulance Services NHS Trust (EASC only)
Dr Kieron Donovan	Affiliated Member		Chair of the Wales Renal Clincial Network (WHSSC only)
Mr Charles Janczewski	Independent Member	to Sept 2019	Chair of the Quality and Patient Safety Committee (WHSSC only)
Mr Emrys Elias	Independent Member and Vice Chair	from Dec 2019	Chair of the Quality and Patient Safety Committee (WHSSC only)

Members With a Declared Interest

Prof Vivienne Harpwood	Chair		Chair, Powys Teaching HB (WHSSC only)
Mr Emrys Elias	Independent Member and Vice Chair	from Dec 2019	Independent Board Member, Aneurin Bevan UHB (WHSSC only)
Mr Charles Janczewski	Independent Member		Independent Board Member, Cardiff and Vale UHB (WHSSC only)
Mr Ian Phillips	Independent Member		Independent Board Member, Powys tUHB (WHSSC only)
Mrs Lyn Meadows	Independent Member		Independent Board Member, Betsi Cadwalladr UHB (WHSSC only)
Mr Paul Griffiths	Independent Member		Independent Board Member, Cwm Taf Morgannwg UHB (WHSSC only)
Mr Chris Turner	Independent Member and Chair of EASC		Independent Board Member, Cwm Taf Morgannwg UHB (EASC only)

Apart from the transactions listed above, no Member or Associate Member of the Joint Committees has declared an interest in any other party that transacts with either WHSSC or EASC.

31. Third Party assets

The LHB held £9,895.30 cash at bank and in hand at 31 March 2020 (31 March 2019, £9,038) which relates to monies held by the LHB on behalf of patients. Cash held in Patient's Investment Accounts amounted to £nil at 31 March 2020 (31 March 2019, £nil). This has been excluded from the Cash and Cash equivalents figure reported in the Accounts.

32. Pooled budgets

Rhondda Cynon Taf, Bridgend and Merthyr Tydfil Integrated Community Equipment Service

The Health Board has entered into a pooled budget with

Rhondda Cynon Taf County Borough Council
Merthyr Tydfil County Borough Council
Bridgend County Borough Council

The partnership arrangement with Abertawe Bro Morgannwg University Local Health Board ended on 31st March 2019 due to the transfer of the responsibility for providing healthcare services for the people in the Bridgend County Borough Council (BCBC) area from Abertawe Bro Morgannwg UHB to Cwm Taf Morgannwg UHB from 1st April 2019.

Under the arrangement funds are pooled under section 33 of the NHS (Wales) Act 2006 for the provision of an Integrated Community Equipment Service. The service is to enable children and adults who require assistance to perform essential activities of daily living to maintain their health and autonomy and to live life as fully as possible. The equipment provided can include, but is not limited to

- Community home nursing equipment
- Equipment for daily living
- Physiotherapy living
- Static Seating

A memorandum note to the accounts provides details of the joint income and expenditure.

The pool is hosted by Rhondda Cynon Taf County Borough Council. The financial operation of the pool is governed by a pooled budget agreement between the above named organisations and the Health Board. The Health Board accounts for its share of contributions to the budget in expenditure. Contributions are based on each individual organisations forecast activities. Assets, liabilities, income and expenditure arising from the activities of the pooled budget, identified in accordance with the pooled budget agreement.

Funding	2019-20 £'000	2018-19 £'000
Rhondda Cynon Taf County Borough Council	812	1,223
Merthyr Tydfil County Borough Council	126	213
Bridgend County Borough Council	729	594
Abertawe Bro Morgannwg University Local Health Board	-	362
Cwm Taf Morgannwg University Local Health Board	919	355
Total Partners Funding	2,586	2,747
I.C.F Funding	28	33
Other Income Received	218	51
Total Funding	2,832	2,831
Expenditure		
Provision of community equipment services within Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Boroughs.	2,799	2,712
Pooled Budget surplus carried forward	33	119

32. Pooled budgets(cont)

Cwm Taf Morgannwg Care Home Accommodation

The Health Board has entered into a pool fund arrangement with Rhondda Cynon Taf County Borough Council and Merthyr Tydfil County Borough Council.

