

Audit & Risk Committee - Extra Ordinary Meeting

Wed 10 July 2024, 15:30 - 16:30

Virtual Via Teams



Agenda

15:30 - 15:35
5 min

1. PRELIMINARY MATTERS

1.1. Welcome and Introductions

Information Patsy Roseblade, Chair

1.2. Apologies for Absence

Information Patsy Roseblade, Chair

1.3. Declarations of Interest

Information Patsy Roseblade, Chair

15:35 - 16:25
50 min

2. ANNUAL REPORT 2023-24

2.1. CTMUHB Annual Report and Annual Accounts 2023-2024

Decision Gareth Watts, Director of Corporate Governance/Board Secretary & Sally May, Executive Director of Finance

- 2.1a ARC CTMUHB Annual Report 23-24 ARC 10 July 2024.pdf (6 pages)
- 2.1b CTMUHB AR & Accounts 2023 2024 ARC 10 July 2024.pdf (256 pages)

2.1.1. Welsh Health Specialised Services Committee (WHSSC) Annual Governance Statement 2023-24

Information

- 2.1.1 WHSSC Annual Governance Statement 2023-2024 vFinal ARC 10 July 2024.pdf (56 pages)

2.1.2. Emergency Ambulance Services Committee (EASC) Annual Governance Statement 2023-24

Information

- 2.1.2 EASC Annual Gov Statement 2023-2024 NWJCC 21 May 2024 ARC 10 July 2024.pdf (42 pages)

2.1.3. National Collaborative Commissioning Unit Governance Compliance Statement 2023-24

Information

- 2.1.3 NCCU Annual Compliance Statement 2023-24 NWJCC 21 May 2024 ARC 10 July 2024.pdf (5 pages)

2.1.4. National Imaging Academy for Wales Governance Compliance Statement 2023-24

Information

- 2.1.4 NIAW Annual Governance Compliance Statement 2023-2024 Final ARC 10 July 2024.pdf (8 pages)

2.1.5. WHSSC and EASC Annual Accounts 2023-2024

Information

Stacey Taylor, Director of Finance, Joint Commissioning Committee

 2.1.5a Report on the Audited Accounts 10-07-24 ARC 10 July 2024.pdf (12 pages)

 2.1.5b LHBACCS 2023-24 - WHSSC - Final Accounts ARC 10 July 2024.pdf (76 pages)

2.2. Head of Internal Audit Opinion and Annual Report 2023-2024

Discussion

Paul Dalton, Head of Internal Audit

 2.2 CTM - Opinion Annual Report 2023.24 - Final ARC 10 July 2024.pdf (35 pages)

2.3. Audit of the Financial Statements (ISA 260) Report (including the Letter of Representation and Audit Opinion)

Discussion

Mark Jones, Audit Wales

 2.3 CTMUHB Audit of Accounts Report 2024 ARC 10 July 2024.pdf (28 pages)

16:25 - 16:25

0 min

3. ANY OTHER BUSINESS

Discussion

Patsy Roseblade, Chair

16:25 - 16:25

0 min

4. DATE AND TIME OF NEXT MEETING: - 15 AUGUST 2024 at 10:30 AM

Information

16:25 - 16:25

0 min

5. CLOSE OF MEETING



Agenda Item

2.1

Audit & Risk Committee

CTMUHB Annual Report 2023-2024

Dyddiad y Cyfarfod / Date of Meeting	10/07/2024
Statws Cyhoeddi / Publication Status	Open/ Public Not Applicable
Awdur yr Adroddiad / Report Author	Cally Hamblyn, Assistant Director of Governance & Risk
Cyflwynydd yr Adroddiad / Report Presenter	Gareth Watts, Director of Corporate Governance/Board Secretary
Noddwr Gweithredol yr Adroddiad / Report Executive Sponsor	Gareth Watts, Director of Corporate Governance / Board Secretary

Pwrpas yr Adroddiad / Report Purpose	Endorse for Board Approval

Engagement (internal/external) undertaken to date (including receipt/consideration at Committee/Group)		
Committee / Group / Individuals	Date	Outcome
Executive Directors	11 th April 2024	All comments incorporated
Executive Leadership Group	22/04/2024	Endorsed current draft
Full Board Member consultation	23/04/2024	All comments incorporated as appropriate
Audit Partners (Internal Audit & Audit Wales)	10/05/2024	All comments incorporated as appropriate
Welsh Government	10/05/2024	No comments received.
Audit & Risk Committee (Draft in Closed Session)	20/06/2024	No further comments received.

Acronyms / Glossary of Terms	
AGS	Annual Governance Statement
AW	Audit Wales
EASC	Emergency Ambulance Service Commission
JCC	Joint Commissioning Committee
NIAW	National Imaging Academy Wales
NCCU	National Collaborating Centre for Cancer

1. Situation / Background

- 1.1 In accordance with Welsh Government and HM Treasury Guidance, the Health Board has produced the Annual Report and Annual Accounts for the financial reporting period 2023-2024.
- 1.2 The Annual Report incorporating the Accountability Report at Chapter 2, (Incorporating the Governance Statement, Statement of Directors Responsibilities and the Remuneration Report), in conjunction with the Annual Accounts will be submitted to Welsh Government by the 15th July 2024 as a single unified document. This will be following final approval by Health Board meeting on the 11th July 2024.
- 1.3 The Annual Report will be formally presented at the Health Board's Annual General Meeting later in the year.

2. Specific Matters for Consideration

- 2.1 The Committee is asked to specifically consider the Accountability Section of the Annual Report, the purpose of which is to report to the Senedd in respect of the key accountability requirements and captures the following key areas:
 - Corporate Governance Report
 - Remuneration and Staff Report
 - Financial Accountability Report
 - Senedd Cymru / Welsh Parliament Accountability and Audit Report
- 2.2 The Health Board's Governance Statement, which is contained within the Accountability Report, is supported by separate Annual Governance Statements from its hosted organisations as follows:
 - WHSSC Annual Governance Statement – Approved by the JCC on 21st May 2024 (2.1.1)
 - EASC Annual Governance Statement (including NCCU) Approved by the JCC on 21st May 2024 (2.1.2 and 2.1.3)
 - NIAW – Annual Compliance Statement - Signed by the National Imaging Academy Director (2.1.4).
- 2.3 The Annual Accounts outline the financial performance up to year end 31st March 2024, these are captured in chapter 3 of the Annual Report.
- 2.4 An Equality and Welsh Language Impact Assessment has been completed and is available upon request from:
CTM_Corporate_Governance@wales.nhs.uk

3. Key Risks / Matters for Escalation

- 3.1 The Annual Report (Appendix 1) has been reviewed at each stage of its development as outlined on page 1 of this report.

- 3.2 The comments received on the draft versions of the report have as always been welcomed as they have enabled the document to be further refined to the draft seen before the Committee today.
- 3.3 Further amendments made to the Annual Report since it was considered at the Audit & Risk Committee on the 20th June 2024, include:

Annual Report – Chapters 1 and 2 – Performance and Accountability

- Inserting the “Certificate of the Auditor General for Wales to the Senedd” and the “Report of the Auditor General to the Senedd”;
- Typographical amendments and inclusion of links and updated page numbering;
- general improvements as a result of final comments;
- Various updates within the Remuneration and Staff Report as data subsequently became available – further detailed below;
- Some slight changes to the narrative contained within the current activity section on page 87 of the report;
- The Waste Management performance monitoring data tables on page 89 of the report from estimated figures to confirmed figures

Remuneration and Staff Report

Following review of the remuneration report it was noted that corrections were required for the ‘Single Total Figure of Remuneration 2023-24’ table and ‘Pension Benefits 2023-24’. The changes included:

- Reflecting inflation in the real increase in pension figures of 10.1% that had previously not been included in the calculation.
- There have been some changes to the pension benefit figure which now present a consolidated figure for the various pension schemes, as well as updating for inflation. The previous draft showed benefits for each scheme separately i.e. 1995 scheme; 2008 scheme and 2015 scheme. Where the individual scheme benefits were negative, these were shown as zero as per the guidance. For 2023/24 this led to what looked like a large pension benefit increase figure overall. On review, the correct treatment has now been applied with the individual schemes combined to give a consolidated net figure. Where the combined figure of the schemes is negative this is shown as zero. This has been reviewed and agreed with Audit Wales.

Senedd Cymru/Welsh Parliament Accountability and Audit Report

Two additional paragraphs have been included under the *Basis for Qualified Opinion on Regularity* section at the end of page 171 and start of page 172.

Annual Report – Chapter 3 – Financial Statements and Accounts

- 3.4 As Cwm Taf Morgannwg UHB (UHB) is the host organisation to the Welsh Health Specialised Services Committee (WHSSC) and the Emergency Ambulance Services Committee (EASC), the accounts of the UHB need to incorporate WHSSC and EASC. As in previous years, figures are shown relating to the UHB only, where appropriate, as well as the consolidated UHB / WHSSC / EASC positions. The key statements therefore have a separate column for UHB activities only with the total column representing the consolidated position. In line with normal consolidation practices, any transactions between the UHB, WHSSC and EASC will have been removed within the consolidated column.
- 3.5 Prior year figures are shown where appropriate, complying with normal accounting standards.
- 3.6 Following the submission of the draft annual accounts to Welsh Government on 3rd May 2024, Audit Wales have undertaken a review of the accounts and there have been a number of agreed amendments to the accounts which have been actioned in the final accounts for approval and submission to Welsh Government by 15th July 2024.
- 3.7 The draft financial statements and accounts were reported to Audit & Risk Committee on the 20th June and a number of misstatements were reported which were identified after the submission of the draft accounts, these have been updated in the final account and are as follows:
- There was a £393k difference between the value of funding on the Statement of Changes in Equity compared to the value in the cash flow. This was subsequently identified and an adjusted working paper has been provided to Audit Wales and Welsh Government.
 - Categorisation of the cash flow for Right of Use assets was on the incorrect line. This is a zero value net adjustment and will be between lines on the cash flow statement.
 - The figures provided in the returns for primary care differ to the mapping of the trial balance. A reconciliation was provided to Audit Wales to detail the difference to agree to the returns, and the mapping will be updated to match the returns for the final accounts.
- 3.8 Other corrections made to the accounts are highlighted in Appendix 3 of the Audit of Accounts report presented by Audit Wales.

Audit Wales proposed opinion



- 3.9 Audit Wales' Audit of Accounts Report sets out that it is proposing to give an unqualified true and fair opinion, but a qualified regularity opinion on the accounts.
- 3.10 As previously highlighted to the Audit & Risk committee the opinion in respect of regularity of expenditure is qualified because the Health Board did not meet its revenue resource allocation over the three-year period ending 31 March 2024, due to the reported deficit that occurred in 2022/23, which has led to an overspend over the three year period 2021/22 to 2023/24 of £24.2m.

4. Assessment

Objectives / Strategy	
Dolen i Nod (au) Strategol BIP CTM / Link to CTMUHB Strategic Goal(s)	The Annual Report aligns to all the Strategic Goals
	If more than one applies please list below:
Dolen i Feysydd Strategol BIP CTM /Link to CTMUHB Strategic Areas	The Annual Report aligns to all the Strategic Areas
	If more than one applies please list below:
Dolen i Ddeddf Llesiant Cenedlaethau'r Dyfodol – Nodau Llesiant /Link to Wellbeing of Future Generations Act – Wellbeing Goals 150623-guide-to-the-fg-act-en.pdf (futuregenerations.wales)	The Annual Report has a specific section on the Wellbeing of Future Generations Act.
	If more than one applies please list below:
Dolen i Hwyluswyr Ansawdd (Canllawiau Statudol Dyletswydd Ansawdd (llyw.cymru)) /Link to Enablers of Quality (Duty of Quality Statutory Guidance (gov.wales))	The Annual Report has specific sections dedicated to quality and the implementation of the Duty of Quality.
	If more than one applies please list below:
Dolen i Feysydd Ansawdd (Canllawiau Statudol Dyletswydd Ansawdd (llyw.cymru)) / Link to Domains of Quality (Duty of Quality Statutory Guidance (gov.wales))	The Annual Report has specific sections dedicated to quality and the implementation of the Duty of Quality.
	If more than one applies please list below:
Effaith Amgylcheddol/ Cynaliadwyedd (5R) / Environmental /Sustainability Impact (5Rs)	The Annual Report has specific sections dedicated the sustainability agenda.
	If more than one applies please list below:

Impact Assessment		
Ansawdd <i>Ydych chi wedi ymgymryd â Sgrinio Asesiad o'r Effaith ar Ansawdd? / Quality</i>	Yes: ☐	No: ☐
	Outcome:	If no, please include rationale below:



<i>Have you undertaken a Quality Impact Assessment Screening?</i>		A quality impact assessment is not required for the Annual Report.
Cydraddoldeb a'r Gymraeg <i>Ydych chi wedi ymgymryd â Sgrinio Asesiad o'r Effaith ar Gydraddoldeb a'r Gymraeg? /</i>	Yes: ☒	No: ☐
Equality and Welsh Language <i>Have you undertaken an Equality and Welsh Language Impact Assessment Screening?</i>	Outcome for Equality (delete as appropriate): NEUTRAL / Outcome for Welsh Language (delete as appropriate): POSITIVE	If no, please include rationale below:
Cyfreithiol / Legal	There are no specific legal implications related to the activity outlined in this report.	
Enw da / Reputational	There is no direct impact on the reputation of the Health Board as a result of the activity outlined in this report.	
Effaith Adnoddau (Pobl /Ariannol) /Resource Impact (People / Financial)	Yes (Include further detail below) Financial and resource challenges are highlighted within the report.	

5. Recommendation

5.1 The Audit & Risk Committee is asked to:

ENDORSE FOR BOARD APPROVAL

- Annual Report & Accounts for 2023-2024 - Appendix 1 for onward approval by the Board.
- Letter of Representation (Included in the ISA 260 at Agenda item 2.3)

NOTE

- Governance Statements & Accounts received from the Health Board's Hosted Organisations (Agenda items 2.1.1 – 2.1.5).
- Proposed audit opinions in relation to true and fair view (Unqualified) and regularity of expenditure (Qualified) by Audit Wales following review.

6. Next Steps

- 6.1 Submission to the Board for approval on the 11th July 2024.
- 6.2 Submission to Welsh Government by midday on 15th July 2024.
- 6.3 Presentation at the Annual General Meeting later in the year.



Cwm Taf Morgannwg University Health Board Annual Report & Accounts 2023-2024



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What this Annual Report will tell you.

This report is part of a set of documents that provides you with information about Cwm Taf Morgannwg University Health Board (CTMUHB), the care we provide and what we do to plan, deliver and improve healthcare, in order to meet changing demands and future challenges. It provides information about CTMUHB's performance, what was achieved during 2023-2024 and the improvement activity.

The report recognises the importance of working with our population, stakeholders and partners, listening and learning from feedback and ensuring we continue to deliver better services to meet needs in the most effective, efficient, safe and sustainable ways.

The Annual Report is divided into the following sections:

- **Chapter 1 – Performance Report** – The purpose of the performance section is to provide information on CTMUHB, its main objectives and strategies and the principal risks and challenges that it faces.
- **Chapter 2 – Accountability Report** – The purpose of the accountability section is to meet key accountability requirements to the Welsh Government, and focusses upon governance, leadership, accountability and remuneration matters.
- **Chapter 3 – Financial Statements and Accounts** – The purpose of this section is to present the full Financial Statement for CTMUHB.

How to contact us:

If you require a printed version of the Annual Report or in alternative formats/languages please contact us using the details below:



Cwm Taf Morgannwg University Health Board Headquarters,
Ynysmeurig House, Unit 3, Navigation Park, Abercynon, Rhondda
Cynon Taf. CF45 4SB
01443 744800



CTM_Corporate_Governance@wales.nhs.uk



<https://ctmuhb.nhs.wales>



<https://twitter.com/cwmtafmorgannwg>



<https://facebook.com/CwmTafMorgannwg/>



<https://www.instagram.com/cwmtafmorgannwg/>

Foreword from the Chief Executive and Chair

We are pleased to introduce this annual report for Cwm Taf Morgannwg University Health Board (CTMUHB).

Producing this report is a statutory duty, and it provides us with the opportunity to share important information about our workforce, our performance, our finance, and our governance during the last financial year, 2023-2024.

During the last year, we have continued to work closely with our community partners and charities to identify new ways of improving the health and wellbeing of residents, and to develop the CTMUHB's understanding of the socio-economic factors affecting choices and opportunities for healthy lifestyles. The growth of our CTM2030 Leaders' Network, with more diverse membership representing a broader range of geographical and issue-specific issues, has enabled us to focus on barriers to good health, explore technological barriers and opportunities for our communities, and to develop powerful insights to drive informed decision making by CTMUHB.

We have also been pleased to welcome new Independent Members to our Board, further expanding the range of expertise, experience and local knowledge available to our organisation.

As in previous years, this annual report will describe a challenging financial environment for CTMUHB during which we have explored opportunities to manage and deliver our services more efficiently whilst ensuring we maintain their safety and accessibility. Our Board has continued to balance the need for financial rigor with both the evolving needs of our communities and the need to invest in programmes that will deliver future benefits for our population. Our acute clinical services plan remains under development with our clinical colleagues and will set out how we will address these imperatives whilst ensuring our teams have the tools and resources to provide excellent care for their patients.

Importantly, this foreword is an opportunity for us to record our sincere thanks to the 12,857 strong workforce of CTMUHB who have demonstrated exceptional resilience during the last year. CTMUHB has continued to meet emergency care demand and has continued to reduce wait time for elective services, and it is thanks to our colleagues that we have achieved this and delivered improvements in some crucial areas, despite some unexpected additional pressures including Industrial Action.

We continue to work closely with our trade union colleagues to understand how we can support colleagues to enjoy fulfilling and productive careers with CTMUHB, and our wellbeing service offers an ever evolving range of support to staff to help them manage the challenges of working within the NHS while staying emotionally and physically healthy. At the time of writing, we await the detailed results of the annual NHS Staff Survey that will provide us with further insights into the experiences of staff to drive ongoing improvements to people's working lives.

We know that embracing technology and new approaches to care is essential if we are to meet the continually evolving needs of our population, and the last year has seen us make some exciting advances.

In September, we opened the Snowdrop Breast Centre, a state-of-the-art diagnostics and treatment centre for breast cancer care and a 'one-stop clinic' for patients referred from their GP. Jointly funded by CTMUHB and Welsh Government, the £2m Centre, located near the Royal Glamorgan Hospital, provides care and support for patients with breast cancer within one dedicated setting, offering a full suite of services including surgery, chemotherapy, radiotherapy, medication, prosthetic advice and fitting as well as counselling and complementary therapies.

Colorectal and gynaecological surgery has also taken an exciting leap forward at CTMUHB with the introduction of robot-assisted operations. CTMUHB is now part of the National Robotic Assisted Surgery Programme and surgeons have begun using the technology to perform complex procedures with greater precision and minimal access, improving cancer outcomes while reducing post-operative pain and length of hospital stay.

Such changes demonstrate our ambition to continually improve the quality, safety and effectiveness of the services we provide local people, and ensure our staff are provided with the resources and facilities they need to deliver the care they aspire to.

Thank you for taking the time to read this annual report, which we hope you find both informative and interesting.



Paul Mears, Chief Executive



Jonathan Morgan, Chair

About Cwm Taf Morgannwg University Health Board

CTMUHB was formed on 1 April 2019, providing and commissioning a full range of community-based and hospital services for the residents of Bridgend, Rhondda Cynon Taf and Merthyr Tydfil. This includes the provision of local primary care services (GP Practices, Dental Practices, Optometry Practices and Community Pharmacy), health centres and community health teams.

The resident population of CTMUHB was estimated at 444,037 (StatsWales Welsh Government, November 2023). The region has high levels of deprivation, with 56.5% of the population of the Health Board area living in the two most deprived fifths in Wales (WIMD 2019 with populations from ONS, 2020). The highest levels of deprivation lie mainly in the valleys to the north of the CTMUHB area.

The Board continues to develop its CTM2030 strategy of which improving the health of our population is a key tenet. As outlined in the Integrated Medium Term Plan, 2024-2027 will see us continue the work of our Strategy Groups to tackle some of the most pressing health issues for our population.

CTMUHB employs 11,251.78 whole-time equivalent (WTE) staff, with a headcount of 12,789. A significant percentage of our workforce live within the CTMUHB's area, making our staff not only the core of our organisation but representatives of the diverse communities that we serve.

CTMUHB is also responsible for making arrangements for residents to access more specialised health services where these are not provided within the CTMUHB boundary through Welsh Health Specialised Services Committee (WHSSC). The role of WHSSC is further explained below under 'Hosted Organisations'.

Hosted Organisations

CTMUHB hosts the following organisations within NHS Wales:

Joint Committees:

- **Welsh Health Specialised Services Committee (WHSSC)** - is a joint committee of each Local Health Board (LHB) in Wales, established under the Welsh Health Specialised Services Committee (Wales) Directions 2009 (2009/35). The Joint Committee has been established for the purpose of jointly exercising those functions relating to the planning and securing of certain specialised and tertiary services on a national all-Wales basis, on behalf of each of the seven LHBs in Wales. The WHSSC Standing Orders, Standing Financial Instructions (SFI's) and the Memorandum of Agreement agreed with the seven LHBs and approved by the Joint Committee; set out the governance framework for its operation. LHBs are responsible for those people who are resident in their areas. Whilst the Joint Committee acts on behalf of the seven LHBs in undertaking its functions, the duty on individual LHBs remains. They are ultimately accountable to citizens and other stakeholders for the provision of specialised and tertiary services for residents within their area.

WHSSC is hosted by CTMUHB on behalf of LHB's in Wales and there is a hosting agreement in place to confirm the hosting arrangement which has been approved by the Joint Committee.

- **Emergency Ambulance Services Committee (EASC)** - (Wales) Directions 2014 No.8 (W.8) detailed the framework for Health Boards in Wales to establish a joint committee to 'plan and secure emergency ambulance services for the sick and injured'. In December 2015, the Welsh Ministers directed the Health Boards under the EASC (Wales) (Amendment) Directions 2016 No.8 (W.8)¹ to be responsible for commissioning Non-Emergency Patient Transport (NEPT) services via the Emergency Ambulance Services Committee from April 2016. The National Collaborative Commissioning Unit (NCCU) was established by the Minister for Health and Social Services in 2015 for the purpose to improve patient outcomes and experience through the services it delivers aiming to "Lead quality assurance and improvement for NHS Wales through collaborative commissioning". NCCU is established under the organisational arrangements of EASC. EASC is hosted by CTMUHB on behalf of LHB's in Wales.

With effect from the 1st April 2024, WHSSC and EASC will cease to exist and a new Joint Commissioning Committee (JCC) will be formed. The new JCC will be hosted by CTMUHB.

National Programmes:

- **National Imaging Academy Wales (NIAW)** - was established in 2018 and is a purpose-designed state of the art facility to deliver the highest level of training to generate consultant radiologists to meet the increasing pressures imaging professions are facing. The National Imaging Academy has an annual work plan and performance management arrangements that are agreed between the Director of the National Imaging Academy and the Collaborative Executive Group, prior to final sign off by the Collaborative Leadership Forum. NIAW is hosted by CTMUHB on behalf of Health Boards and Trusts in Wales.

Detailed information about the services that we provide can be found on the ['services'](#) section of our website.

CTM2030: Our Health, Our Future – Strategy Groups

CTM 2030: Our Health, Our Future is our organisational strategy, which has been developed in conjunction with our staff, population and partners. The summary of CTM 2030 can be seen in the diagram below, setting our strategic goals and our 'life course' approach which supports the delivery of the goals. CTM 2030 covers all aspects of how we deliver population health through public health, primary, community and mental health; integrated care with local authorities and third sector; and our hospital services.

Figure 1



Issues of Particular Note for 2023-2024

Escalation Status

On the 25th April 2024, the Cabinet Secretary for Health and Social Care wrote to CTMUHB to confirm that she agreed with the recommendation that Maternity and Neonatal Services, Quality and Governance, Leadership and Culture, Trust and Confidence, be de-escalated from enhanced monitoring to routine arrangements.

As at the time of finalising this report the escalation status of CTMUHB remained unchanged in the following areas:

Figure 2

Area	Previous Status	New Status
Planning and Finance	Enhanced Monitoring	Enhanced Monitoring
Performance	Targeted Intervention	Targeted Intervention

CTMUHB came into 2023-2024 with a forecast £80m deficit plan. In November, Welsh Government confirmed an additional £72m in year allocation and a requirement that we deliver a 10% (£8m) improvement to achieve a break even position for the year. We are pleased that we have delivered this for 2023-2024 and submitted a break even plan for 2024-2025 putting CTMUHB into a more sustainable financial position.

With regard to the escalation status for performance, whilst there has been significant improvement across the identified metrics, there is still progress required to meet our agreed performance trajectories. With the ongoing support from various improvement programmes across urgent and emergency care, cancer, planned care and child and adolescent mental health services (CAMHS), we are confident CTMUHB will achieve the required performance trajectories to support further de-escalation in 2024-2025.

Quality Governance Review (Audit Wales and Health Inspectorate Wales)

In response to the identification of weaknesses in governance around quality governance arrangements, Health Inspectorate Wales (HIW) and Audit Wales (AW) undertook an urgent review, the findings of which were initially published in November 2019. A subsequent report published in May 2021 set out details of progress made since the original 2019 review. A further follow-up review was undertaken in March 2023 and the key findings from the “CTMUHB – Quality Governance Arrangements Joint Review Follow-Up – August 2023” are captured below:

- “The Health Board has made significant progress in addressing the substantial concerns and recommendations set out in our 2019 report.

- As part of our work, we reviewed the Health Board's arrangements for overseeing the implementation of our 2019 recommendations and the delivery of the required improvements to maternity and neonatal services. We found that the Health Board's arrangements were effective and transparent. Senior Executives and Independent Members have been fully involved, providing a good balance of support, scrutiny, and challenge. The Health Board has also ensured that staff and other stakeholders have appropriately been informed of progress on an ongoing basis.
- The Health Board has a stronger strategic focus on quality and patient safety compared to 2019. The Health Board's new three-year Quality Strategy clearly articulates the organisation's quality vision, mission, pledge, ambitions, and goals. It also sets out clearly the Health Board's approach to quality, as well as what success will look like. The strategy, together with the new three-year Quality and Patient Safety Framework, provides a good foundation to support the delivery of the new Duty of Quality and Duty of Candour, which came into effect in April 2023. At the time of our work, the Health Board was developing an Annual Quality Work Plan to set out the quality objectives to support delivery of the strategy. Whilst this is a positive development, finalising the plan at pace must remain a priority for the Health Board to ensure corporate and operational teams fully understand their role in delivering the quality ambitions and goals of the organisation. The Health Board also needs to put robust arrangements in place to monitor the delivery of the plan and strategy to ensure they are improving quality outcomes as intended".

The full report is available here: [Cwm Taf Morgannwg University Health Board - Quality Governance Arrangements Joint Review Follow-up \(audit.wales\)](#)

No further follow-up reviews are planned and progress against any remaining recommendation actions will be monitored through self-assessment and the Audit Tracker received by the Audit & Risk Committee.

Ty Llidiard

Ty Llidiard, the Tier 4 Child and Adolescent Mental Health Service (CAMHS) Inpatient Unit within CTMUHB, was placed into Level 4 escalation with WHSSC, who raised concerns in April 2022 regarding the Quality Assessment and Improvement Service (QAIS) report findings and progress in relation to the Escalation Action Plan.

We were pleased to report that on the 16th August 2023, Ty Llidiard was completely de-escalated by WHSSC to Level 0 – Routine Monitoring. Routine performance monitoring meetings were established with WHSSC and CTMUHB from September 2023 in line with the WHSSC Performance Framework.

Following full de-escalation, the Ty Llidiard, team who led on a detailed and robust Quality Improvement Plan, were keen to continue on their improvement journey. The team have set themselves a goal of becoming accredited members of the Royal College of Psychiatrists Quality Network for Inpatient CAMHS (QNIC) programme.

An Improvement Board chaired by Lauren Edwards, Executive Director of Therapies and Health Science, oversaw the implementation of changes required to enable colleagues to consistently deliver high quality care and the best outcomes and experiences for our Young People and their families.

Some of the areas of improvement are illustrated in the following pictures. The first picture highlights the improvements made to the environment to provide a safe and comfortable space for our young people to sit and to improve communication and interaction with the Ty Llidiard team. A successful engagement process with key stakeholders, including our young people and our colleagues, informed the service values, identify, types of furniture and colour scheme displayed in the pictures. Significant improvements have been delivered regarding the multi-disciplinary clinical model of care, co-production, team culture and compassionate leadership.

Figure 3



Mental Health Improvement Programme

The Mental Health and Learning Disabilities (MHL) Care Group is responsible for six adult inpatient services based at the Royal Glamorgan and Princess of Wales Hospitals. There have been concerns raised following Health Inspectorate Wales (HIW) Inspections and a HIW report 'Reviewing the Quality of Discharge Arrangements from Adult Inpatient Mental Health Units within Cwm Taf Morgannwg University Health Board' that was published in March 2023.

During 2023-2024, an Adult Inpatient Improvement Board was established to ensure continuous improvements in the delivery of high quality, safe and effective care to the service users and carers in contact with mental health inpatient services. This Improvement Board seeks to provide assurance to the Board that suitable progress is being made to improve Adult Mental Health Inpatient Services and that these improvements are sustained. It provides assurance to Welsh Government and other stakeholders that CTMUHB is delivering the actions outlined in the HIW Discharge Review improvement plan.

There were initially nine workstreams reporting to the Improvement Board each aligned to one of three overarching projects:

- Quality of Leadership and Management

- Safe and Effective Care
- Quality of Patient Experience.

In order to ensure comprehensive oversight and assurance of sustained quality improvements, a single action plan was developed and monitored by the Improvement Board, chaired by the Executive Director of Therapies and Health Science. Significant progress has been made against the 40 recommendations made by HIW and the programme has recently been refreshed so that broader improvement activity can continue in 2024-2025, with alignment to the national Mental Health Patient Safety Programme for in-patient mental health services. Going forward the improvement programme will focus on five workstreams, with the remaining workstreams of Ward Assurance, Policies, High Quality Clinical Records and People's Experience reporting routinely to the existing MHLDC Care Group Quality Safety Risk Experience Board (QSRE).

CTM Operating Model

Following the launch of the Care Group operating model in 2022, which saw the organisation transition from Integrated Locality Groups (ILGs) to Care Groups, we have delivered the second and final phase to develop and implement the care group leadership and management structures. This is to ensure that we continue the theme of integrated care and maintain a focus on pan-CTM service delivery within CTMUHB. Additionally, we want to ensure that our busy clinical hospital sites are fully supported and there is local ownership to ensure a high quality of service is delivered for our population. In a true 'One CTM' approach, we want to ensure that our patients have access to safe and high-quality care across the organisation, irrespective of geographical location.

A new triumvirate senior leadership team leads each Care Group. This team, supported through professional leads, and underpinned by corporate business partners, focuses on the coordination of the services under their control across the organisation. The following six Care Groups have been established as part of the transition to a new operating model:

- Planned Care Group
- Unscheduled Care Group
- Children & Families Care Group
- Diagnostics, Therapies, Pharmacy and Sciences Care Group
- Mental Health & Learning Disabilities Care Group
- Primary & Community Care Group

The organisation will stand up the full leadership and management structures from April 2024.

Acute Clinical Service Plan

As part of our CTM 2030 strategy we are in the process of developing our Acute Clinical Services Plan (ACSP). This plan will consider the future model of services for our hospitals including our community hospitals and acute mental health facilities. It will change and improve the way we provide NHS services in Cwm Taf

Morgannwg, making sure we use our resources, expertise and support to enable our staff to provide safe, effective care so that we can meet the needs of all those in our communities in the future.

It is important to note, that the ACSP is just one of three elements that will deliver CTM 2030, Our Health, Our Future. The other two elements are “Integrating Community Services” and “Building Healthier Communities”, both of which are critical to improving the health and wellbeing of the population of CTMUHB.

We have been progressing the development of the ACSP through undertaking a baselining exercise with all of our care groups, supported by the strategy and planning teams. A first draft of this work has been produced and further iterations will be worked on moving forward, with the aim of getting a clear understanding of all our services, including workforce, quality, national standards and transformation considerations. CTMUHB also recognises that the development of our ACSP needs to shape and be shaped by our regional planning conversations.

A South East Wales Regional Planning Workshop took place at the start of December 2023, where representatives from CTMUHB came together with Cardiff and Vale and Aneurin Bevan University Health Boards to learn from our regional work to date and set out our commitment to work together in the future. Further work is planned with colleagues in our neighbouring Health Boards to ensure an alignment between our strategies, particularly with regard to specialist and tertiary services provided by Cardiff and Vale University Health Board.

Looking beyond 2023-2024, to support the development of the ACSP we have commissioned “The Consultation Institute” to work alongside us in developing a bespoke framework for conducting hyperlocal engagement, i.e. identifying and engaging with stakeholders living in our communities, who have influence over the population’s perception of the NHS, health services and CTMUHB. This will help to ensure an insight-led approach to engagement, with messaging and methodologies that reflect the preferences, barriers and lived-experience of local people. This engagement work will provide additional support to the existing engagement work with our CTM Community Leaders Group. It is our intention to use this activity to help the health board identify community engagement ambassadors who are able to engage their own communities and peer-groups on the ACSP in meaningful and accessible ways. The Institute will also lead a risk-review to identify potential risks to the successful deployment of our public engagement and consultation activities, to enable us to focus resources and attention appropriately.

Chapter 1 – Performance Report

The Performance Overview is a summary of the Performance Report. It provides the reader with an overview of the challenges we have faced and how we have addressed them, as well as achievements and progress made.

The overview includes headline information as to how we have performed against Welsh Government targets and our actions to improve. The full Performance Report goes into detail, but the summary will also assess how we have maintained a focus on safety and quality during our continued recovery from the pandemic and considers what we have learned and how this will inform future work.

Chief Executive's Introduction and Performance Overview

NHS Wales and our social care and third sector partners continue to face significant and sustained pressures. Alongside service pressures, the sector is managing some very significant challenges to its performance, finances, staff recruitment and retention. Our vision for the future remains focused on responding to these challenges by delivering modern facilities, integrated community services and connected communities, that all make the best use of technology and the skills of our staff, maximising effectiveness and really enabling individuals to be in control of their own health.

The challenges of poorer health outcomes for the population of CTMUHB are considerable when compared to Wales as a whole and large inequalities exist within CTMUHB area. Life expectancy for men and women in CTMUHB is less than the Welsh average, and the difference in healthy life expectancy (the number of years a person can expect to live in good health) is also considerably lower for men and women.

These factors, coupled with the continuing impact of the COVID-19 pandemic on health and social care services which is still being felt by our population (with people experiencing longer waiting times for diagnostics tests and treatment) means that the focus of our Integrated Medium Term Plan and CTM2030 Strategy, must be to address inequalities, at the same time as delivering healthcare service development and recovery. Our aim is to ensure that we undertake activity to improve the health and wellbeing of our population alongside activity to improve access to services and incorporate proactive and preventative approaches based on population need. It is fundamental that we seek to improve access in a sustainable way, reducing our impact on the environment, which in itself is a prevention activity, through redesigning healthcare to reduce waste and unnecessary steps and delivering value-based healthcare (VBHC) pathways and avoiding the delivery of interventions of limited value. Further information on Public and Population Health is captured on page 71.

Key to this introduction is for me to outline CTMUHB's approach to the planning

Planning Framework 2023-2026 and the Integrated Medium Term Plan (IMTP)

The process of developing agreed plans for CTMUHB is an inclusive set of activities by which the best ways to achieve the requirements of planning guidance is set out. The requirement from Welsh Government (WG) is to develop a three year plan which delivers a financial break-even position during the three-year period.

For 2023-2024, the Board agreed that submission of a balanced plan was not possible, thus an Accountable Officer letter in February 2023 informed the Director General of Health and Social Services/Chief Executive NHS Wales, that CTMUHB would not be able to submit an IMTP and would instead be submitting an Annual plan. The plan was submitted by the Board in March 2023 setting out intentions to deliver quality and performance requirements, however, we came into 2023-2024 with a forecast £80m deficit plan. In November 2023, Welsh Government confirmed an additional £72m in year allocation and a requirement that we deliver a 10% (£8m) improvement to achieve a break even position for the year. We are pleased that we have delivered this for 2023-2024 and submitted a break even plan for 2024-2025 putting CTMUHB into a more sustainable financial position.

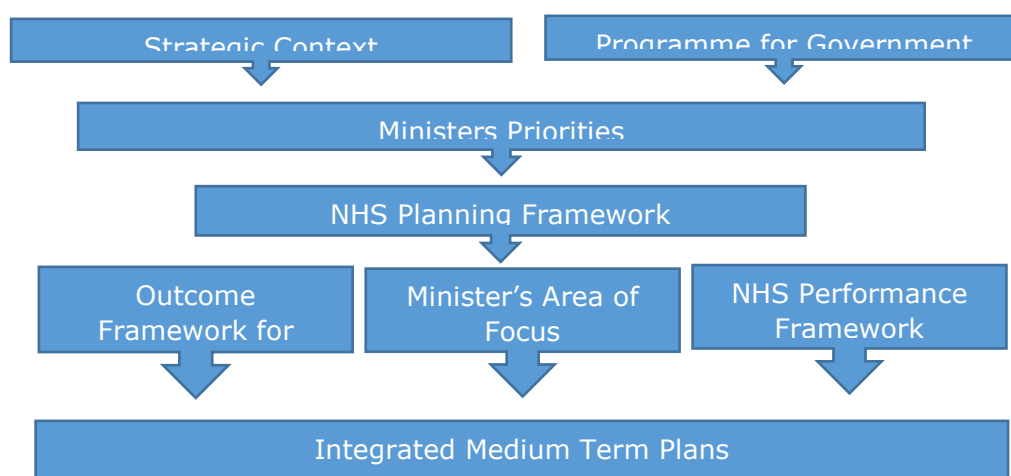
Specifically funded WG programmes of work are reported quarterly (to the Planning, Performance & Finance Committee and WG direct) and are on track.

These programmes of work include Decarbonisation, Child and Adolescent Mental Health Services (CAMHS), Weight management, smoking cessation, learning disabilities improving lives, value based healthcare and foundation economy.

Other performance indicators are shown later in this report. In terms of services the focus has been on reducing wait times and improving the urgent care pathway and patient experience. Delivery challenges have largely related to high levels of demand, such that the next focus will be on managing people more effectively in community settings.

The process of planning for 2024-2027 has been extensive and set within the following context of different requirements and guidance:

Figure 4



The 2024-2027 process began in September 2023 overseen by key executives.

Initially visioning workshops were held with Care Groups including representatives from Strategy Groups, Finance, Organisational Development and Procurement, along with Corporate Teams to discuss chapters. Care Groups were asked to provide by early December a 'Plan on a Page' of any significant change items, emergency plans (any high risk items on the Risk Register) and to include digital and workforce considerations based on risk registers. In December 2023, detailed templates from Care Groups were used to inform the financial and performance trajectories.

Meeting the financial duty has been challenging again. The Board decision taken in March 2024 was to submit a balanced plan, but with almost £10m worth of risk. This assumes delivery of £23m of savings. This has been made possible due to an increase in funding from Welsh Government in 2023-2024, most of which is allocated internally to Care groups to ensure better value patient care delivery. There have been minimal allocations to meet support service pressures, such as IM&T licenses and addressing out of date systems.

The IMTP for 2024-2025 was submitted to Welsh Government on 28th March 2024, this included the submission of a balanced financial plan which has been welcomed by Welsh Government. We received a letter from the Deputy Chief Executive of NHS Wales on 3rd May 2024 who raised a number of queries. A response from CTMUHB was sent on 29th May 2024 and a positive collective review was held with the NHS Executive on 26 June 2024. The Health Board is now awaiting Cabinet Secretary approval of the recommendations.

It is the expectation of the Board that focussing on internal delivery of budgets this year will open up the possibility in the next two years of investing further in high priority service developments and strategic transformational activities. Work continues to plan and ensure that we make the most of this opportunity.

We believe that CTMUHB is in a strong position to build resilience, continue to improve service standards and to prepare for a sustainable future, better serving the needs of our communities for years to come.

The link to the CTMUHB IMTP, approved by the Board in March 2024 is available here: [28 March 2024 - Cwm Taf Morgannwg University Health Board \(nhs.wales\)](#).

Signature:

Paul Mears

Chief Executive

Date: 11th July 2024

Delivery and Performance Analysis

Throughout the year we have maintained a sharp focus on monitoring of performance. The Board supported by the Board's sub committees continue to provide oversight and challenge where appropriate and we apply our risk management process in assessing the risks and opportunities that we face by striving to achieve the targets which are set.

We recognise the importance of working with strategic partners to help achieve better outcomes. Engaging positively with our local authority partners to look how we can best overcome the challenges over accessibility to social care. Increasingly looking to work in collaboration with neighbouring health boards looking at how services may be delivered on a more regional basis in the future.

We are also establishing a Productivity, Improvement and Transformation programme with the primary objective of improving the efficiency and effectiveness of Planned Care and elective services. This will be achieved through optimisation of existing resources, reduction of waste, and working to enhance patient outcomes.

The purpose of this section of the performance chapter is to provide information on our organisation, its main objectives and strategies and the principal risks that we face. The requirements are based on the matters required to be dealt with in a Strategic Report as set out in Chapter 4A of Part 15 of the Companies Act 2006, as amended by SI 2013, No. 1970. The main features flow from our delivery plans setting out what was achieved for the year being reported – in this case 1st April 2023 to 31st March 2024.

Performance against the 2023/2024 Annual Plan

As indicated earlier in this report, for 2023-2024 CTMUHB identified that it would not be possible to submit a financially balanced three year Integrated Medium Term Plan (IMTP) and consequently developed an annual plan setting out our ambitions for the 12 months up March 2024.