The Agreement for the CWM TAF MORGANNWG CARE HOME ACCOMMODATION POOLED FUND is made under The Social Services and Well-being (Wales) Act 2014 (the 'Act') and the Partnership Arrangements (Wales) Regulations 2015 (the 'Regulations').

The Agreement provides for the establishment of the CWM TAF MORGANNWG CARE HOME ACCOMMODATION POOLED FUND which will undertake the following functions on behalf of the Parties.

- The functions of a local authority under sections 35 and 36 of the Act, where it has been decided to meet the adult's needs by providing or arranging to provide accommodation in a care home;
- The functions of a Local Health Board under section 3 of the National Health Service (Wales) Act 2006 in relation to an adult, in cases where:
    - The adult has a primary need for health care and it has been decided to meet the needs of the adult by arranging the provision of accommodation in a care home, or
    - The adult does not have a primary need for health care but the adult's needs can only be met by the local authority arranging for the provision of accommodation together with nursing care

A memorandum note to the accounts provides details of the joint income and expenditure.

The pool is hosted by Rhondda Cynon Taf County Borough Council. The financial operation of the pool is governed by a pooled budget agreement between the above named organisations and the Health Board. The Health Board accounts for its share of contributions to the budget in expenditure. Contributions are based on each individual organisations forecast activities. Assets, liabilities, income and expenditure arising from the activities of the pooled budget, identified in accordance with the pooled budget agreement.

Funding	2019-20 £'000	2018-19 £'000
Rhondda Cynon Taf County Borough Council	23,187	20,972
Merthyr Tydfil County Borough Council	5,209	4,495
Cwm Taf Morgannwg University Local Health Board	11,773	12,203
Total Partners Funding	40,169	37,670
Other Income Received	19	10
Balance carried forward	6	
Total Funding (a)	40,194	37,680
Expenditure (b)		
Objective - paying care fees to homes for the provision of residential & nursing care within the Rhondda Cynon Taf and Merthyr Tydfil County Boroughs.	40,173	37,674
Net underspend/(overspend) (a) - (b)	**21**	**6**

32. Pooled budgets(cont)

Bridgend Integrated Community Services
The Health Board has entered into a pooled budget with:

Bridgend County Borough Council

Under the arrangement funds are pooled under section 33 of the NHS (Wales) Act 2006 for the provision of an Integrated Community Service. The approach of the Partners will be consistent with the principles in "Sustainable Social Services: A Framework for Action" which sets out the action needed to ensure care and support services respond to rising levels of demand and changing expectations, particularly for frail older people.

Partners deliver their stated commitment to benefit adults in the region:

Support for people to remain independent and keep well
More people cared for at home to maximise their recovery, with shorter stays in hospital if they are unwell
A change in the pathway away from institutional care to community care, available on a 7 -day basis
Fewer people being asked to consider long term residential or nursing home care, particularly in a crisis
Earlier diagnosis of dementia and quicker access to specialist support for those who need it
More people living with the support of technology and appropriate support services
Provision of services that are more joined up around the needs of the individual with less duplication or hand -offs between health and social care agencies

A memorandum note to the accounts provides details of the joint income and expenditure.

The pool is hosted by Bridgend County Borough Council. The financial operation of the pool is governed by a pooled budget agreement between the above named organisations and the Health Board. The Health Board accounts for its share of contributions to the budget in expenditure. Assets, liabilities, income and expenditure arising from the activities of the pooled budget, identified in accordance with the pooled budget agreement.