The Annual Plan was submitted to Welsh Government (WG) and CTMUHB received formal notification from WG that the Annual Plan would be subject to ongoing monitoring via the Performance Framework and Integrated Quality Planning and Delivery (IQPD) meetings between WG and Health Board officials.

Feedback on the achievement of the deliverables included within the Annual Plan for Quarters 1 and 2 were reported to the Board in November 2023 and it is expected that reporting of Quarters 3 and 4 will occur during May 2024. Pleasingly we have continued to improve the quality and trust in our services and operations over the course of 2023-2024 and this has been recognised by Welsh Government, Health Inspectorate Wales and Audit Wales, who have de-escalated the requirements for external performance on us in this area as outlined on page 13.

Welsh Government Performance Framework

The Welsh Government Performance Framework sets out the expectations on us and the other Health Boards in Wales, in regards to performance, monitoring, management and improvement. The framework for 2023-2024 is available online at:

[NHS Wales performance framework 2023 to 2024 | GOV.WALES](#)

The measures within the NHS Performance Framework for 2023 to 2024 strategically align and underpin the delivery of the Welsh Government's policy on health, 'A Healthier Wales', and reflect the Ministerial priority areas of focus:

- A Healthier Wales
- Population health
- Covid – response
- NHS recovery
- Mental Health and emotional wellbeing
- Supporting the health and care workforce
- NHS Finance and managing within resources
- Working alongside Social Care

The Integrated Performance Report (IPR) provides CTMUHB's Performance against the Welsh Government Performance Framework and other key deliverables for the organisation on a monthly basis. The IPR containing the year end position for 2023-2024 can be found [here](#).

The bi-monthly report is intended to provide an ongoing assessment of CTMUHB's progress in delivering the Ministerial and CTMUHB's priorities as described in the Annual Plan, concentrating on areas of greatest priority and those areas where a significant change in performance has been observed, rather than a full discrete evaluation of all measures.

During 2023-2024, the Board agreed a number of priority areas where specific focus and resource would be deployed to achieve improvements. These form the Apex scorecard, which is provided in the CTMUHB performance reports, and are the measures which are described in greater detail in this section. These follow publication of our complete performance across all of the WG Performance Delivery measures provided on the following pages.

Performance Metrics Analysis 2023-2024

CTMUHB'S strategic assessment of progress towards delivery of the NHS Wales Quadruple Aim are shown in the following pages:

Figure 5

Quadruple Aim 1: People in Wales have improved health and well-being with better prevention and self-management														
Percentage of adult smokers who make a quit attempt via smoking cessation services														
Target	2022/23	Qtr 1 to Qtr 3 2023/24				4.05% on the basis of this extrapolation compliance should hit 5.40% at year end								Target compliance
5% annual target	4.50%	4.05%												
Percentage of people who have been referred to health board services who have completed treatment for alcohol misuse														
Target	Qtr 4 2022/23	Qtr 1 2023/24			Qtr 2 2023/24			Qtr 3 2023/24			Qtr 4 2023/24			Target compliance
4 quarter improvement trend	81.0%	77.0%			81.4%			77.8%			Not available			
Percentage of children who are up to date with the scheduled vaccinations by age 5 ('4 in 1' preschool booster, the Hib/MenC booster and the second MMR dose)														
Target	Qtr 4 2022/23	Qtr 1 2023/24			Qtr 2 2023/24			Qtr 3 2023/24			Qtr 4 2023/24			Target compliance
95%	89.0%	88.5%			89.1%			89.2%			Not available			
Percentage of girls receiving the Human Papillomavirus (HPV) vaccination by the age of 15 (applicable during: 01.04.23 - 30.06.23 & 01.01.24 - 31.03.24)														
Target	Qtr 4 2022/23	Qtr 1 2023/24			Qtr 2 2023/24			Qtr 3 2023/24			Qtr 4 2023/24			Target compliance
90%	N/A	90.6%			Not applicable						Not available			
Percentage uptake of the influenza vaccination amongst adults aged 65 years and over (data reflects the last week of each month applicable during 01.09.23 - 31.03.24. Data available from October 2023)														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
75%	Not applicable						Not available	54.3%	64.7%	70.1%	71.3%	72.0%	72.1%	
Percentage uptake of the COVID-19 vaccination for those eligible - Spring & Autumn booster (data reflects the last week of each month. Applicable during 01.04.23-30.06.23 & 01.09.23 - 31.03.24: aged 75 yrs & over, residents in care home for older adults & immunosuppressed aged 5 yrs & over)														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
75%	N/A	37.7%	60.8%	68.8%	Not applicable		4.6%	23.1%	42.1%	49.9%	52.6%	53.1%	Not available	
Percentage of patients offered an index colonoscopy procedure within 4 weeks of booking their Specialist Screening Practitioner assessment appointment														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
90%	5.3%	0.0%	0.0%	5.1%	1.8%	4.8%	5.7%	6.8%	0.9%	0.0%	4.8%	Not available		
Percentage of well babies entering the new-born hearing screening programme who complete screening within 4 weeks														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
90%	97.8%	96.2%	95.7%	95.1%	97.1%	97.1%	98.1%	97.1%	97.9%	97.0%	97.5%	Not available		
Percentage of eligible new-born babies who have a conclusive bloodspot screening result by day 17 of life														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
95%	97.8%	94.2%	96.3%	96.6%	94.3%	95.7%	95.3%	94.4%	94.6%	97.4%	98.2%	96.6%	Not available	

Quadruple Aim 2: People in Wales have better quality and more accessible health and social care services, enabled by digital and supported by engagement														
Percentage of GP practices that have achieved all standards set out in the National Access Standards for In-Hours														
Target	2022/23	2023/24												
100%	100%	Not available												
Percentage of the primary care dental services (GDS) contract value delivered (for courses of treatment for new, new urgent and historic patients)														
Target	Apr 23 to Sep 23	Apr 23 to Oct 23		Apr 23 to Nov 23		Apr 23 to Dec 23		Apr 23 to Jan 24		Apr 23 to Feb 24		Apr 23 to Mar 24		Target compliance
A month on month increase towards a minimum of 30% contract value delivered by 30 September 2023 and 100% by 31 March 2024	54.8%	70.4%		70.6%		79.3%		80.6%		90.6%		105.0%		
Number of patients referred from primary care (optometry and General Medical Practitioners) into secondary care Ophthalmology services														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
Improvement trajectory towards a national target of reduction by 31 March 2024 (profile 1,303)	625	609	591	697	690	616	624	669	678	441	663	631	Not available	
Number of consultations delivered through the Pharmacist Independent Prescribing Service (PIPS)														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
An increase on the number in the equivalent month in the previous year	791	711	922	870	1,000	932	928	1,128	1,248	1,509	1,860	1,769	Not available	
Percentage of mental health assessments undertaken within (up to and including) 28 days from the date of receipt of referral for people age under 18 years														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
80%	20.7%	10.3%	24.6%	64.2%	88.4%	87.3%	99.2%	100.0%	98.2%	96.7%	96.0%	100.0%	Not available	
Percentage of therapeutic interventions started within (up to and including) 28 days following an assessment by LPMHSS for people age under 18 years														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
80%	34.6%	39.0%	47.1%	51.0%	41.2%	39.8%	37.1%	47.8%	33.7%	36.6%	51.0%	63.6%	Not available	
Percentage of mental health assessments undertaken within (up to and including) 28 days from the date of receipt of referral for adults age 18 years and over														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
80%	84.0%	65.5%	74.3%	71.1%	70.6%	49.0%	46.6%	63.6%	82.2%	81.0%	83.8%	85.4%	Not available	
Percentage of therapeutic interventions started within (up to and including) 28 days following an assessment by LPMHSS for adults age 18 years and over														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
80%	88.6%	90.2%	93.9%	92.0%	91.6%	94.5%	87.2%	94.7%	95.3%	95.6%	90.4%	93.7%	Not available	
Percentage of emergency responses to red calls arriving within (up to and including) 8 minutes														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
65%	42.5%	45.5%	47.2%	46.3%	43.7%	49.1%	43.2%	39.8%	43.0%	41.2%	43.9%	44.8%	42.4%	
Median emergency response time to amber calls														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
12 month improvement trend	02:06:05	01:23:06	01:05:06	01:09:50	01:22:46	01:42:56	01:48:11	01:48:14	01:28:46	02:18:01	01:37:22	01:58:45	01:55:30	
Median time from arrival at an emergency department to triage by a clinician														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
12 month reduction trend	15	13	13	12	13	13	13	12	11	13	12	14	13	
Median time from arrival at an emergency department to assessment by a senior clinical decision maker														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
12 month reduction trend	73	65	68	69	76	74	77	76	68	73	63	73	71	
Percentage of patients who spend less than 4 hours in all major and minor emergency care (i.e. A&E) facilities from arrival until admission, transfer or discharge														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
Improvement compared to the same month in 2022-23, towards the national target of 95%	62.3%	64.7%	67.7%	67.9%	63.3%	61.4%	62.8%	62.4%	64.6%	60.7%	65.7%	63.8%	64.5%	
Number of patients who spend 12 hours or more in all major and minor emergency care facilities from arrival until admission, transfer or discharge														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
Improvement trajectory towards a national target of zero by 31 March 2024	2,115	1,760	1,402	1,535	1,833	1,932	1,956	1,965	1,712	1,949	1,837	1,830	1,856	
Percentage of patients starting first definitive cancer treatment within 62 days from point of suspicion (regardless of the referral route)														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
Improvement trajectory towards a national target of 80% by 31 March 2026	50.5%	47.9%	49.0%	47.9%	48.7%	50.5%	50.6%	50.6%	55.6%	52.1%	51.7%	49.4%	Not available	
Number of patients waiting more than 8 weeks for a specified diagnostic														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
Improvement trajectory towards a national target of zero by 31 March 2024	15,299	15,727	15,689	14,361	12,972	12,843	12,390	10,962	9,909	10,079	9,563	7,759	7,236	
Percentage of children (aged under 18 years) waiting 14 weeks or less for a specified Allied Health Professional														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
12 month improvement trend	86.5%	87.8%	82.9%	82.8%	86.0%	82.6%	80.5%	78.4%	82.1%	81.2%	88.8%	92.8%	94.0%	
Number of patients waiting more than 14 weeks for a specified therapy														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
Improvement trajectory towards a national target of zero by 31 March 2024	1,145	1,173	1,323	1,442	1,438	1,654	1,758	1,583	1,449	1,398	1,418	1,455	1,582	
Number of patients waiting over 52 weeks for a new outpatient appointment														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
Improvement trajectory towards a national target of zero	14,017	13,812	13,334	12,558	12,619	12,948	12,548	12,865	13,309	13,943	13,780	13,945	13,923	
Number of patients waiting over 36 weeks for a new outpatient appointment														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
Improvement trajectory towards a national target of zero	23,569	23,741	22,992	22,523	22,561	22,865	22,102	22,535	23,203	24,269	24,586	24,730	25,100	
Number of patients waiting for a follow-up outpatient appointment who are delayed by over 100%														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
Improvement trajectory towards a national target of zero	33,208	35,260	34,874	34,556	35,079	35,623	36,221	36,717	36,928	38,222	38,952	39,516	40,817	
Number of patients waiting more than 104 weeks for referral to treatment														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
Improvement trajectory towards a national target of zero	6,151	5,855	5,430	4,031	3,447	3,185	3,015	2,980	2,938	2,973	2,854	2,804	2,381	
Number of patients waiting more than 52 weeks for referral to treatment														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
Improvement trajectory towards a national target of zero	28,339	28,035	27,569	25,755	24,853	24,471	23,689	23,312	23,213	23,575	23,206	23,539	23,597	
Percentage of patients waiting less than 28 days for a first appointment for specialist Child and Adolescent Mental Health Services (sCAMHS) - CTMUHB operate a single point of access & all sCAMHS referrals are assessed under Part 1 of the Mental Health Measure hence no data from Nov 2023														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	
80%	27.3%	44.4%	72.7%	58.3%	35.3%	28.6%	50.0%	100.0%						
Percentage of children and young people waiting less than 26 weeks to start an ADHD or ASD neurodevelopment assessment														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
80%	30.4%	31.9%	33.8%	35.7%	41.3%	38.3%	35.4%	35.6%	32.4%	31.4%	26.5%	28.0%	29.8%	
Percentage of patients waiting less than 26 weeks to start a psychological therapy in Specialist Adult Mental Health														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
80%	44.5%	47.8%	46.8%	49.3%	49.5%	48.8%	50.9%	57.8%	65.0%	58.8%	58.9%	62.1%	Not available	

Quadruple Aim 3: The health & social care workforce in Wales is motivated & sustainable														
Percentage of sickness absence rate of staff														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
12 month reduction trend	7.37%	7.21%	7.15%	7.04%	6.93%	6.90%	6.91%	6.91%	6.86%	6.78%	6.80%	6.81%	Not available	
Turnover rate for nurse and midwifery registered staff leaving NHS Wales														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
Rolling 12 month reduction against a baseline of 2019-20 (8.65%)	9.99%	11.43%	11.31%	11.13%	9.60%	9.44%	9.05%	8.61%	8.58%	Not available				
Agency spend as a percentage of total pay bill														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
12 month reduction trend	9.1%	8.1%	7.1%	6.3%	7.9%	7.1%	6.9%	7.1%	6.6%	6.7%	6.1%	7.5%	Not available	
Percentage of headcount who have had a Personal Appraisal and Development Review (PADR) / medical appraisal in the previous 12 months (including doctors and dentists in training)														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
85%	60.3%	60.8%	59.4%	62.8%	62.1%	65.5%	63.1%	64.4%	64.6%	64.8%	65.8%	63.8%	63.4%	

Quadruple Aim 4: Improvement and innovation														
Percentage of episodes clinically coded within one reporting month post episode discharge end date														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
Maintain the 95% target or demonstrate an improvement trend over 12 months	56.8%	73.3%	74.8%	94.8%	95.0%	94.8%	95.2%	95.2%	95.5%	96.8%	95.9%	Not available		
Percentage of all classifications' coding errors corrected by the next monthly reporting submission following identification														
Target		Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
90%		68.8%	69.8%	74.6%	71.1%	93.9%	96.9%	95.6%	93.1%	98.1%	95.9%	94.7%	Not available	
Percentage of calls ended following WAST telephone assessment (Hear & Treat)														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
17% or more	14.9%	14.7%	13.5%	12.8%	12.8%	12.6%	11.9%	14.1%	13.2%	14.2%	13.6%	14.1%	Not available	
Number of Pathways of Care delayed discharges														
Target		Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
12 month reduction trend		296	233	258	255	301	291	288	282	224	262	330	336	
Percentage of health board residents in receipt of secondary mental health services who have a valid care and treatment plan for people aged under 18 years														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
90%	83.7%	80.6%	84.0%	88.2%	88.2%	88.6%	90.9%	90.7%	89.8%	90.3%	90.0%	89.8%	Not available	
Percentage of health board residents in receipt of secondary mental health services who have a valid care and treatment plan for adults 18 years and over														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
90%	87.6%	90.9%	87.1%	88.4%	86.7%	88.2%	88.1%	86.4%	88.0%	87.5%	88.7%	89.0%	Not available	
Number of patient experience surveys completed and recorded on CIVICA														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
Month on month improvement	Not available	476	538	537	571	592	651	943	1,631	1,464	Not available			
Cumulative number of laboratory confirmed bacteraemia cases - Klebsiella sp														
Target		Apr-23	Apr-23 to May-23	Apr-23 to Jun-23	Apr-23 to Jul-23	Apr-23 to Aug-23	Apr-23 to Sep-23	Apr-23 to Oct-23	Apr-23 to Nov-23	Apr-23 to Dec-23	Apr-23 to Jan-24	Apr-23 to Feb-24	Apr-23 to Mar-24	Target compliance
63		10	17	27	36	45	54	70	80	93	99	111	118	
Cumulative number of laboratory confirmed bacteraemia cases - P. aeruginosa														
Target		Apr-23	Apr-23 to May-23	Apr-23 to Jun-23	Apr-23 to Jul-23	Apr-23 to Aug-23	Apr-23 to Sep-23	Apr-23 to Oct-23	Apr-23 to Nov-23	Apr-23 to Dec-23	Apr-23 to Jan-24	Apr-23 to Feb-24	Apr-23 to Mar-24	Target compliance
24		1	2	3	5	5	8	12	13	14	16	18	21	
Cumulative rate of laboratory confirmed bacteraemia cases per 100,000 population - E.coli														
Target		Apr-23	Apr-23 to May-23	Apr-23 to Jun-23	Apr-23 to Jul-23	Apr-23 to Aug-23	Apr-23 to Sep-23	Apr-23 to Oct-23	Apr-23 to Nov-23	Apr-23 to Dec-23	Apr-23 to Jan-24	Apr-23 to Feb-24	Apr-23 to Mar-24	Target compliance
67.00		92.21	104.04	102.82	94.03	91.47	92.03	90.87	89.70	86.98	86.20	85.38	85.13	
Cumulative rate of laboratory confirmed bacteraemia cases per 100,000 population - S.aureus bacteraemia														
Target		Apr-23	Apr-23 to May-23	Apr-23 to Jun-23	Apr-23 to Jul-23	Apr-23 to Aug-23	Apr-23 to Sep-23	Apr-23 to Oct-23	Apr-23 to Nov-23	Apr-23 to Dec-23	Apr-23 to Jan-24	Apr-23 to Feb-24	Apr-23 to Mar-24	Target compliance
20.00		24.41	28.01	32.19	32.01	31.91	33.35	33.46	33.01	31.36	32.32	30.51	31.08	
Cumulative rate of laboratory confirmed bacteraemia cases per 100,000 population - C.difficile														
Target		Apr-23	Apr-23 to May-23	Apr-23 to Jun-23	Apr-23 to Jul-23	Apr-23 to Aug-23	Apr-23 to Sep-23	Apr-23 to Oct-23	Apr-23 to Nov-23	Apr-23 to Dec-23	Apr-23 to Jan-24	Apr-23 to Feb-24	Apr-23 to Mar-24	Target compliance
25.00		16.27	24.01	23.25	22.67	24.46	27.57	30.42	30.01	30.77	30.17	29.28	28.38	
Percentage of confirmed COVID-19 cases within hospital which had a definite hospital onset (>14 days after admission)														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
Reduction against the same month in 2022/23 (Feb 23 - 32.8%)	37.5%	32.3%	31.2%	39.0%	40.0%	35.2%	30.4%	44.3%	43.1%	41.2%	38.3%	20.4%	Not available	
Percentage of ophthalmology R1 appointments attended which were within their clinical target date or within 25% beyond their clinical target date														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
95%	60.5%	65.7%	63.1%	65.4%	66.4%	72.0%	66.9%	68.5%	69.0%	71.4%	67.3%	66.3%	70.0%	
Number of ambulance patient handovers over 1 hour														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
Improvement trajectory towards achievement of zero ambulance patient handover delays >1 hour by March 2024	1,094	952	445	594	756	780	764	1,079	752	883	1,024	1,049	964	
Number of National Reportable incidents that remain open 90 days or more														
Target	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Target compliance
12 month reduction trend	49	52	61	70	66	71	70	70	59	58	58	62	61	

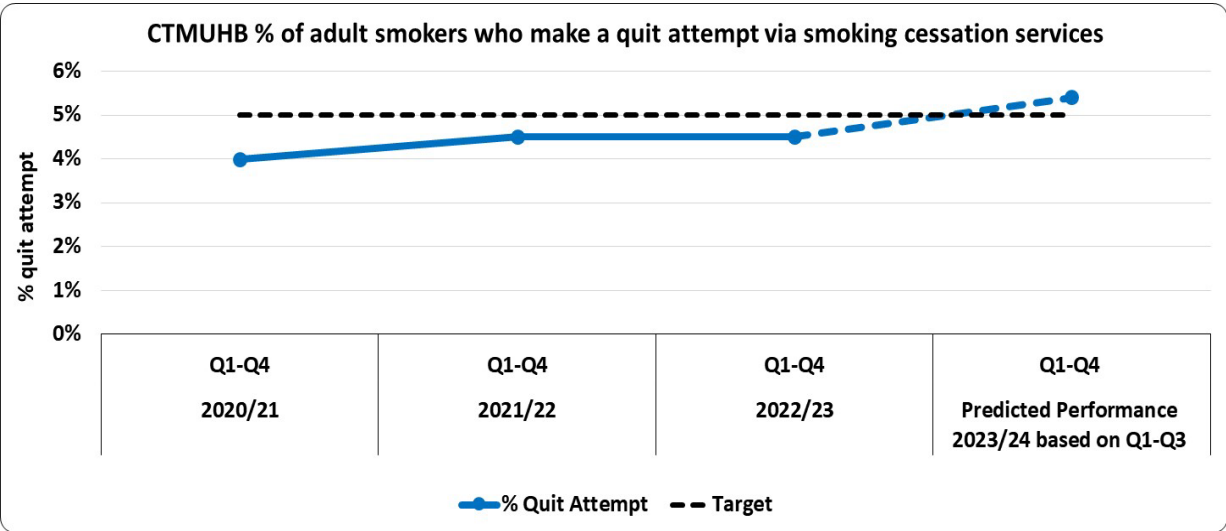
Data published in the Quadruple Aim scorecards are correct at the time of writing the report	
Targets are measured against year end (Mar 24) or the latest period data is available	Key
Target Delivered	
Target not Delivered	

Our Key Performance Measures 2023-2024

Focus area 1: Population Health

Measure 1: Smoking Cessation

Figure 6



Smoking remains one of the leading causes of preventable death and illness worldwide. In the UK alone, approximately 76,000 individuals lose their lives to smoking-related diseases each year, with countless others living with debilitating chronic conditions. From lung cancer and cardiovascular diseases to respiratory ailments and reproductive issues, the toll of smoking on health is staggering.