Pooled budget memorandum account for the period 1 April 2019 – 31 March 2020

Funding	2019-20 £'000
Bridgend County Borough Council	2,539
Cwm Taf Morgannwg University Local Health Board	2,637
Total Funding	5,176
Expenditure	
Provision of Community Support Service & reablement	5,176
Net under/Over spend	NIL

33. Operating segments

IFRS 8 requires bodies to report information about each of its operating segments.

The following information segments the results of Cwm Taf Morgannwg Local Health Board by:
- Healthcare activities
- Welsh Health Specialised Services Committee (WHSSC)
- Emergency Ambulance Services Joint Committee (EASC)

Operating Costs 2019-20

	Healthcare activities	WHSSC	EASC	Inter-segment transactions	Cwm Taf LHB Total
	£'000	£'000	£'000	£'000	£'000
Expenditure on primary healthcare services	234,802	0	0		234,802
Expenditure on healthcare from other providers	292,814	624,252	163,092	(124,835)	955,323
Expenditure on hospital and community health services	684,350	4,398	2,962	(510)	691,200
	1,211,966	628,650	166,054	(125,345)	1,881,325
Less: Miscellaneous Income	(144,961)	(628,650)	(166,054)	125,345	(814,320)
LHB net operating costs before interest and other gains and losses	1,067,005	0	0	0	1,067,005
Investment Income	(2)	0	0	0	(2)
Other (Gains) / Losses	(82)	0	0	0	(82)
Finance costs	65	0	0	0	65
Net operating costs for the financial year	1,066,986	0	0	0	1,066,986

Net Assets 2018-19

	£'000	£'000	£'000	£'000	£'000
Total non-current assets	586,324	0			586,324
Total current assets	107,689	20,584	1,305	(1,567)	128,011
Total current liabilities	(171,958)	(32,426)	(1,305)	1,567	(204,122)
Total non-current liabilities	(57,566)				(57,566)
Total assets employed	464,489	(11,842)	0	0	452,647
Total taxpayers' equity	464,489	(11,842)	0	0	452,647

Operating Costs 2018-19

	Healthcare activities	WHSSC	EASC	Inter-segment transactions	Cwm Taf LHB Total
	£'000	£'000	£'000	£'000	£'000
Expenditure on primary healthcare services	147,605	0	0	0	147,605
Expenditure on healthcare from other providers	165,770	579,738	151,289	(77,564)	819,233
Expenditure on hospital and community health services	465,516	4,302	2,805	(414)	472,209
	778,891	584,040	154,094	(77,978)	1,439,047
Less: Miscellaneous Income	(91,573)	(584,040)	(154,094)	77,978	(751,729)
losses	687,318	0	0	0	687,318
Investment Income	(1)	0	0	0	(1)
Other (Gains) / Losses	(44)	0	0	0	(44)
Finance costs	74	0	0	0	74
Net operating costs for the financial year	687,347	0	0	0	687,347

Net Assets 2018-19

	£'000	£'000	£'000	£'000	£'000
Total non-current assets	403,419	0	0	0	403,419
Total current assets	88,790	18,700	1,338	(1,782)	107,046
Total current liabilities	(144,297)	(30,542)	(1,338)	1,782	(174,395)
Total non-current liabilities	(44,838)	0	0	0	(44,838)
Total assets employed	303,074	(11,842)	0	0	291,232
Total taxpayers' equity	303,074	(11,842)	0	0	291,232

34. Other Information

34.1. 6.3% Staff Employer Pension Contributions - Notional Element

The notional transactions are based on estimated costs for the twelve month period, calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions as at month ten. Transactions include notional expenditure in relation to the 6.3% paid to NHS BSA by Welsh Government and notional funding to cover that expenditure as follows:

Statement of Comprehensive Net Expenditure for the year ended 31 March 2020		**£'000**
Expenditure on Primary Healthcare Services	**2019-20**	588
Expenditure on Hospital and Community Health Services	**2019-20**	21,144