During 2023-2024, based on a straight line prediction of 4.05% of all adult smokers making a quit attempt in the first 9 months, it is predicted that 5.40% (2,884) of the smoking population of 53,421 in CTM will have made an attempt to quit smoking via the Smoking Cessation Services over the course of the full year.

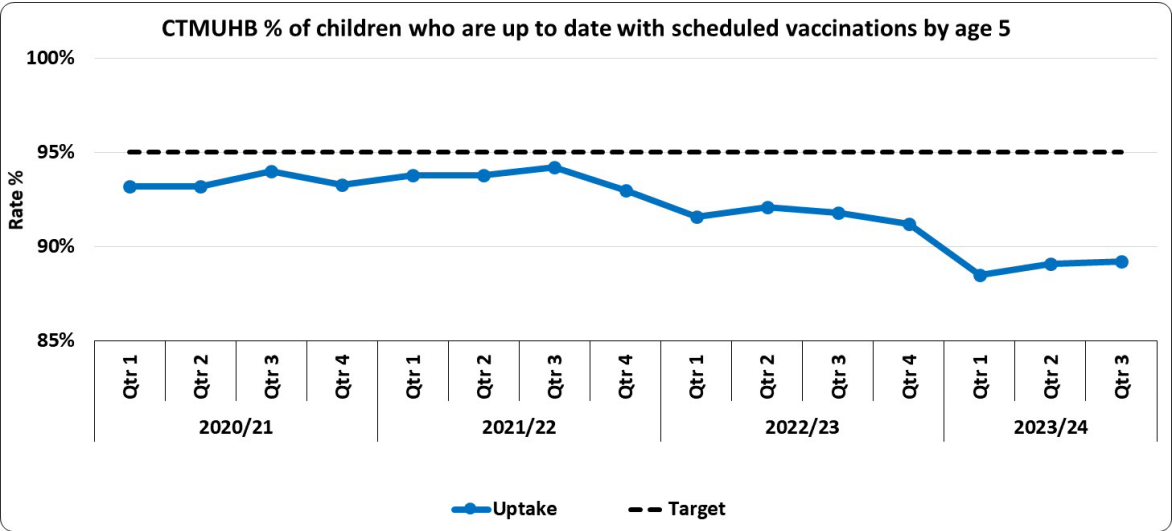
Our achievement of the 5% target and improvement on previous years has largely been achieved by implementing plans to improve the numbers of treated smokers and reducing smoking prevalence including:

- Further developing the Help Me Quit (HMQ) in community pharmacies and also increase the number of pharmacies delivering the Level 3 Enhanced Smoking Cessation Service which provides counselling, treatment, guidance on devices and managing side effects, as well as ongoing support to help you stay motivated;
- Developing and implementing the HMQ In-hospital model; including securing additional HMQ advisor capacity;
- Continuing to deliver and improve the HMQ for Baby service, ensuring that all pregnant women are offered carbon monoxide monitoring and referral to cessation support if they smoke;
- Ensuring the HMQ service is promoted within Primary Care with clear referral routes, including offering Making Every Contact Count training; and

- Targeting work at groups who we know have higher smoking prevalence, including work with registered social landlords to explore how promotion of the HMQ service and discussion of smoking in relation to the cost of living can be incorporated.

Measure 2: Vaccination rates in children reaching their 5th birthday

Figure 7



By a child’s 5th birthday, children in Wales are scheduled to have had vaccinations to protect against:

- Diphtheria, Tetanus, Pertussis (Whooping Cough) and Polio - (4 in 1 booster)
- Influenza and meningitis-C
- Measles, Mumps and Rubella; collectively known as MMR.

These are all conditions that can lead to severe complications and even death if left untreated. Vaccinating children against these illnesses is crucial for protecting both vaccinated individuals and those who cannot receive the vaccine. It helps prevent outbreaks, ensures herd immunity and reduces the risk of serious complications like pneumonia and encephalitis.

The proportion of children residing in CTM who have received their scheduled immunisations by their 5th birthday has seen a gradual decrease since the 3rd quarter of 2021/22 and fell to its lowest level during quarter 1 of 2023/24. However, this stabilised thereafter and the rate currently stands at 89.2% as at Quarter 3 of 2023/24 (data for quarter 4 will not be available until July 2024). As shown in the table below uptake of the vaccines has varied considerably throughout our Local Authority areas:

Age 5 scheduled vaccinations as at Quarter 3, 2023/24	
Merthyr Tydfil LA	82.7%
Rhondda Cynon Taf LA	90.6%
Bridgend LA	89.6%
Cwm Taf Morgannwg HB	89.2%

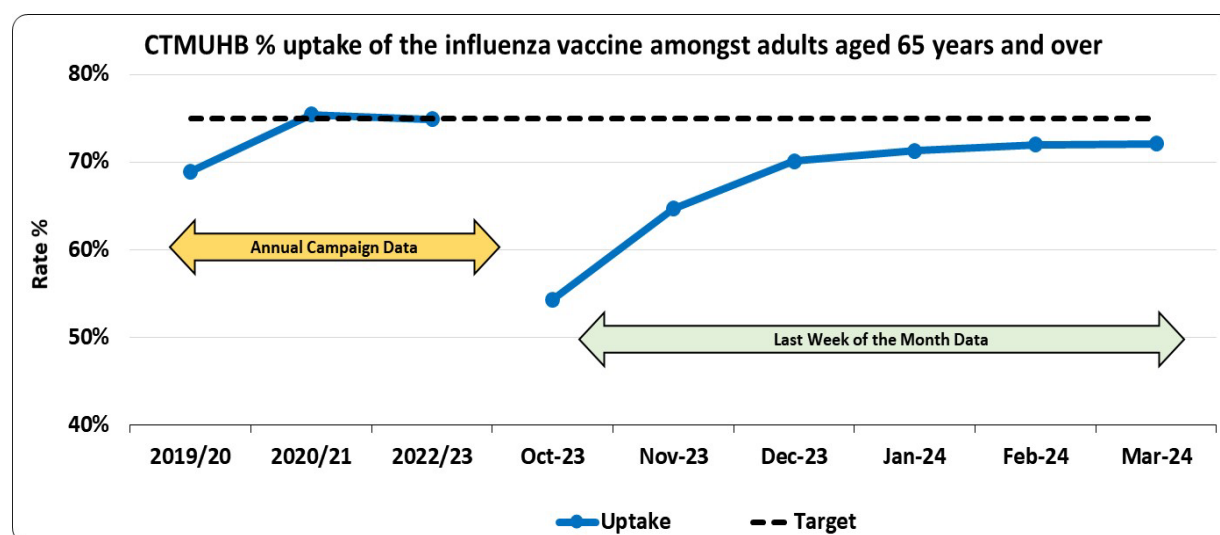
Our ability to achieve a 95% uptake in vaccination has been challenging given:

- the increasing range of languages and complexity of communication requirements within our population;
- vaccine hesitancy, driven by the limited awareness and understanding of the value of vaccination by parents, and confounded by the dissemination of disinformation by Vaccine Deniers;
- vaccination fatigue post Covid-19;
- the non-mandatory nature of the vaccination; and
- a lack of accurate vaccination history and poor availability of population information.

Following measles outbreaks across a number of communities in South Wales, significant effort and resources has been made to increase uptake and we anticipate uptake of the MMR vaccine to have risen considerably since January 2024.

Measure 3: Influenza vaccine rates amongst adults ages 65 years plus

Figure 8



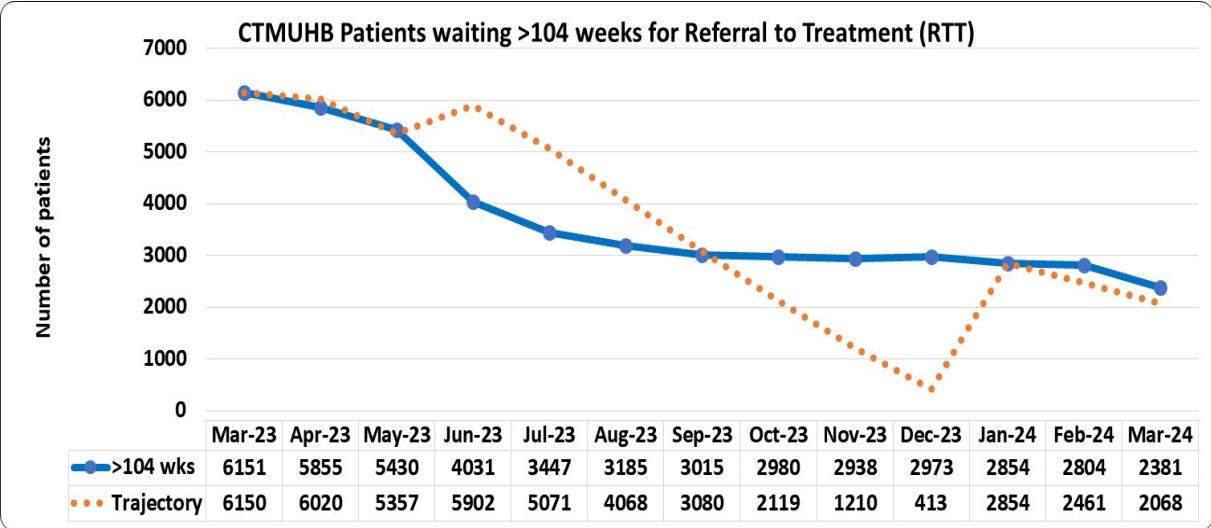
Influenza, also known as flu, is a common respiratory illness that can lead to severe complications, especially among young children, the elderly, and individuals with underlying health conditions. Annual outbreaks of influenza result in millions of cases worldwide, leading to hospitalisations and deaths.

High vaccine uptake reduces morbidity and mortality associated with influenza and is evidenced to reduce hospitalisations. The annual campaign data for the complete year, 2023-2024, is not yet available, however as at 1st March 2024, we had succeeded in delivering influenza vaccinations to 72.1% of our eligible adults who are aged 65 years and over. Based on our management data CTMUHB is expecting to fall just short of the desired target of 75% in 2023-2024, a situation that has been affected by the requirement to prioritise uptake of the MMR vaccine in light of the recent outbreaks.

Focus area 2: Operational Performance

Measure 4: Reducing the number of patients waiting over 2 years for a planned operation

Figure 9



Over the course of 2023-2024 the CTMUHB provided 16,611 elective inpatient and day case procedures and delivered 631,073 outpatient consultations. This level of activity has resulted in the number of patients waiting in excess of 2 years reducing from 6,151 to 2,381 (61%) and the overall number of patients waiting for treatment (Stage 4) also reducing by a 61% over the 12 months.

During 2023-2024, CTMUHB increased the activity delivered to our elective patients by 3% for outpatients (610,973 consultations delivered in 2022-2023 c.f. 631,073 in 2023-2024) and 24% for treatments (13,376 in 2022-2023 c.f. 16,611 in 2023/24). This was achieved through a range of initiatives which included:

- General productivity gains across our elective services as part of our elective recovery programme;
- Outsourcing patients to alternative providers from the private sector and establishing an insourcing agreement with ID Medical. This insourcing contract provided the Health Board with an additional team of theatre staff to cover 30 theatre sessions per week;
- CTMUHB’s surgical teams providing additional treatment capacity over and above their NHS contracts as Waiting List Initiatives. This capacity was essential to treating the longest waiting patients and our higher risk patients; and
- Continuing our partnership working with Cardiff & Vale University Health Board, through the Vanguard Programme, which has provided cataract operations to 1200 CTM residents in 2023-2024.

Cancer Care

Measure 5: Reduce the number of patients waiting in excess of 62 days to start definitive cancer treatment from the point of suspicion

In the UK, 1 in 2 people will be diagnosed with cancer in their lifetime. Every year around 19,500 people in Wales are diagnosed with cancer. Due to earlier diagnosis and treatment and breakthroughs in research, cancer survival in Wales is improving, with 58.5% of people surviving their cancer for five years or more.

Figure 10

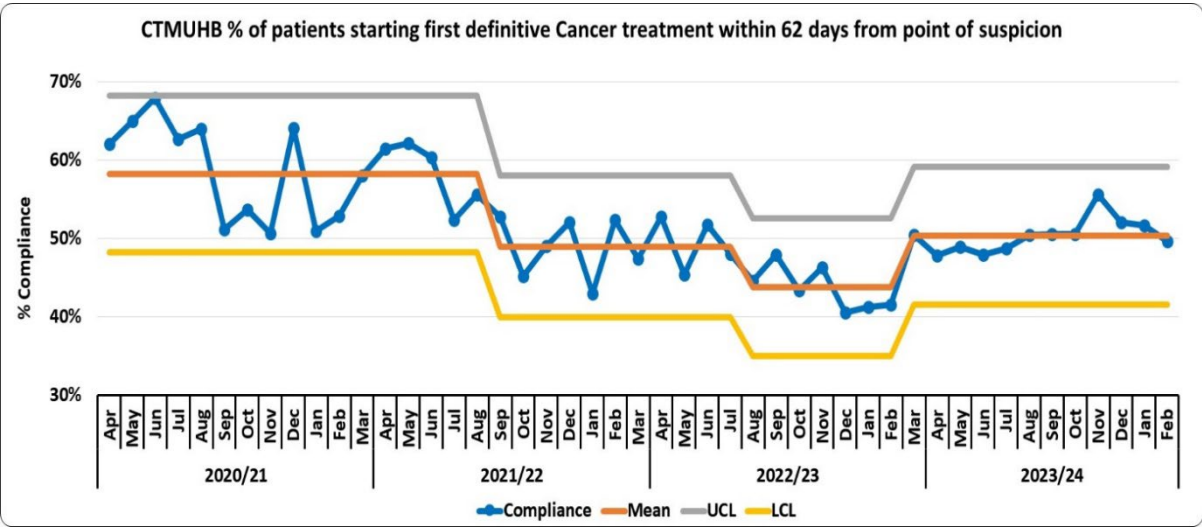
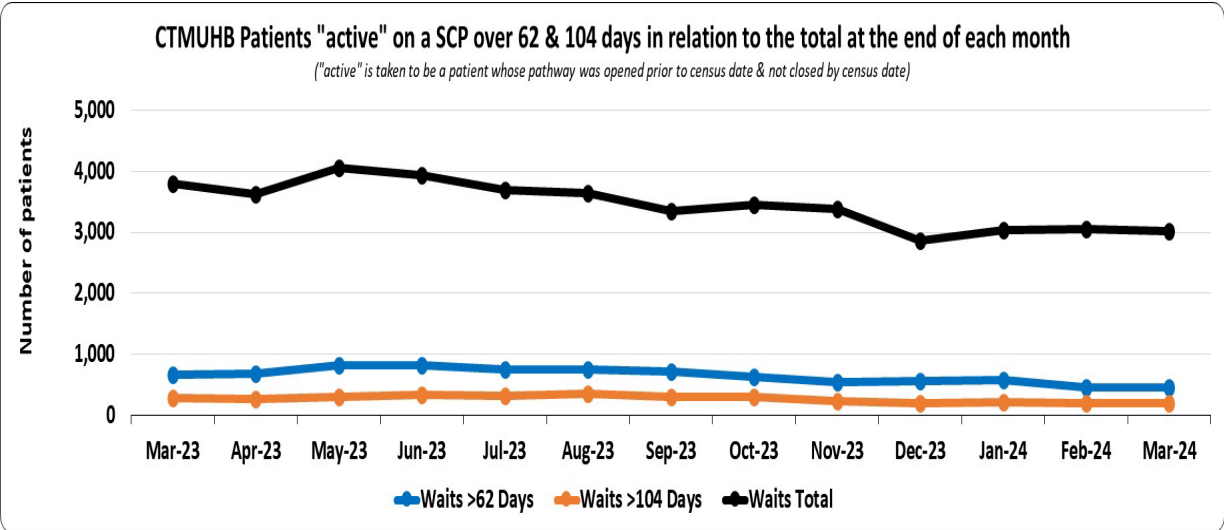


Figure 11



CTMUHB measures improvement in access times by monitoring the proportion of cancer patients treated within 62 days and the number of cancer patients at the end of each month who had yet to commence treatment and had been waiting in excess of 62 and 104 days.

As is shown in the top chart, during 2023-2024 improvements in access have been made in increasing the proportion of our patients who commenced treatment within 62 days, with the rate increasing from 45.7% in 2022-2023 to 50.4% in 2023-2024.

In 2022-2023 the average number of patients waiting over 62 days at the end of the month reduced from 752 in 2022-2023 to 648 patients in 2023-2024, with the position at the end of March 2024 (451) having reduced by 219 compared with the March 2023 position of 670. An improvement was also noted in the number of patients waiting over 104 days where the average backlog reduced from 304 to 265 patients and the end of year position has reduced from 289 patients in March 2023 to 204 patients at the end of March 2024.

Improving the flow of patients through the bottleneck areas of radiology, endoscopy and pathology has driven the majority of the pathway improvements, with successful initiatives including:

- More effective scheduling of cancer patients to minimise delays in their care and reducing variation in access times across CTMUHB;
- Increasing the proportion of patients who go Straight to Test (STT) without requiring an initial outpatient appointment;
- Reducing and sustaining waiting times below 14 days in radiology;
- Instigating accelerated imaging for Lower & Upper Gastrointestinal post endoscopy abnormality;
- Improving theatre utilisation on endoscopy lists and the commissioning of additional endoscopy capacity through a partnership with InHealth;
- The Centralisation of the Breast Service with the opening of the Snowdrop centre in September 2023, which has improved patient experience and developed a faster service for patients across the whole of CTM; and
- The continuing outsourcing of pathology specimens, as a means of increasing overall levels of activity.

Measure 6: Quick Access to Emergency Department Services

Figure 12

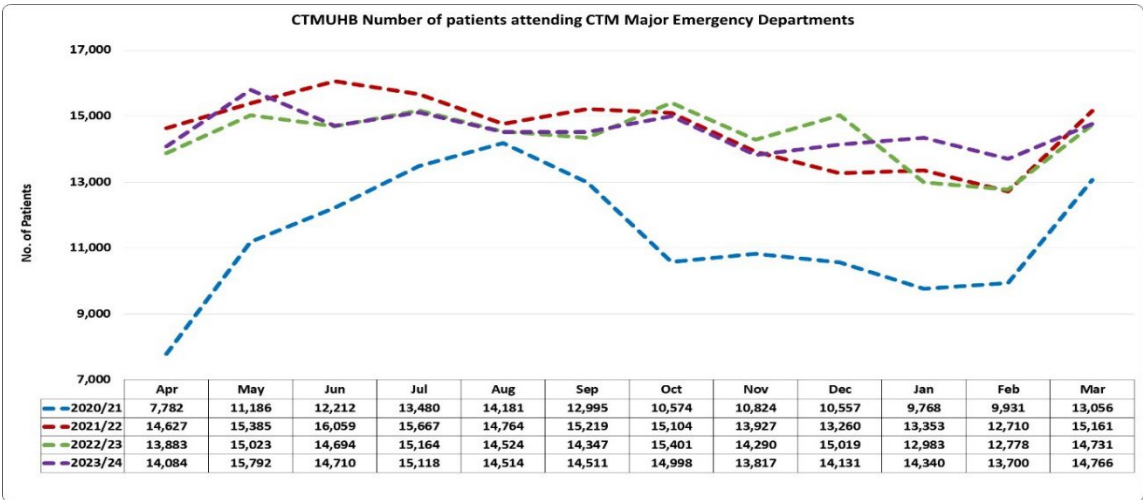
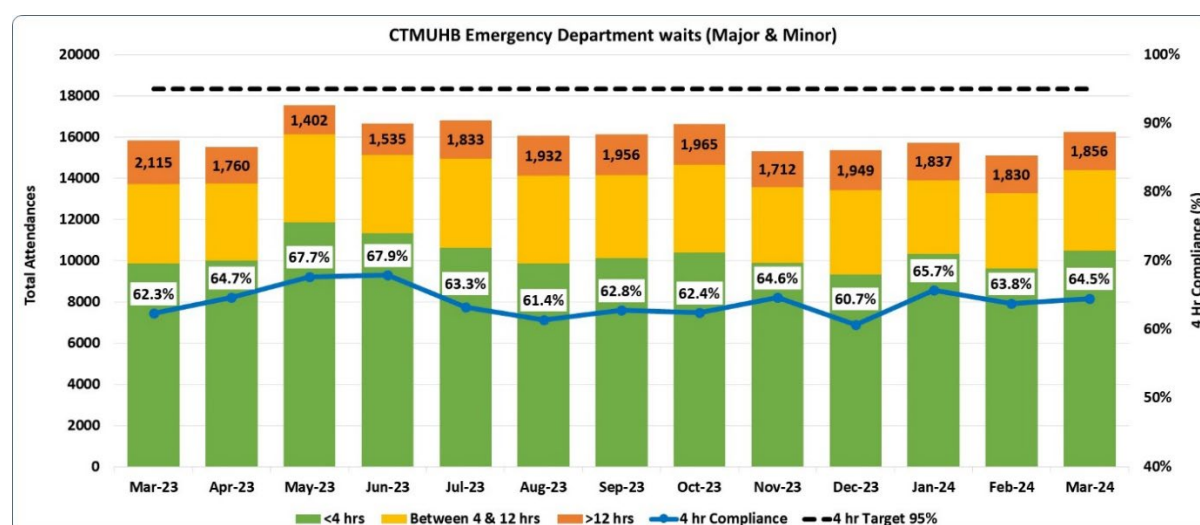


Figure 13



Treating patients within 4 hours in Emergency Departments is crucial to ensuring timely access to care, which can significantly impact patient outcomes. Delays beyond this timeframe can lead to worsening conditions, increased complications and even mortality in severe cases. The benefits of timely treatment helps the UHB to manage hospital resources effectively and maintain the flow of patients through the Emergency Department.

During 2023-2024, CTMUHB provided 193,154 attendances in our Emergency and Minor Injury Departments; a 7.1% increase on the previous year. The vast majority of the increase during 2023-2024 was observed in our Minor Injury Units, where activity increased from 7,541 in 2022/23 to 18,604; an increase of 146.7%. This was a planned increase which resulted from the full year effect of re-opening the Ysbyty Cwm Cynon unit and the cessation of the requirement to phone first prior to attending the Ysbyty Cwm Rhondda unit. Activity in our Major Emergency Departments increased by 1% from 173k to 175k.

The proportion of patients spending less than 4 hours within our Emergency Departments and Minor Injury Units improved from 62.8% in 2022-2023 to 65.6% for 2023-2024, with the number waiting in excess of 4 and 12 hours decreasing from 67k to 66k and 23k to 21k in 2023-2024 respectively.

The relative increase in Minor Injury Units activity compared to acute hospitals within CTMUHB is positive evidence of the CTMUHB's intention to provide care closer to home and to utilise our Minor Injury Units more efficiently.

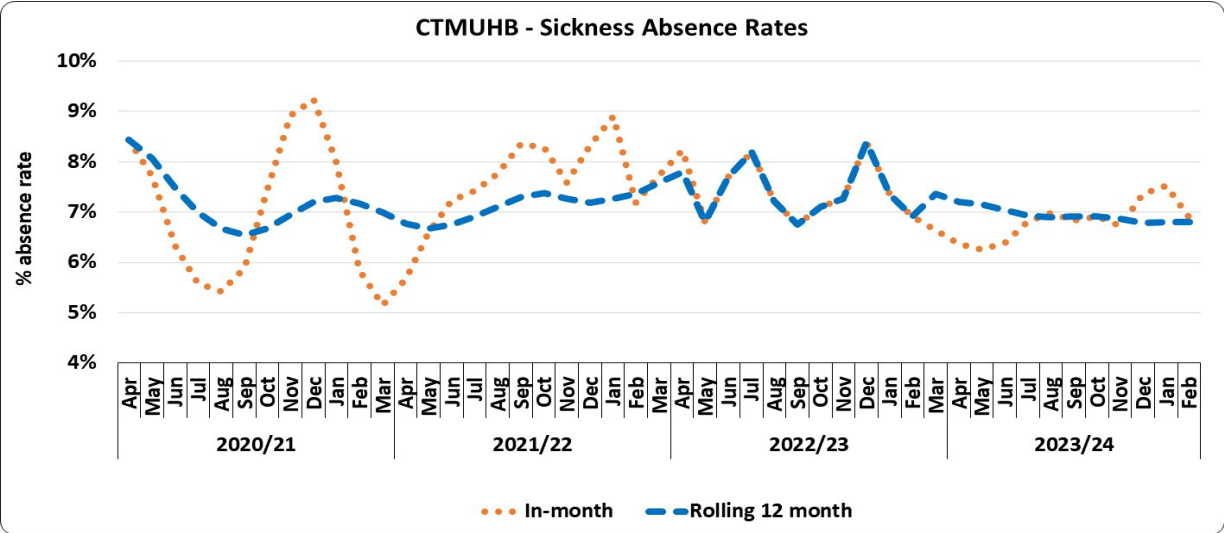
As part of the national Six Goals for Urgent & Emergency Care programme, CTMUHB has also made sizeable investments in establishing a navigation hub, remodelling services to incorporate "Discharge To Recover and Assess" (D2RA) approaches, and Medical Same Day Emergency Care. This latter initiative has resulted in over 14,000 attendees being seen and treated in this way during 2023-2024.

Despite these, there remain a number of systemic challenges to transforming unscheduled care with the key constraint being the sustainability and accessibility of social care services.

Focus area 3: People

Measure 7: Sickness Absence Rates

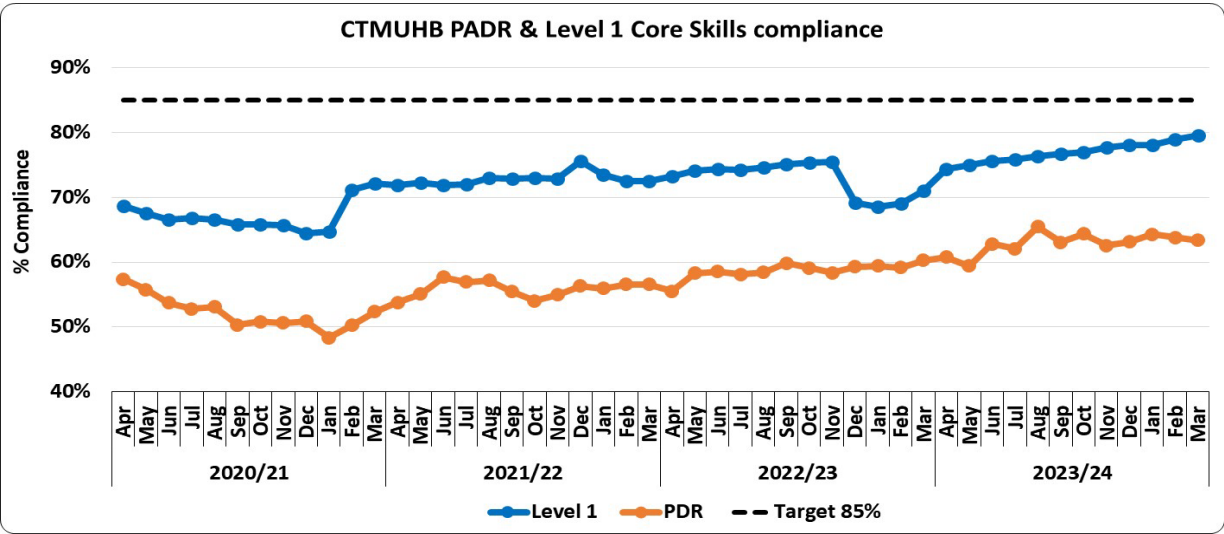
Figure 14



CTMUHB currently employs in the region of 11,100 whole-time equivalent (WTE) staff, with a headcount in the region of 12,750 and 40% of our workforce working part-time. During the course of 2023-2024 sickness absence has been reducing, with rolling 12 month sickness rates for the Health Board having fallen from 7.4% in March 2023 (which approximates to c. 30,800 hours or 821 full time staff) to 6.8% (28,305 hours or 755 full time staff) in February 2024.

Measure 8: PADR & Level 1 Core Skills

Figure 15



CTMUHB has a number of mandatory training packages which staff are required to have undertaken at least tri-annually. The uptake of these training packages is seen as essential in improving the safety of our staff and patients and CTMUHB’s ability to comply with statutory and legislative regulations.

The Level 1 Core Skills compliance has improved throughout the year and as at March 2024 stands at its highest level of attainment of 79.5%. A breakdown by competency is shown below:

Figure 16

CTMUHB Level 1 Core Mandatory Training	
Equality, Diversity and Human Rights	85.3%
Safeguarding Children	84.8%
Health, Safety and Welfare	84.1%
Safeguarding Adults	84.1%
Moving and Handling	83.8%
Information Governance	79.9%
Violence and Aggression	77.7%
Fire Training	77.8%
Infection Prevention and Control	74.6%
Resuscitation	62.8%
CTMUHB Overall Compliance	79.5%

CTMUHB’s compliance for staff who have received a Personal Appraisal & Development Review (PADR) increased from 59.4% to 63.4% during the year.

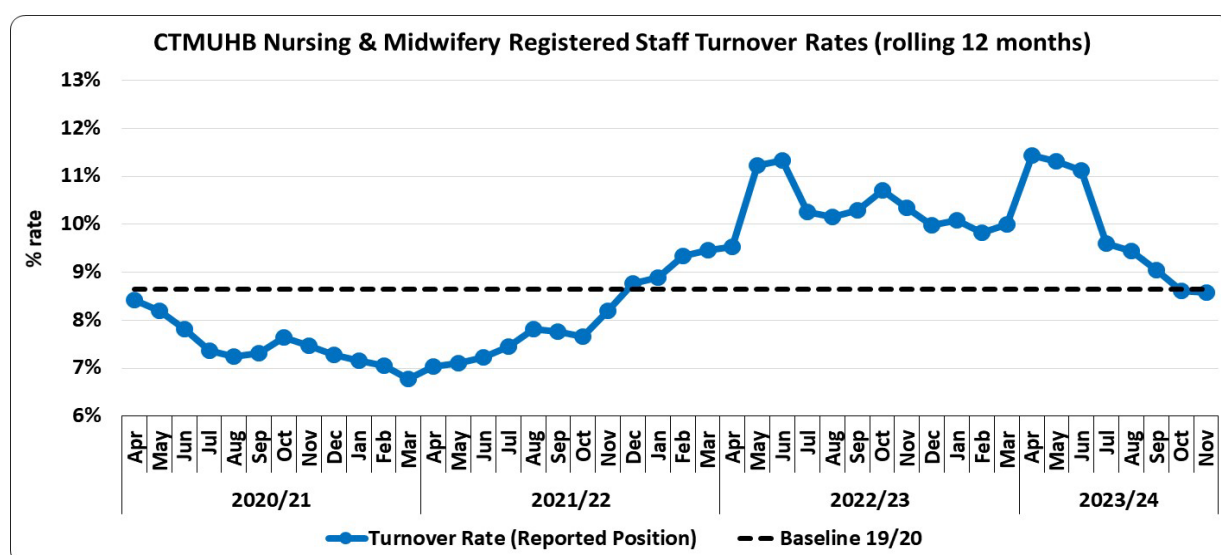
CTMUHB has positively developed and piloted the “Making the most of PDR – *Your Conversation*” workshop and offers educational support to take staff through the PDR process.

Targeted communications are sent to areas where compliance is below the WG target of 85% and where staff are due to progress to their next pay progression gateway.

Measure 9: Nursing & Midwifery Turnover Rates

CTMUHB employs in the region of 4,037 nurses and midwives (3,613 WTE) and is carrying approximately 6% vacancies for this staff group, a position reflective of the complex local, national and international position regarding the shortage of registered nursing and midwifery professionals.

Figure 17



In order to maintain patient safety and effectiveness, the retention of nursing and midwifery staff is thus a critical operational requirement.

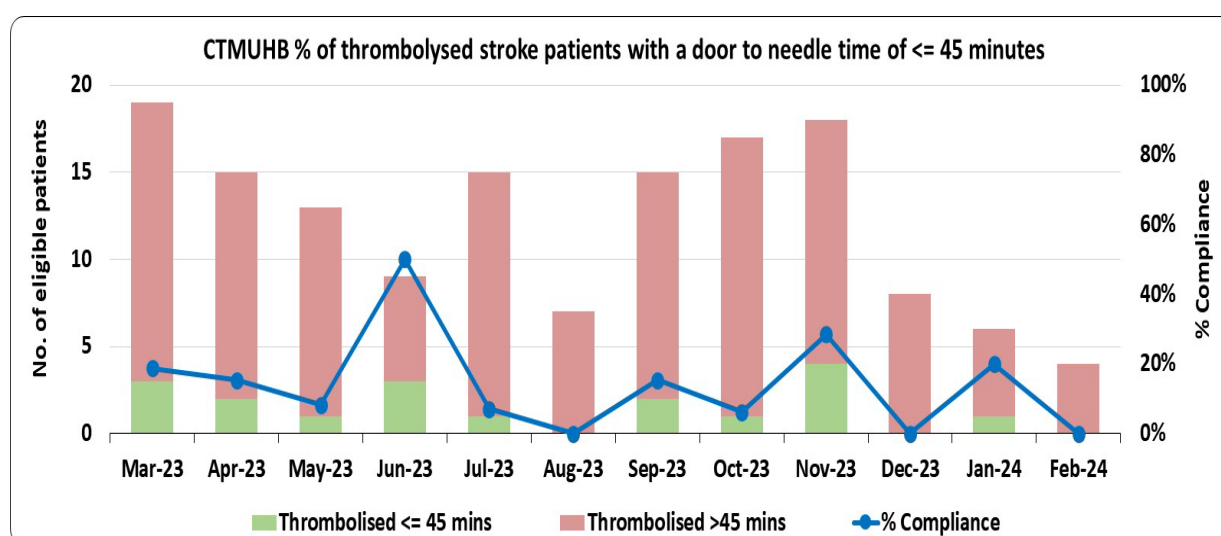
The Nursing & Midwifery staff turnover rates (which include retire and return), having greatly increased after Covid, have seen a gradual reduction and as at November 2023 fell to 8.58% and sits below the 2019-2020 baseline target of 8.65%.

Work-life balance and promotion remain the top two reasons for leaving and CTMUHB is focusing on improving flexible working and embedding a new lateral moves scheme as retention initiatives that will seek to improve these.

Focus area 4: Quality & Safety

Measure 10: Stroke Quality Improvement Measure - Thrombolysis with a door to needle time within 45 minutes

Figure 18

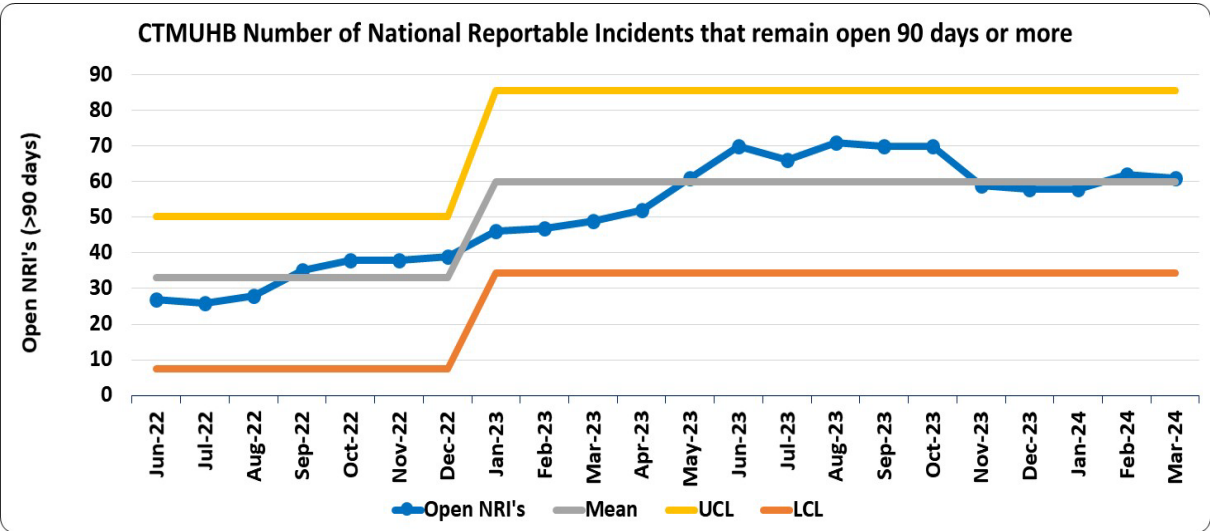


Administering thrombolytic therapy to stroke patients within 45 minutes of their arrival is crucial for maximising a patient’s chances of a positive outcome. The 45-minute window is particularly significant because the longer a stroke goes untreated, the greater the risk of irreversible brain damage and long-term disability. Rapid administration of thrombolytic therapy not only improves the chances of survival but also increases the likelihood of minimising long-term neurological deficits and improving overall quality of life for stroke survivors. Therefore, optimising stroke systems of care to ensure prompt recognition, diagnosis, and treatment within this critical timeframe is paramount in reducing the burden of stroke-related morbidity and mortality.

During 2023-2024, 13.4% of stroke patients eligible for thrombolysis received the intervention within 45 minutes, a level of performance unchanged from the previous year, and attributable to the absence of a 24/7 stroke clinician and patient flow constraints across the health care system.

Measure 11: National Reportable Incidents open >90 days

Figure 19



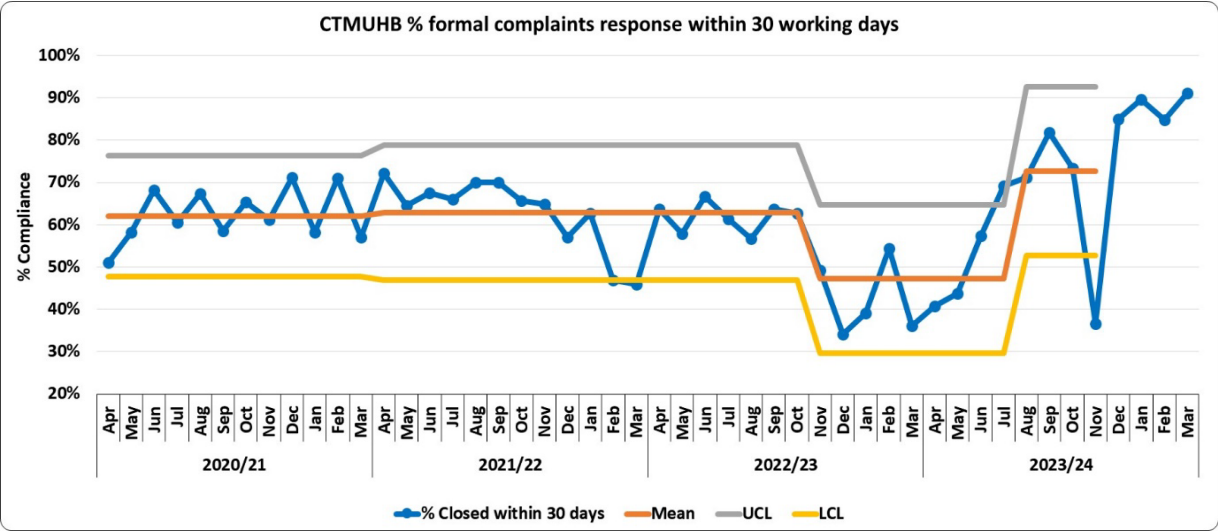
National Reportable Incidents are patient safety incidents which caused, or contributed to, the unexpected or avoidable death, or severe harm, of one or more patients, staff or members of the public, during NHS funded healthcare.

As at the end of March 2024, CTMUHB had 73 open Nationally Reportable Incidents (NRI's), of which 61 were overdue the timescale of 90 days for completion. This is an increase from the 49 incidents overdue the timescale of 90 days for completion observed at the start of the financial year.

All serious incidents are thoroughly investigated and reported to identify any learning and improvements in care that can be made. Root Cause analysis training is delivered by the central patient safety team to educate colleagues on the expectations of completing a robust investigation following an incident.

Measure 12: Complaints Closed within 30 working days

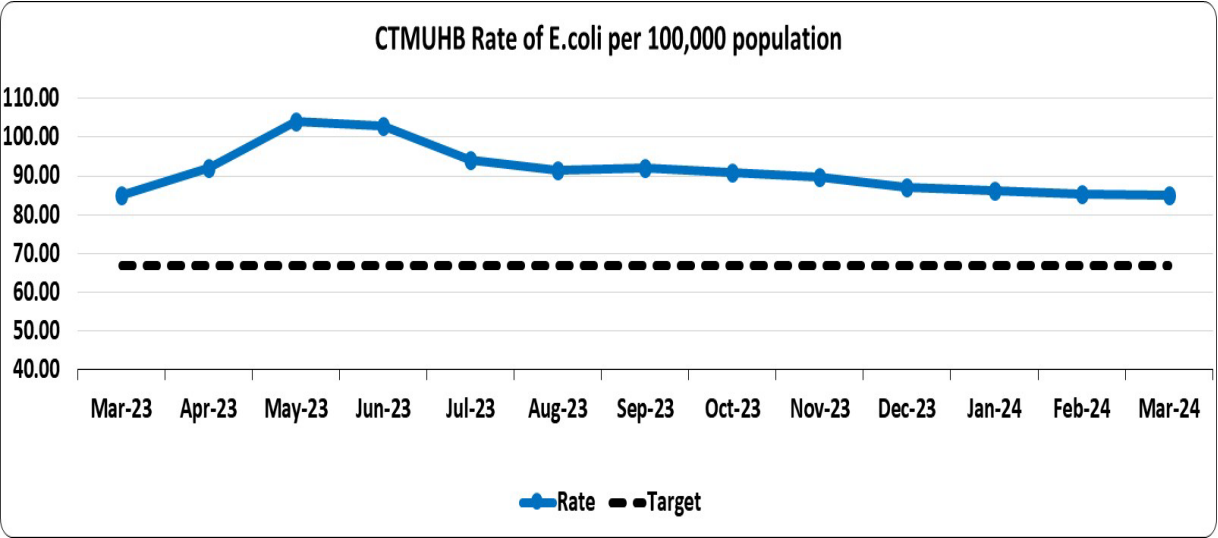
Figure 20



During 2023-2024, CTMUHB closed a total of 684 formal complaints managed under the Putting Things Right Regulations. Of those complaints, 63% were closed within the requisite timescale of 30 working days. During November 2023, focussed work was undertaken to address the number of historic open cases where a final response to patients or their families had not been provided for more than 30 days. As a result of this focussed work, compliance fell sharply during November, but with the reduction in the backlog, improved thereafter and has since remained above the target of 75%, with March 2024 recording a compliance rate of 91%.