Statement of Changes in Taxpayers' Equity For the year ended 31 March 2020		
Net operating cost for the year	**Balance at 31 March 2020**	21,732
Notional Welsh Government Funding	**Balance at 31 March 2020**	21,732

Statement of Cash Flows for year ended 31 March 2020		
Net operating cost for the financial year	**2019-20**	21,732
Other cash flow adjustments	**2019-20**	21,732

2.1 Revenue Resource Performance		
Revenue Resource Allocation	**2019-20**	21,732

3. Analysis of gross operating costs		
3.1 Expenditure on Primary Healthcare Services		
General Medical Services	**2019-20**	33
General Dental Services	**2019-20**	54
Other Primary Health Care expenditure	**2019-20**	502
3.3 Expenditure on Hospital and Community Health Services		
Directors' costs	**2019-20**	57
Staff costs	**2019-20**	21,086

9.1 Employee costs		
Permanent Staff		
Employer contributions to NHS Pension Scheme	**2019-20**	21,732
Charged to capital	**2019-20**	-
Charged to revenue	**2019-20**	21,732

18. Trade and other payables		
Current		
Pensions: staff	**Balance at 31 March 2020**	-

28. Other cash flow adjustments		
Other movements	**2019-20**	21,732

34. Other Information (continued)

HM Treasury agreed with the Financial Reporting Advisory Board (FRAB), to defer the implementation of IFRS 16 *Leases* until 1 April 2021, because of the circumstances caused by Covid-19. To ease the pressure on NHS Wales Finance Departments the IFRS 16 detailed impact statement has been removed by the Welsh Government Health and Social Services Group,FinanceDepartment.

We expect the introduction of IFRS16 will have a significant impact and this will be worked through for disclosure in our 2020-21 financial statements.

THE NATIONAL HEALTH SERVICE IN WALES ACCOUNTS DIRECTION GIVEN BY WELSH MINISTERS IN ACCORDANCE WITH SCHEDULE 9 SECTION 178 PARA 3(1) OF THE NATIONAL HEALTH SERVICE (WALES) ACT 2006 (C.42) AND WITH THE APPROVAL OF TREASURY

LOCAL HEALTH BOARDS

1. Welsh Ministers direct that an account shall be prepared for the financial year ended 31 March 2011 and subsequent financial years in respect of the Local Health Boards (LHB)1, in the form specified in paragraphs [2] to [7] below.

BASIS OF PREPARATION

2. The account of the LHB shall comply with:

(a) the accounting guidance of the Government Financial Reporting Manual (FReM), which is in force for the financial year in which the accounts are being prepared, and has been applied by the Welsh Government and detailed in the NHS Wales LHB Manual for Accounts;

(b) any other specific guidance or disclosures required by the Welsh Government.

FORM AND CONTENT

3. The account of the LHB for the year ended 31 March 2011 and subsequent years shall comprise a statement of comprehensive net expenditure, a statement of financial position, a statement of cash flows and a statement of changes in taxpayers' equity as long as these statements are required by the FReM and applied by the Welsh Assembly Government, including such notes as are necessary to ensure a proper understanding of the accounts.

4. For the financial year ended 31 March 2011 and subsequent years, the account of the LHB shall give a true and fair view of the state of affairs as at the end of the financial year and the operating costs, changes in taxpayers' equity and cash flows during the year.

5. The account shall be signed and dated by the Chief Executive of the LHB.

MISCELLANEOUS

6. The direction shall be reproduced as an appendix to the published accounts.

7. The notes to the accounts shall, inter alia, include details of the accounting policies adopted.

Signed by the authority of Welsh Ministers

Signed : Chris Hurst Dated :

1. Please see regulation 3 of the 2009 No.1559 (W.154); NATIONAL HEALTH SERVICE, WALES; The Local Health Boards (Transfer of Staff, Property, Rights and Liabilities) (Wales) Order 2009

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Cwm Taf Morgannwg University Health Board

Cwmtafmorgannwg