Measure 13: Reduce the rate of E.coli Bacteraemia

Figure 21



E.coli bacteraemia, caused by the bacterium Escherichia coli, is a serious and potentially life-threatening infection that poses significant risks to public health and can be found in the blood stream. E.coli bacteraemia can lead to sepsis, a

systemic inflammatory response syndrome that can progress rapidly and result in organ failure and death if not promptly treated with appropriate antibiotics. Individuals with weakened immune systems, the elderly, and those with underlying medical conditions are particularly vulnerable to the complications of E.coli bacteraemia. Prevention strategies such as proper food handling, infection control measures in healthcare settings, and judicious use of antibiotics are essential in reducing the prevalence and impact of this dangerous bloodstream infection.

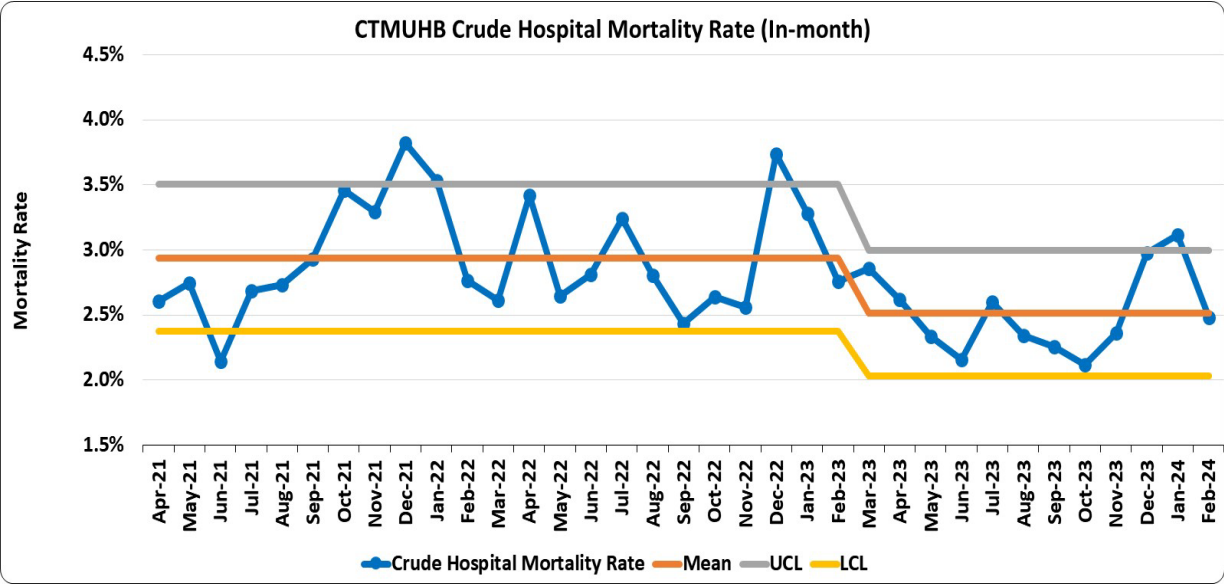
Between April 2023 and March 2024, 378 E.coli bacteraemia were reported by the Health Board. This is 4 (1.1%) fewer cases than equivalent period of 2022-2023. The provisional rate per 100,000 population for 2023-2024 is 85.13 and is above the WG set target of 67.00 per 100,000 population.

Community onset specimens (E.coli assumed to be acquired outside of a hospital environment) account for 78% of the total cases and around 8% of cases are linked to a urinary catheter. An Infection, Prevention & Control (IP&C) huddle is arranged to discuss each preventable bacteraemia and learning is shared widely.

CTMUHB’s infection prevention and control team continues to work with clinical teams to undertake a point prevalence study to identify urinary catheter usage, improve Aseptic Non Touch Techniques and IP&C training compliance and to embed the catheter passport in secondary care.

Measure 14: Crude Hospital Mortality Rate

Figure 22



The crude hospital mortality rate measures the proportion of inpatient admissions into CTMUHB Hospitals that result in death within hospital. The rate is used as an indication of quality, but is highly susceptible to a number of confounding factors such as counting practices, the ratio of elective to emergency admissions, the time of the year and the case mix of the patients we have been treating. It is therefore complimented by a number of other methods and measures.

The chart above demonstrates the inherent seasonality within CTMUHB's mortality rate and the reduction from 2.9% to 2.5% over the 12 month period.

To aid quantitative approaches to monitoring and analysing trends in mortality, the use of benchmarking dashboards are being revisited and the mortality review process is being digitised. Key benefits of which will be:

- the ability to improve access to the causes of death for patients dying in hospital;
- the ability to link mortality data to the wider patient record; and
- the ability to digitally include information pertaining to the death within the deceased's health record.

Data linkage between the reason for death stated on the death certificate and Health Board held information has been undertaken, which may re-enforce or inform our actions to reduce avoidable deaths and the Scottish approach to use Hospital Standardised Mortality Rates is being explored.

Quality of Data

CTMUHB makes every attempt to ensure the quality and robustness of its data. As such processes have been implemented that include regular checks to assure the accuracy of information relied upon. These processes are underpinned by a policy framework incorporating Data Quality, Information Governance and Information Security.

It is important to recognise that the adoption of these policies as custom and practice across the organisation has been variable. The reasons for this variation are multi-factorial and include:

- The supporting technologies available to make the record;
- The effectiveness of the record keeping processes that are in place across a diverse range of environments and services; and
- User training and behaviours relating to the direct and indirect value perceived to be gained from maintaining an accurate and consistent record.

There are also a multiplicity of systems and data inputters across the organisation that means there is always the potential for variations in quality. To that end, a Data Quality Assurance Framework has been developed with the overarching aim of ensuring that all staff irrespective of roles are aware of:

- What is needed to deliver high quality data;
- Why it is so important;
- The consequences of non-delivery; and
- The role each individual has to play in ensuring delivery.

In the past two years, we have rapidly increased our use of and dependency on, digital technologies and data. As the opportunities become apparent from the data available to improve health and care, the quality of our data has undoubtedly improved. As a Health Board we are committed to a data and digital programme that seeks to improve the quality of data by:

- Improving our digital technologies, making them easier and quicker to use;
- Democratising and increasing our use of the data, so that our clinical teams and decision-makers have increased access to all the requisite parts of the record and gain greater benefit from its completeness and accuracy;
- Improving the knowledge and skills of our teams and providing direct feedback to them through auditing prospective and retrospective; and
- Using Artificial Intelligence, Natural Language Programming and other analytical techniques to enhance data completeness, accuracy and availability.

To further support our performance chapter we have included performance updates from our key Care Group areas and our central delivery functions.

Six Goals for Urgent and Emergency Care

The Six Goals for Urgent and Emergency Care policy handbook sets out Welsh Government's expectations for health, social care, independent and third sector partners for the delivery of the right care, in the right place, first time for physical and mental health. The national Six Goals for Urgent and Emergency Care Programme has also been established with senior clinical leadership to enable local teams to deliver the goals and improve experience and outcome for service users.

During 2023-2024, CTMUHB has achieved the following deliverables:

Priority 1: Delivery and implementation of a 24/7 Urgent Care Service, accessible via 111 Wales to support improved access and General Medical Services (GMS) sustainability (Workstream 1: Goal 1, 2 and 3)

- Established pathways to support emergency and urgent demand and avoid hospital conveyance.
- 111 press 2 for Mental Health/District Nurse Call Taking/GP Out of Hours /Nursing Home Pathway.
- Physician Triage and Streaming Service (PTaS 1) – inbound calls from paramedics on scene for higher level of clinical advice where conveyance may be appropriately avoided/C3 Radius Physician Triage and Streaming Service (PTaS) – pulling cases directly from ambulance stack (remote triage) and paramedic on scene.
- Recognition of Life Extinct (ROLE) for Unexpected Death pathway/Emergency Departments (ED)/Redirection pathways/Professional advice line/Covid Antiviral assessment service /Emergency Dental service /Launch of Respiratory Monitoring Service for Chronic Obstructive Pulmonary Disease (COPD) (Virtual Ward concept) launched 31st January 2024.

Priority 2: Implementation of Same Day Emergency Care (SDEC)/direct access pathways/Workstream 2: Goal 3 & 4

- Acute care of the elderly (ACE) unit set up within Acute Medical Unit (AMU) template in Princess of Wales Hospital (POWH) and working alongside AMU team. Frailty service with a multidisciplinary team delivers comprehensive geriatric assessment and operates by in-reaching into AMU and Emergency Department (ED).

- Ambulatory Emergency Surgical Unit in Princess of Wales provides access to rapid surgical treatment for patients who would normally be admitted through ED for surgery.
- Ambulatory frailty established in Royal Glamorgan Hospital (RGH) - Multidisciplinary Team (MDT) delivering Comprehensive Geriatric Assessment in Royal Glamorgan Hospital (RGH), focusing on those presenting to the Acute Medical Unit (AMU) but working towards including those who attend the Emergency Department (ED).
- Ambulatory Care Unit in RGH extended operational hours from 5.30pm to 10pm led by on-call team. This enabled the assessment and care of patients of the second peak of patents referred late in the afternoon.
- Ambulatory Emergency Surgical Unit an extension to existing surgical hub in RGH.
- Frailty pathway in Prince Charles Hospital (PCH), frailty consultant provides delivery of frailty ward and community link with Stay Well @ Home team for acute frailty assessment and wrap-around care. Investment in therapies posts supporting same day interventions
- 2x consultants appointed for Medical Same Day Emergency Care (SDEC) in PCH.

Priority 3: Continued commitment to the reduction of ambulance handover delays waits and safely reduce ambulance conveyance to Emergency Departments/Workstream 2 & 3: Goal 4

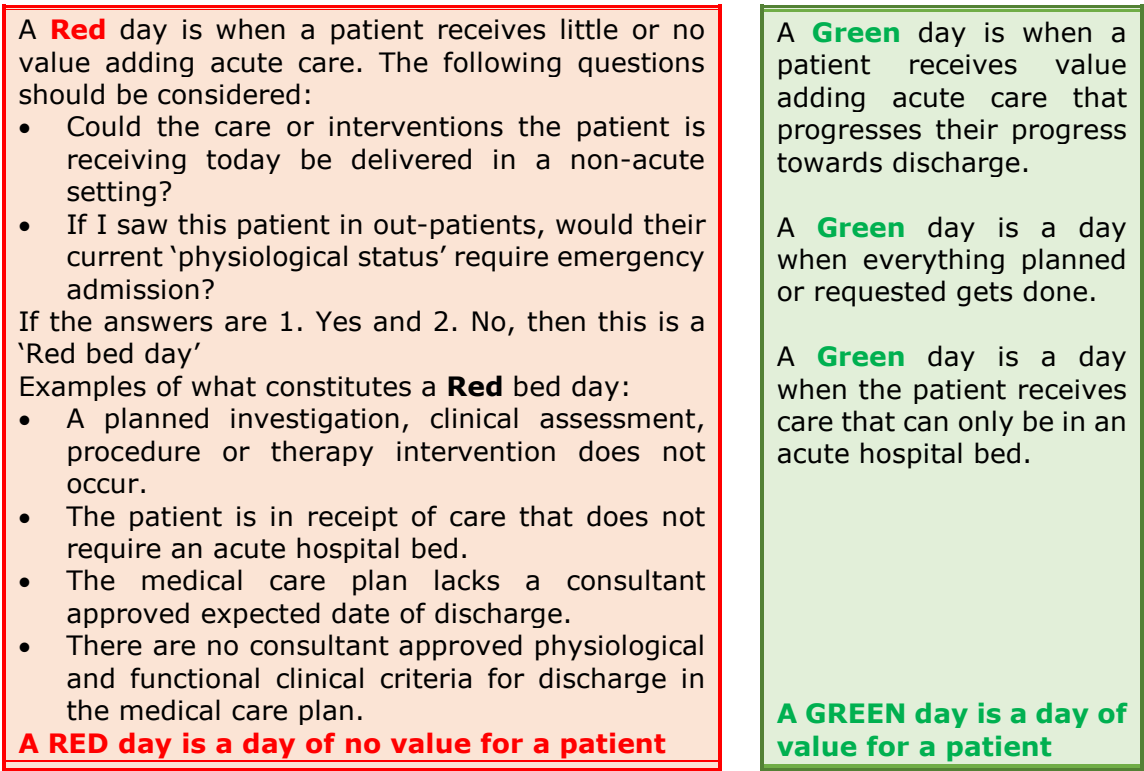
- Assurance and performance monitoring.
- Monthly meetings established, membership and Terms of Reference agreed.
- Action plan developed by each site.
- Operating model – Directorate Manager appointed (Starting Date 11th March 2024), Service Manager appointed (Starting Date 1st April 2024), Clinical Director/Clinical Lead recruitment in progress.
- Internal audit review Emergency Department (ED) 4 hr performance.
- Action plan developed; Unscheduled Care (USC) dashboard developed.
- Refine operational processes across acute hospital sites in response to ongoing feedback from each 4hr breach exception report.
- Review the impact of collaborative pilot between Welsh Ambulance Services Trust (WAST) and RGH to ensure clinically safe and dignified pathways for patients into ED following arrival by ambulance by reducing handover delays and to deliver early diagnosis and treatment.

Priority 4: Reducing Pathways of Care Delays (POCD) for patients who experience a Length of Stay >7 and >21 days/Workstream 3 & 4: Goal 5 & 6

- The 'Optimise' framework encompasses the four pillars of effective flow and discharge; multidisciplinary board rounds using SAFER Patient Flow bundle in conjunction with the 'Red and Green Days' approach (the team discuss for every patient whether the day ahead is 'red' – a day where there is little or no value adding acute care or 'green' – a day of value for the patient's progress towards discharge), discharge to recover then assess model and digital enablers i.e. electronic Whiteboards, electronic transfer of care to enable

integrated approach to the delivery of optimal flow, safe and appropriate discharge for our patients with Home First as its principle. 'Red and Green Bed Days' are a visual management system to assist in the identification of wasted time in a patient's journey. Applicable to in-patient wards in both acute and community settings, this approach is used to reduce internal and external delays as part of the SAFER patient flow bundle. It is not appropriate for high turnover areas such as Emergency Departments, Assessment Units, Clinical Decision Units/Observation Units, and Short Stay Units where using Red and Green on an hours/minutes basis may be more appropriate. Further explanations around the "Red and Green" day approach is highlighted in the infographic below:

Figure 23



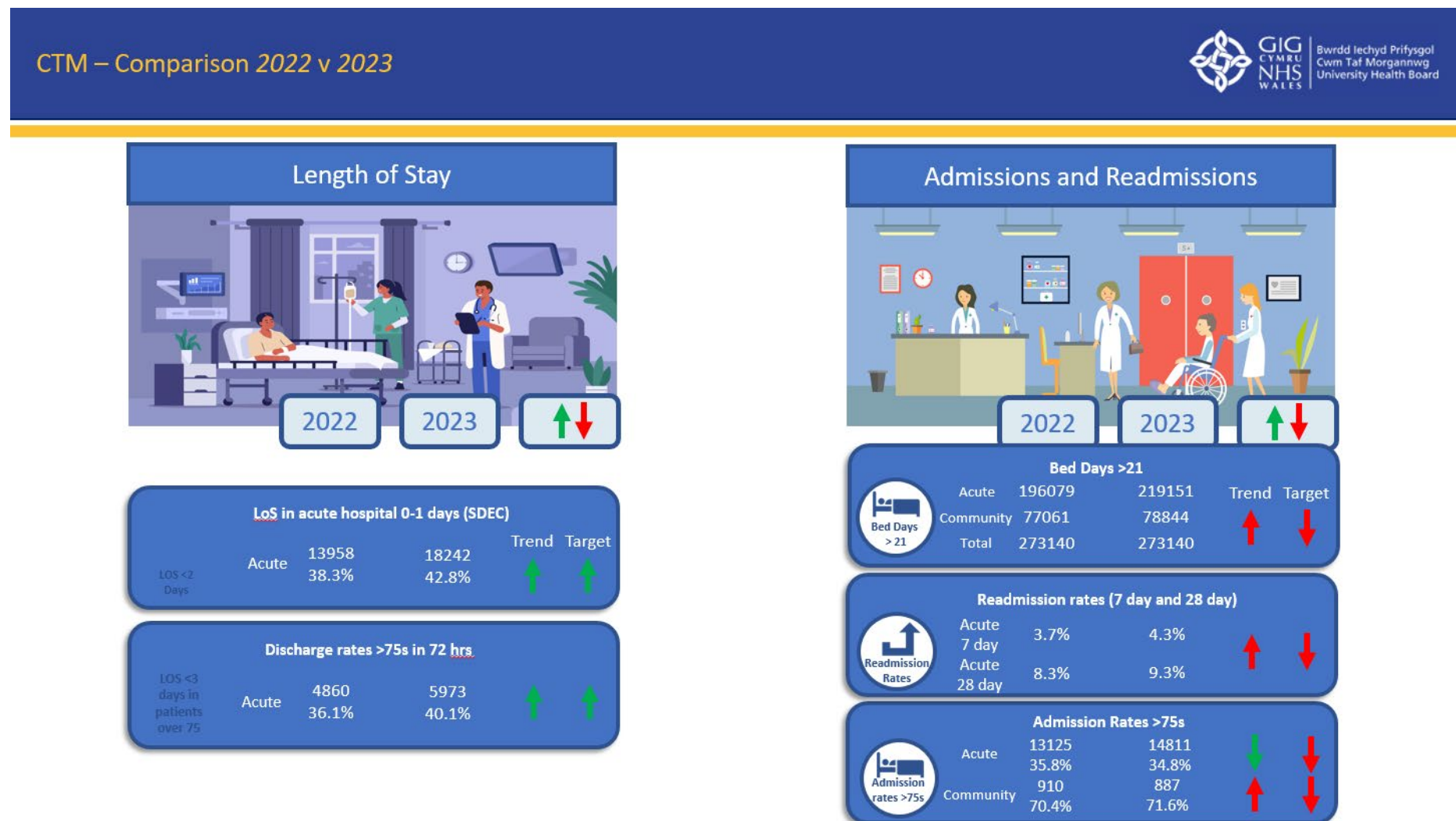
All four pillars (SAFER, Red and Green, D2RA and digital enablers) together achieve cumulative benefits and when followed consistently, length of stay and delays in discharge planning (POCD) reduce, patient safety and flow improves.

- Good Multi-Disciplinary Team attendance.
- Improved discussion around criteria to reside.
- Improved discussion around suitability for discharge.
- Increased allocation of 'Discharge to recover then Assess' (D2RA) pathways to patients in ward areas.
- D2RA pathway allocation within 24 hrs – increase in comparison to July-September period, decrease in December in comparison to October-November period.

- Performance improvement in the Discharge Hub – validation of electronic transfer of care (eToCs) received prior to submission for Local Authorities.
- Improved and increased utilisation of electronic whiteboards (eWhiteboards)
- Improved and increased utilisation of eToC.
- New Discharge Policy finalised and signed off for implementation (integrated document produced in partnership with Local Authority partners).
- Toolkit for staff in progress with anticipated completion by end of quarter 4.
- 6x Trusted Assessors appointed to support discharge on three acute sites (2x TAs per site) through D2RA Pathway 0 (simple discharge) and D2RA Pathway 1 (home with support)

The infographic on the following page applies across the scope of the Six Goals.

Figure 24



Planned Care

Within Planned Care, there has been significant work underway to improve the position, with the following areas of particular note:

- A Theatre Productivity Group has been embedded;
- Fewer extreme waits;
- Activity in outpatients is now higher than it was before the COVID-19 pandemic;
- The Care Group has supported innovation – including the purchase and establishment of the new Surgery Robot;
- Transformation Projects for Ear Nose and Throat (ENT), Pre-assessment, Ophthalmology, Endoscopy, Urology and Outpatients has been established;
- Good housekeeping has been a focus – validation, backfilling and ensuring that all capacity is used to its maximum;
- Outsourcing has reduced – and the resource used for the provision of additional activity on and within CTMUHB's own premises supported by appropriate staff establishments.

Looking at the Single Cancer Pathway (SCP), there has been a sustained improvement in performance and the care of these patients remains a priority for CTMUHB.

Actions undertaken this year include:

- Increased Straight To Test (STT) across CTMUHB;
- Ongoing collaborative working with network for regional diagnostic solutions;
- Changes to the Standing Operating Procedure in Pre Assessment Clinic to ensure cancer process is as efficient as possible;
- A Urology Sustainability Group has been formed;
- The Text & Remind Service has been rolled out;
- A Lung Health Check Pilot has commenced;
- Endobronchial ultrasound (EBUS) (diagnostic procedure) has been established across CTMUHB;
- Accelerated imaging has been implemented for lower and upper GI post endoscopy abnormality as has a Urology haematuria pathway;
- There has been a sustained backlog reduction – excluding Bowel Screening Wales – ranked 4th.

This focus will be maintained for 2024-2025 and beyond.

Diagnostics and Therapies

In the Diagnostic and Therapies areas, progress has been made. In particular:

- Non Obstetric Ultra Sound (NOUS) improvement plan continues to deliver significant additional capacity over core and a reduction in the over eight week breaches;

- There are plans in place to tackle Magnetic Resonance Imaging (MRI) delays and they have delivered a tangible reduction in the backlog of reporting capacity;
- More sustainable solutions are being developed for Computed Tomography (CT) and Magnetic Resonance (MR) scans so that improvements can continue to progress;
- An Endoscopy Transformation Programme is ongoing with improvement already underway, including weekly task and finish group. A number of actions completed which has resulted in an increase in throughput due to ongoing productivity and efficiency schemes including digital solutions, booking processes and pathway management;
- A recovery plan has been developed for Bowel Screening Wales (BSW) which includes a short term plan to clear current backlog to run alongside the sustainable plan.
- The Therapies Service has achieved some successes and faces further challenge in other areas:
 - The demand for adult and paediatric weight management continues to increase and with the paucity of staff in paediatrics it looks as though this will remain a difficult area with current capacity;
 - Physiotherapy was impacted by recruitment challenges, however, with posts now approved it looks likely that performance in this area will return to zero breaches;
 - The Dietetic service continues to account for the vast majority of the total patients waiting beyond the 14 week target for therapies (90%). The majority of the dietetic patients waiting are adults who are waiting for Level 3 weight management service.

Despite real challenges and against a background of staff vacancies and rising referrals in key areas, colleagues in Therapies have made some significant improvements. The process will continue into the coming year.

Mental Health and Learning Disabilities

This Care Group has seen some significant improvements during 2023-2024 as highlighted below:

- In Adult Mental Health, assessment within 28 days is the area of significant focus with internal targeted intervention in the adult area in particular, as the Older Adult and Learning Disability areas are above target.
- Children and Adolescent Mental Health Service (CAMHS) measures have improved significantly and been sustained. Part 1b (*Part 1b of the "Mental Health Measure: Therapeutic intervention started within 28 days following assessment"*), which is 80% of therapeutic intervention started within 28 days, is now the area of focus, however, with the backlog resolved the growth is planned over the coming months. Psychological Therapies, although below target, are performing competitively against the all Wales means.

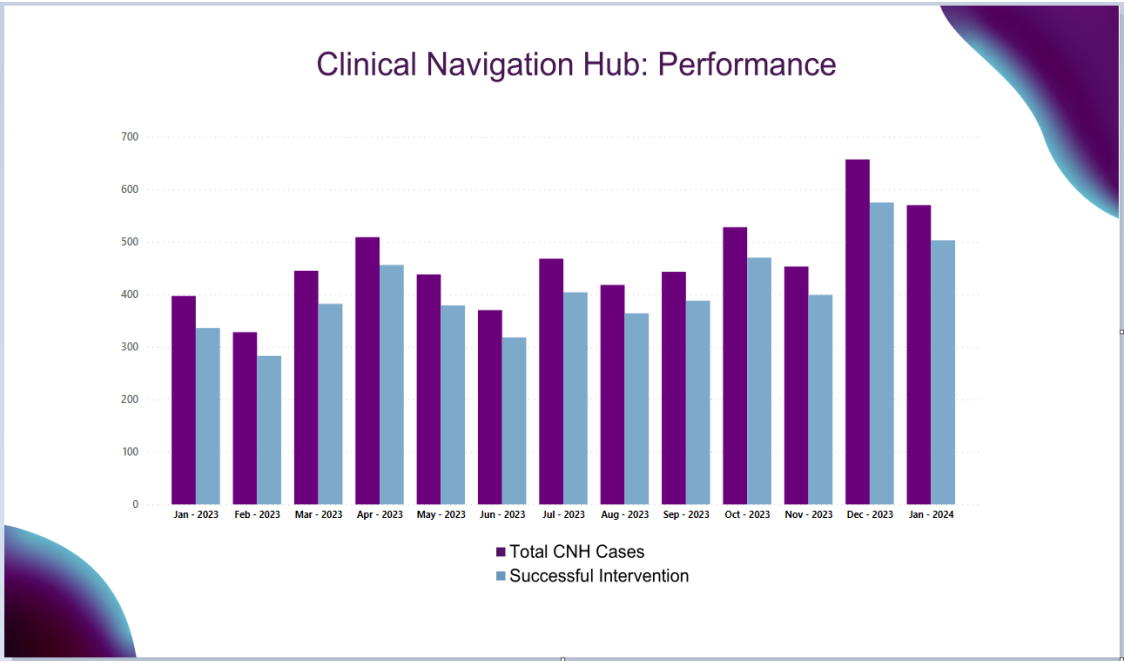
- There has further been success in the CAMHS area as the targeted intervention / monitoring measures have been lifted within Ty Llidiard, a real achievement for staff and an improvement for patients as noted on page 14.

Primary Care and Community

Primary Care and Community plays an increasing role in the achievement of targets and of improved patient care. This is against a background of increasing activity and increased escalation levels for GP surgeries caused by demand and staff sickness – and once thresholds are reached the General Medical Service (GMS) team contact surgeries to see what support can be provided.

As well as the continued improvement in the performance and use of the Clinical Navigation Hub as outlined below, there has been work looking at the longer term sustainability of the GMS service, work with the new Welsh Optometry Contract, engagement with General Dental Services and the conclusion of the GMS contract negotiations, which will see the injection of significant funding.

Figure 25



Work has started on the redesign of Community Hospitals – this extensive and far reaching project will be a major focus for the coming few years.

Our People

Workforce Modernisation, Productivity and Efficiency

During 2023-2024, we maintained our focus on driving strategic workforce planning and workforce modernisation, productivity and efficiency. Progress towards a more effectively planned, sustainable and affordable workforce is essential, with the ever increasing need to balance the ambition and affordability of our service plans, whilst driving the quantity and quality of the workforce contribution. Ensuring that we have the right people, in the right place, doing the right work, with the right skills and at the right cost has never been more important given the demands on the health and social care system together with societal and demographic challenges (including system wide workforce shortages).

Specific areas of achievement in 2023-2024 have included:

- **Reducing temporary staffing usage & spend** (progress further detailed in our response to the Welsh Health Circular: All-Wales Control Framework for Flexible Workforce Capacity (December 2023)):
 - The Value and Effectiveness Portfolio Board, supported by the Nursing and Medical Productivity Programmes, oversees our multifaceted approach to this work;
 - At month 10 there is a 2023-2024 year- end agency expenditure forecast of £47.9 million (6.8% of pay), compared with £60.141 million (8.7% of pay) in 2022-2023. This includes the following year-end forecasts compared to spend last year for key staff groups: Medical & Dental £15.8m against £18.8m, Nursing & Midwifery £21.9m against £26.1m, Additional Clinical Services (including Health Care Support Worker (HCSW)) £4.6m against £8.6m and Admin. & Clerical £1.3m against £2.4m;
 - October 2023 cessation of both administrative & clerical agency workers and HCSW agency workers (With allowances for HCSW Mental Health, only areas with agreement only by exception);
 - Delivery of Bank Modernisation & Improvement project;
 - Introduction of consistent and equitable Extra Contractual Rate Card for Junior Doctors;
 - Mandate of Retinue Direct Engagement, and associated reduction in VAT costs. Increase in M&D from 81% to 98%, AHP from 91% to 100% with £100k savings (FYE).
- **Accurate and accessible workforce data reporting:**
 - Partnership working with Digital and Finance to scope out the People Data Architecture model to enable easily accessible data. Development and implementation of this model will be challenging, but will build robust and sustainable foundations to enable one source for people data

- Building of People Analytics expertise through recruitment and the review of analytical and technical training/ development needs to enable the introduction of training plans that link in with partnership organisations such as Health Education Improvement Wales (HEIW), National Data Resource (NDR) and ONS;
 - Design and development of People Data Dashboards (e.g. the Nursing Dashboard, the Medical Establishment workstream) with partnership working across Finance, Care Groups, Digital and People Directorates to provide the holistic dashboards that users require;
 - Continuation of improved reporting functionality, e.g. to support WG Vacancy Reporting;
 - Development of supply & demand data modelling to support a shift from prescriptive data to predictive insights and scenario modelling.
- **Optimisation of workforce systems and processes:**
 - Promotion of efficient and timely rostering based on good practice principles and supported by training has led to improvements across roster management (including compliance of roster approval/ finalisation/unavailability and audit and time balances);
 - Continued rollout and promotion of Wagestream, a system enabling staff to access overtime and bank pay on a weekly basis with benefit to both the individual and the organisation;
 - Partnership working with Digital to develop CTMUHB approach to Robotic Process Automation (RPA).
- **Strategic Workforce Planning:**
 - KPMG Strategic Workforce Planning review: maturity assessment and development of short/medium/ long term actions in response to recommendations to improve operational & strategic workforce planning approaches;
 - Building internal expertise and capability, including targeted training using evidence-based methodologies in key priority areas;
 - Engagement in Audit Wales Strategic Workforce Planning audit;
 - Designing & implementing sustainable future workforce models, e.g. expanding and embedding use of Physician Associates and Advanced Clinical Practitioners (ACPs);
 - More robust and data driven approach to Education Commissioning to ensure we can deliver against our future ambitions and anticipated levels of service effectively and safely.
- **Attraction, Resourcing & Retention:**
 - Successful recruitment initiatives, e.g. HCSW Bank recruitment, expansion in Nursing Flexi Route & Open University places and engagement with NHS Wales Shared Services Partnership (NWSSP) Medical Overseas Project (recruitment of 4 Junior Clinical Fellows);

- Delivery of Internationally Educated Nursing programme (51 recruits including 11 via new International Nurse Adaptation Programme);
- Further integrating and expanding of our pathways, widening access and apprenticeships offer, creating the conditions for people to develop, grow and improve their lives through learning. This includes apprenticeships, qualifications, supported internships and work experience;
- Development & implementation of holistic Retention Action Plan, aligned to national programme of work and our Employee Experience & wellbeing offer. This has included the launch of our new Lateral Moves scheme for Band 5 Nurses and Midwives;
- Although turnover remains a challenge there has been a reduction in turnover rate from 13.22% in February 2023 to 11.65% January 2024, with Nursing & Midwifery reducing from 12.79% in February 2023 to 10.54% in January 2024.

Employee Wellbeing

As a Health Board we are acutely aware of the pressures and challenges faced by our workforce, not only whilst in work but in their outside lives too, and we have outlined below some of the areas of support that are in place, led by our fantastic Employee Wellbeing Service.

The Employee Wellbeing team provides emotional, physical and financial wellbeing services to all staff at CTMUHB.

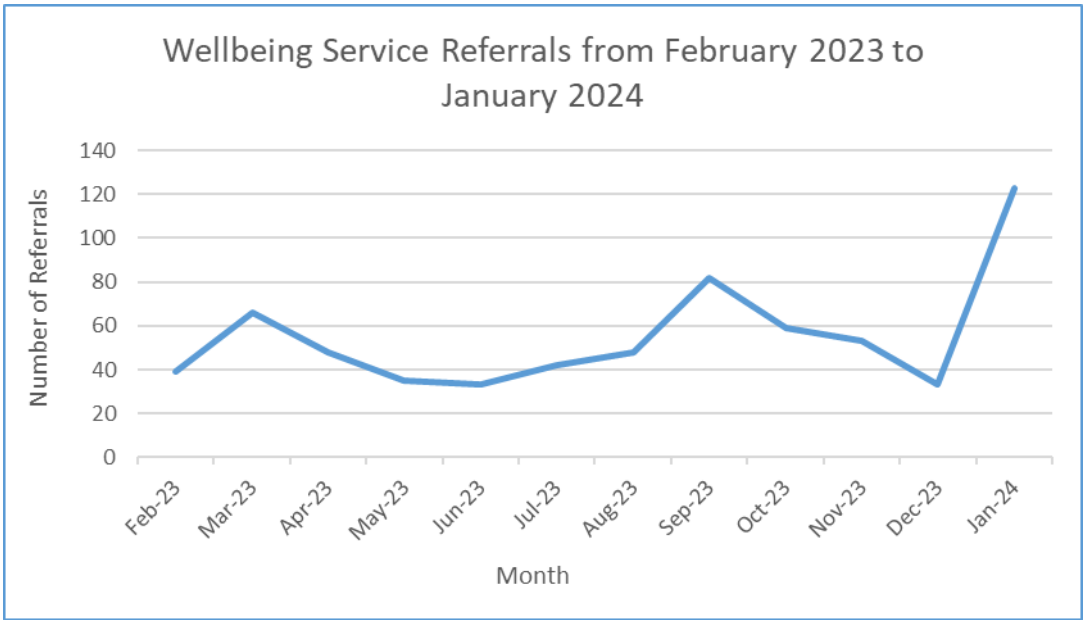
Emotional Wellbeing

The Service provides an evidenced based, stepped care preventative and interventive approach to promote positive emotional staff wellbeing and supports those staff who may be struggling. We conducted our annual staff Wellbeing Survey in May 2023 (response rate 21%) which monitors staff wellbeing across the whole of CTMUHB and provides the basis from which to design the services we provide over the coming 12 month period. In response to the survey we launched a new Navigating Tough Times initiative: The impact of stress workshop in October 2023 and Navigating Tough Times eight week therapy course for people struggling with stress and burnout in November 2023.

In October 2023, we also launched a new Managing Staff Wellbeing course to upskill managers in understanding their role in creating the conditions for staff to thrive in their services, and how to support staff whom may be struggling. In September 2023 the Wellbeing Service launched a bespoke wellbeing offer to support those individuals impacted by Phase 2 of the Organisational Change Process. In that month we also launched our new Processing and Containing Emotions in Teams service, which provides intensive whole team/department therapeutic intervention where staff are displaying high levels of distress, trauma and relational conflict.

Average referral rates to the Employee Wellbeing Service in the period February 2023 to January 2024 were 55.6 referrals per month. Our clinical outcome data demonstrates that, on average, 71% of staff report a decrease in their levels of distress.

Figure 26



Financial Wellbeing

The Employee Wellbeing Service continues to provide a financial care pathway offering extensive information on how staff can access financial training, advice and support. In partnership with the Trussell Trust, we also provide Food Bank vouchers to staff in food poverty. The Trussell Trust also provide hygiene products and pet food to staff in need of them. 86 staff members accessed a Food Bank voucher from the Wellbeing Service between January and December 2023.

Physical Wellbeing

In our 2022 Staff Wellbeing Survey, only 15% of staff indicated that they engage in the government recommended amount of exercise per week (150 minutes per week). In response to this, in May 2023 the Employee Experience and Employee Wellbeing Services launched The Big Team Challenge, and 396 members of staff in 74 teams of 4-6 people set out to complete the virtual length of the Welsh coastal path over 6 weeks (564 miles).

- 75% of participants increased the amount of physical activity they were doing per week after completing the challenge.
- 82% of participants felt they were likely to maintain this level of activity after the challenge.
- 85% of participants felt that the challenge had a positive impact on their emotional wellbeing.
- 83% of participants felt that the challenge had a positive impact on their physical wellbeing

Alongside the challenge the Wellbeing Service continue to offer Healthy Lifestyles and Barriers to Exercise courses and in December 2023 the Wellbeing website was updated to include information on how to promote physical wellbeing.

In October 2023, the Wellbeing Service conducted Menopause Roadshows across our three district general hospital sites and met with over 180 staff face to face to provide information and sign post to Menopause@CTM services.

Quality Governance

As mentioned under "Issues of Particular Note for 2023-2024" on page 13, CTMUHB has made significant progress in addressing its quality governance arrangements during the year. Whilst challenges are still being faced the progress outlined below demonstrates the commitment to improvement.

The **Medical Directorate** led by Dom Hurford, Executive Medical Director, wishes to highlight the following key areas during 2023-2024:

Mortality

Mortality Review Process - Currently all deaths in hospital are scrutinised under the Medical Examiner Service. This service ensures that the appropriate actions have occurred after a death including involving the bereaved in the process. Where necessary it is ensured that investigations have occurred and that learning is gleaned where appropriate.

Mortality Data.

CTMUHB continues to improve its method of acquiring mortality data making it more pertinent to the teams working within the organisation.

This improvement plan will allow data to be collected more accurately and engage the Consultants with the 'Cause of Death' process. The bereavements teams will be collecting more data to feed into this improved plan.

Medical Workforce Productivity

During 2023-2024, the Medical Workforce Productivity Programme (MWPP) has been re-purposed to achieve improvements across the medical workforce pressure points. Improvements have been made in the following areas:

- *Rate Card for non-Consultants* - Introduction of a rate card that matches our neighbouring health boards. This has allowed control into the rising costs but also pays a reasonable rate for extra work performed by colleagues.
- *Direct Engagement* - CTMUHB now employ 98% of our agency doctors directly and not via other bodies. This is being managed by each Care group. There is a new quality assurance process and structure in place holding Care Groups to account to deliver on objectives.
- *Job Planning* - Care Groups are clearer through new written guidance of what a job plan should entail. Support from the MWPP has allowed the service areas

to start to better manage doctors' jobs plans and improve job plan compliance. This will improve throughout 2024-2025.

Theatre Utilisation Group

During this period there has been close working with the Getting It Right First Time (GIRFT) team and Welsh Government to structure a new pan-CTMUHB approach to standardising practice across our three theatre suites. Significant progress is being overseen by the team and has received many positive comments. There is still a lot of work to do going into 2024-2025, however, embedding the process and joint working has been very useful.

Safeguarding

This year saw the new appointment for the role of "Named Doctor for Safeguarding Children", who will work closely with the Safeguarding Team to provide training and advice to our clinical teams and work with partner agencies to provide safeguarding care for children within CTMUHB.

Organ donation

CTMUHB has received significant praise from a very positive review of the organ donation service offered within CTMUHB, which is testament to the hard work undertaken by the whole team for successful transplant management.

The **Allied Health and Health Science Professions** led by Lauren Edwards, Executive Director of Therapies & Health Science, wish to highlight the following key areas during 2023-2024:

A CTM Allied Health Professions (AHPs) and Healthcare Sciences (HCS) Delivery Plan 2023-26

This plan was developed and launched during 2023-2024. Produced in collaboration with key stakeholders from across CTMUHB, the Delivery Plan sets out in detail how our AHPs and HCS will deliver our priority outcomes, how we will measure our success, and how we will continually improve.

The Delivery Plan has not been developed in isolation but is aligned to the four goals of CTM 2030 – Our Health, Our Future, CTMUHB Acute Clinical Services Plan, CTMUHB Quality Strategy, All Wales Directors of Therapies and Health Science priorities and Welsh Government AHP and HCS Frameworks. Local priorities for AHP and HCS have been identified, through robust stakeholder engagement, to understand key local challenges and priorities for the next three years across CTMUHB.

Progression towards delivering our objectives will be monitored through our governance structures, inclusive of feedback and collaboration with our stakeholders, and will form part of our formal reporting structures. Through regular review, we will ensure that our Delivery Plan and associated work continue to meet the needs of our organisation and our communities.

Cwm Taf Morgannwg University Health Board and University of South Wales Allied Health Professions and Healthcare Science Leadership Opportunity

One of the ambitions linked to our CTMUHB Allied Health Professions and Health Care Science Delivery Plan was for the Executive Director of Therapies and Health Science to provide a tailored leadership opportunity for our Professional Heads of Service. Following close collaboration, a bespoke leadership training package has been developed and funded by the University of South Wales.

The course comprises of an initial in-person session, five virtual learning sessions, two action learning sets and plenary and focuses on areas of needs identified by our professional heads and their managers. The intention being that the course will provide the learning required to ensure that CTMUHB develop AHP and HCS leaders who excel in leading our workforce and services.

Development of Clinical Director of Healthcare Science

During 2023-2024, CTMUHB became the first Health Board in Wales to develop and recruit into the post of Clinical Director of Healthcare Science, which demonstrates the ambition in CTMUHB to raise the profile of our Health Care Scientists and to ensure they have an equal and strong voice in helping us shape our future services.

Partnership Working

Collaboration with Cardiff and Vale University Health Board to allow CTMUHB patients access to their 'Keeping Me Well' website and resources alongside the development of CTM specific pages continues.

There is ongoing collaboration with Health Education Improvement Wales (HEIW) and local universities to develop proposals for AHP Pathfinder projects to support the physical health of adults experiencing mental ill health. At the time of writing this report CTMUHB is awaiting notification of whether these proposals have been successful in attracting fixed-term funding.

Workforce

The following areas of note have been highlighted for 2023-2024:

- Therapies Workforce plan – Therapies was the first department in CTMUHB to have adopted the HEIW workforce planning toolkit and completed the three session training. The finalised Therapies Workforce Plan will be available in the first half of the 2024-2025 financial year.
- The Therapies team undertook a successful recruitment drive in summer 2023 via social media, face to face weekend and evening sessions, and a lunchtime webinar.

Service User Feedback

During 2023-2024, the Therapies Directorate were pleased to now be able to access service user feedback via the Civica platform. This feedback will be used to inform service developments moving forward.

Digital Enablers

CTMUHB were delighted to have appointed the first Therapies Informatics Lead role in Wales, to support digital transformation during this period.

Clinical Transformation

The Therapies and Health Science Directorate are pleased to highlight the following areas of Clinical Transformation activity for 2023-2024:

- Public health dietetics: the successful roll out of PIPYN, which supports children and families with nutrition skills and advice. Due to the success of this project, it has been expanded and funded for 2024-2025;
- Multi-Disciplinary Team (MDT) support to develop specialist critical care Speech and Language Therapy (SLT) roles in each critical care unit in CTMUHB to support the MDT and improve patient experience and outcomes.
- Development of an Early Supported Discharge (ESD) service for stroke patients in Bridgend, ensuring equitable access across CTMUHB.
- Same Day Emergency Care (SDEC) services for Princess of Wales Hospital and Prince Charles Hospital prevent avoidable admissions at the front door or reduce the length of stay for those that require admission, thus reducing risk of deconditioning and healthcare acquired infections.
- Development of a long term conditions offer to include support for cardiac rehab, pulmonary rehab, long Covid, Myalgic Encephalomyelitis (ME), cancer prehabilitation, and a neonate follow up service.
- Welsh Government Funding of the AHPs in Primary Care project. Allowing for:
 - Occupational Therapists in the Navigation Hub to support patients in the community to stay in their own homes and avoid unnecessary admissions;
 - Development of a CTMUHB Physio-led Falls Service, focusing on prevention;
 - Hot clinic access to SLT, Podiatry and Dietetics. This is vastly reducing outpatient waiting times, with patients being seen within two-five days of referral.

The **Patient, Care and Safety Directorate** led by Greg Dix, Executive Director of Nursing / Deputy Chief Executive, wishes to highlight the following key areas during 2023-2024, starting with highlights from Care Groups.

Children's & Families Care Group Highlights

- Children's Ward at Prince Charles Hospital (PCH) has recruited their first paediatric nurse for neurodiversity.
- Royal College of Midwives (RCM) UK and Her Royal Highness the Princess Royal, visited maternity and neonatal units.
- Quality improvement project in school nursing for the development of E-consent to support the school immunisation programme.
- First Multi-Professional, Multi-Agency 'Baby Shower' Engagement event at Orbit Centre, Merthyr Tydfil in June 2023. The event received over 40 families with plans to repeat across CTMUHB.

- Royal College of Nursing, Nurse of the Year Wales Awards celebrated on June 29th: Chief Nursing Officer Award Winner and Improving Individual and Population Health Award Winner; Supporting Education & Learning in Practice Runner – Up
- New toys acquired across all acute paediatric sites, from endowment funding.
- Baby Friendly (BFI) accreditation achieved across both PCH and Princess of Wales (POW) neonatal units.
- Butterfly Garden of Remembrance opened by television presenter Andrea Byrne at PCH in August 2023.
- 'Aqua Yoga' course for pregnant mothers in Rhondda Cynon Taf (RCT) about to start. Thirty participants attended cohort one, evaluation positive 'Made for Mams' 'Water Warriors'.
- Care Group Diverse Cymru training being arranged. Work underway to improve recording of 'Ethnicity' for pregnant women and people.
- Midwife commenced ultrasound training at University of the West of England, supporting development of third trimester midwife led ultrasound service increasing continuity of carer and improved surveillance of small for gestational age babies.

Unscheduled Care Group Highlights

- Application made by Princess of Wales Hospital to be revalidated as a Venous thromboembolism (VTE) Exemplar Centre.
- Red 2 Green engagement days – excellent engagement across the 3 acute sites with a focus on patient's time and value added care with the patient at the centre of all we do within CTMUHB.
- Paediatric Emergency Department has implemented a visual board within the department of QR codes for patient Information leaflets. These link with the national guidelines and are a great service development and quality improvement initiative within the department.
- Implementation of the Acute Care of the Elderly Unit co-located on Acute Medical Unit, utilising 15 beds since April 2023, has had positive outcomes for both patients and staff with a reduction in length of stay and reduced requirements for additional staffing.
- Patient journey signage has been created within the Emergency Department (ED) at Royal Glamorgan Hospital (RGH) waiting room to support patient understanding of ED attendance and process.
- Following the completion of the Organisational Change Process, the senior and lead nurses within the USC Group have been aligned to their new portfolios.
- Prince Charles Hospital (PCH) have developed an Advanced Nurse Practitioner (ANP) role as part of a proof of concept piece of work supporting patient flow at the front door, across ED, Clinical Decisions Unit and GP Assessment Unit. Since January 2024 there has been a significant positive impact to patient care, safety, experience, length of stay and patient flow.
- Student Nurse placements have returned to the ED at PCH and the University of South Wales have been monitoring progress closely. The department are pleased to notify that they have received 98% positive feedback and are looking to increase the number of student placements available.

- CTMUHB and Welsh Ambulance Service NHS Trust (WAST) colleagues are working collaboratively to ensure we deliver a quality service to our patients.

Planned Care Group Highlights

- The Critical Care Nurse team produced a pressure damage booklet-appropriate for staff, patients and families.
- Monthly Ward Assurance audit reports via Audit Management and Tracking (AMaT) fully embedded.
- Oesophageal High resolution Manometry / pH monitoring Service commencing in CTMUHB, which is the gold standard for diagnosis and treatment of patients with reflux and other oesophageal common benign conditions.
- Human Tissue Audit on Ward 5 in Prince Charles Hospital achieved 100% compliance.
- Pressure damage, falls and medication errors Scrutiny Panels are fully embedded across all three sites.
- Patient Diaries have been launched within Critical Care in Princess of Wales Hospital as part of an initiative with the unit psychology team.
- Creation of patient information leaflet regarding 'How to Safely Obtain Diet and Fluids when Lying Flat', which has been shared across the Health Board.
- Significant reduced Bowel Screening Wales (BSW) waiting times from 25 weeks in October 2023 to 5 weeks in January 2024.
- New information boards within Critical Care at Princess of Wales Hospital and Royal Glamorgan Hospital.

Mental Health & Learning Disability Care Group Highlights

- The repatriation of Community Children and Adolescent Mental Health Services (CAMHS) to Swansea Bay University Health Board was completed as planned and all services transferred at the end of March 2023.
- Royal College of Nursing (RCN) Nurse of the Year Awards – Two Learning Disability Acute Liaison Nurses were winners at the ceremony in June 2023.
- The Older Adult Falls Safe Care Collaborative is progressing its work. The improvement project commenced at Angelton and was rolled out to the wider Care Group in September 2023.
- Ty Llidiard was de-escalated to 'routine monitoring' by its commissioner: Welsh Health Specialist Services Committee (WHSSC).
- Two Health Care Support Workers (HCSW) won the RCN Nursing Award in the Nursing Support Worker category for their work on Maintaining Standards and Reducing Restrictive Interventions at Ty Llidiard and received their award in person at the ceremony in Liverpool in November.
- The Head of Nursing led the development of a recruitment and retention plan, which includes actions such as working closely with the local universities to maximise Serious Shortage Protocol opportunities for recruitment.
- The Veterans Mental Health team has introduced a new clinic in Bridgend to accommodate increased referrals into the service.
- The Community Mental Health Team's in Bridgend have held open days for people who use the service and their carers, in conjunction with Bridgend

County Borough Council and third sector providers to gain feedback and look for ways to co-produce services in the future.

- A dedicated primary care liaison role for people with a learning disability has been introduced in the Taff Ely cluster. The post holder is working closely with the cluster and Improvement Cymru to develop a quality improvement project to improve compliance with annual health checks for people with a learning disability.
- During February Half Term our CAMHS Schools In-Reach team ran three open access online webinars for parents and carers of young people who experience worries and anxiety. These were published on the CTMUHB intranet and social media and were well attended and received.

Diagnostics, Therapies, Pharmacy and Sciences Care Group Highlights

- Radiology Quality Assurance framework.
- CTMUHB have appointed the first Consultant Podiatrist post in NHS Wales. The post holder provides strategic and clinical leadership on expert practice for the management of foot and ankle care.
- Focus on early resolution of any complaint/concern has meant a consistently low number of formal complaints month-on-month.
- Permanent pharmacist support now secured on paediatric ward at Royal Glamorgan Hospital.
- The Pharmacy Team won a National Pharmacy Led Anticoagulation Initiation and Monitoring Service Award at the Venous Thromboembolism (VTE) Awards in November 2023.
- The Multi-Disciplinary Care Homes projects in Bridgend won a prestigious Medi Wales Award 'Social Care Innovation through Collaboration Award' – Awarded to personnel who have collaborated to innovate on a social care project that has resulted in major impact and benefit.
- Therapies Quality Exemplar – Dietetics Oncology undertook a review of oncology patients requiring specialised dietetic care. 220% improvement on Referral to Treatment (RTT) times – from 4-6 weeks to 9 days.

Primary & Community Care Group Highlights

- District Nursing Night service operational management has been aligned as one CTMUHB wide service, to ensure that equitable services are evident for all.
- Specialist Immunisation service Senior Nurse received a Lifetime Achievement award in recognition of services to individual and population health.
- Community Hospitals Bed redesign work commenced.
- Plans to create five designated palliative care bed areas within His Majesty's Prison Parc (HMP).
- Clinical Lead at HMP Parc awarded a Chief Nursing Officer (CNO) Excellence Award for her work within Dementia Care.
- The Community Integrated wellbeing team merged into the Cluster networks to offer support to individuals with neurological conditions ensuring a more holistic approach to the care provided.
- HMP Parc, introduction of numerous service delivery improvements:
 - Sexual health screening on admission to prison.

- Kings Fund Pilot on a tool developed to assess the environment to provide effective care for men with Dementia.
- Five allocated cells being changed to 'Palliative rooms', which will be used to provide end of life care.
- Information leaflet devised to share with all.
- All patients to be provided with information for them to be aware of all the Health services available at HMP Parc.

In addition to the Care Group activity, the central functions within the Patient, Care and Safety Team would like to highlight the following key areas of activity for 2023-2024:

Putting Things Right (PTR)

PTR was established to review the existing processes for the raising, investigation of and learning from concerns. Concerns are issues identified from patient safety incidents, complaints and, in respect of Welsh NHS bodies, claims about services provided by a Responsible Body in Wales. The aim is to provide a single, more integrated and supportive process for people to raise concerns.

During 2022, CTMUHB moved to a Care Group Model and to support this change the quality governance structures were reviewed and centralised so that they operated using a business partner model. Quality Governance provides Board assurance through a systematic approach to maintaining high quality care and standards which uses ongoing measurement and reporting on safety, effectiveness, staff and user experience, identifying areas for improvement and enabling the sharing of good practice in accordance with statutory obligations. Staff strive to deliver the best patient experience in all our services, and it is important to us to understand the reasons why, on occasion, care has fallen below the standards we would expect, so that we can take appropriate action to prevent this recurring.

The Welsh Government NHS Delivery Framework requires Health Boards and Trusts to report quarterly the percentage of complaints which were responded to in 30 working days. The NHS Wales target is to respond to 75% of complaints within this timeframe. Some complaints can be more complex and take longer to provide a detailed response and we aim to resolve those within 6 months. Our complaints management systems were centralised in February 2023, which enabled the implementation of triaging concerns, with the aim of ensuring that each complaint is managed in the most effective way.

Our overall goal of decreasing the proportion of complaints requiring management under the formal complaints process was achieved, which has seen a corresponding increase in the compliance with the NHS Wales target of 75% for responding to complaints:

- Formal Complaints received 2022/23: 966
- Formal Complaints received 2023/24: 563
- Total Complaints responded within 30 days:
 - January to March 2023: 46%

- January to March 2024: 89%

Over the coming months, to strengthen our engagement with our patients, families, carers, staff and third party stakeholders, and to understand what receiving care feels like to them and to ensure their voices are heard and that feedback is used to drive service improvements, the People's Experience Team will be collaborating more closely with the PTR/Concerns and Care Group Quality & Patient Safety Teams.

Public Services Ombudsman for Wales

Where service users are not content with the response to their complaint prepared by CTMUHB staff, they are entitled to refer their complaint to the Public Service Ombudsman for Wales (PSOW) who has the power to review such matters on an independent basis where appropriate. CTMUHB's PSOW Liaison Officer has continued to work closely with the PSOW's Investigation Officers, ensuring that regular communication is maintained, particularly if there are any delays and also to ensure cases are escalated appropriately.

Regular in-depth reviews of PSOW referrals are held with the Head of Concerns and Business Intelligence, Complaints Team Manager and the Liaison Officer to ensure that the Health Board is meeting compliance and that any necessary support/assistance is put in place. As per PSOW request to all Health Boards across Wales, CTMUHB continues to share quarterly complaints returns with the PSOW's office and this data is published on their website.

Redress

If during the investigation of a complaint a breach of duty in our care has been identified which has caused the patient harm, there may be a qualifying liability. In such cases the matter will transfer into our Redress process to undergo further detailed investigation.

Incident Management

To facilitate, support and promote the effective delivery of this work, a further iteration of the Incident Management Framework to outline, detail and provide guidance to colleagues on each step of the process was rolled out across the organisation in March 2024. Root Cause Analysis investigation training continues to be delivered across the organisation.

Duty of Candour

The Duty of Candour, which came into force in April 2023, is a legal obligation for healthcare providers to be open and honest with patients and their families when harm occurs during care delivery and has been implemented within our Health Board for the past year.

CTMUHB were active members of the National Implementation Group and the three work-streams which focussed on: Education and Training; Reporting and Learning; and Communications and Engagement.

In line with legislation, a CTMUHB policy was developed and disseminated across the organisation. This included a comprehensive review and triage system.

Extensive training sessions were conducted to educate healthcare staff about their responsibilities under the Duty of Candour. This included workshops on the requirements of the duty, effective communication and disclosure practices. This was supported by the various training materials developed nationally.

The Duty of Candour principles have been integrated into daily practice routines. This has involved updating documentation processes, including incident reporting mechanisms, to ensure transparency and accountability and a concerted effort was made to foster a culture of openness, transparency, and learning from adverse events.

Within CTMUHB, the implementation of the Duty of Candour has made significant strides in promoting transparency, trust, and accountability in healthcare delivery. While challenges remain, the commitment to fostering a culture of candour and continuous improvement will guide our efforts over the forthcoming year.

Duty of Quality

The Duty of Quality (DOQ) is a legal obligation, which came into force in April 2023, and has been successfully implemented at Board Level against the Welsh Government Quality & Safety Framework (2021). The DOQ requires all NHS organisations within Wales to commit to deliver improvements in the quality of health services and requires the publication of an Annual Report for Quality, setting out the steps they have taken to secure these improvements. Our Report will be published on the Health Board's website at the end of the first quarter of 2024-2025.

The challenge for CTMUHB, going forward, is to ensure the Care Groups, Directorates and Service Groups are aligned for self-assessment against the Framework and the six domains of quality: Safe, Timely, Effective, Efficient, Equitable and Patient Centred care.

Healthcare Inspectorate Wales (HIW)

Healthcare Inspectorate Wales (HIW) is the independent inspectorate and regulator of healthcare in Wales. HIW inspects NHS services, and regulates healthcare providers against a range of standards, policies, guidance and regulations to highlight areas requiring improvement. HIW has undertaken inspections across CTMUHB and details of these inspections can be found [here](#).

Overall, the themes and trends that were common across some areas of CTMUHB, include:

- Statutory mandatory training compliance could be improved.
- Communal areas, especially outside areas, could be maintained more pleasantly.
- Staffing levels could be improved in some areas.

- Many examples of staff demonstrating a caring, respectful, kind and understanding attitude to patients and relatives.

Over the last year, 2023-2024, regular updates were provided to the Quality & Safety Committee on progress against the open actions held on the CTMUHB's HIW tracker.

In the coming year, the Inspection Module within the Audited Management and Tracking (AMaT) system will be further developed and implemented to capture the open actions, learning, themes and trends from HIW Inspections across CTMUHB.

Organisational Listening & Learning Framework

CTMUHB is committed to promoting a culture which values and facilitates learning, and in which the lessons learned are used to improve the quality of patient care, safety and experience.

CTMUHB's Listening & Learning Framework launched in 2022 demonstrates how learning is identified, stored, triangulated, shared, disseminated and implemented in practice to facilitate and embed a culture of appreciative enquiry and continual improvement. The Framework recognises that the Care Groups and Clinical Service Groups have internal governance and learning structures. The Framework, therefore, seeks to complement and build on these arrangements, by adding a strategic approach to support the organisation to learn lessons from a range of internal and external sources, to store and use this learning to share knowledge, shape change and create opportunities to develop excellence in practice.

A learning repository was developed on a SharePoint platform which provided ease of access to all staff across CTMUHB. The repository stores learning, based on themes such as medication errors, pressure damage, falls etc. Learning stored includes action plans, newsletters, internal safety briefs and audits. The site has been further developed and in 2024 will include Learning from Events Reports (LFERs) and patient stories, with links into learning around Mental Health and Safeguarding. In order for learning to be shared across the organisation, the platform is continually updated and developing that allows access to shared learning for all staff.

A monthly patient safety newsletter is also produced to highlight positive learning, themes and trends from incidents, concerns and key activity within the Health Board Patient Safety and governance services. This newsletter is due to be reviewed over the second and third quarter of 2024-2025 to ensure we are meeting the needs of all staff across the Health Board.

In addition to this, patient safety clinics are offered to teams across CTMUHB. These clinics are a proactive mechanism for communicating and engaging with staff in relation to key patient safety themes that have been collated from events and learning across CTMUHB. It provides a forum for staff to gain knowledge and understanding of patient safety and is a platform for learning as well as enabling a closer working relationship between the patient safety team and health professionals.

CTMUHB held their second annual Listening and Learning Conference in May 2023 and shared learning both within the organisation and across NHS Wales. The next annual event is scheduled to take place in June 2024, and the emphasis will be engaging more with clinicians, from all disciplines.

In March 2024, CTMUHB won an award, and was highly commended, in the Welsh Experience National Awards for being a “Listening and Learning” organisation.

Quality Assurance

Whilst the process of ensuring quality and patient safety is a CTMUHB wide objective, the management and oversight of this has continued to be strengthened. Responsibilities have been strengthened in relation to quality and patient safety across the executive team and within the care group structures. A weekly ‘at a glance’ report facilitates high-level awareness of quality and patient safety concerns. Additionally, a comprehensive slide-deck outlining the Health Board’s position for: Concerns/PTR Compliance; Learning from Event Reports (LFERs); Inquests; Claims and Redress, and incidents is reviewed at the weekly patient safety executive-led meetings. This ensures that key priorities are identified for the upcoming week and relevant issues are escalated to the Executive Team and Board in a timely manner.

The quality of information presented to each meeting of the Board’s Quality and Safety Committee (Q&S) for assurance and scrutiny has continually improved over the year. These reports cover all service settings including acute hospital care, primary and community, mental health, and maternity services. They also include overarching CTMUHB-wide quality metrics such as data on the incidence of falls, pressure ulcers and medication safety. The reports contain information across a wide range of quality indicators and enable scrutiny of patient safety and experience across all care groups through the use of a standard template, which enables comparisons. The Q&S Committee papers can be found [here](#).

Quality Impact Assessments

To ensure that planning is underpinned by quality, and as part of the work being undertaken following the implementation of the Duty of Quality, the Quality Impact Assessment (QIA) procedure was revised in the second quarter of 2023. Following this, any new plans, service change, programmes, projects or saving schemes are required to undergo a Quality Impact Assessment. This is a fundamental process to ensure that any service changes or plans are examined, understood and the potential consequences on quality are considered, with mitigating actions outlined in a comprehensive way.

Patient Safety Alerts

The internal management, monitoring and reporting process for Patient Safety Alerts (PSAs) and Patient Safety Notices (PSNs) is now operating in a structure of devolved responsibility to the relevant Care Groups with the central Patient Care and Safety Team providing support, co-ordination and oversight, leading to

reporting compliance. Details of patient safety alerts and notices are publicly available [here](#). CTMUHB is currently fully compliant with all Patient Safety Notices.

Infection Prevention and Control (IPC)

Healthcare Associated Infections

Welsh Government set annual targets for Health Boards in Wales to achieve reductions in healthcare associated infections. The targets are set against five key surveillance organisms and monthly infographics are produced by the IPC Team, to enable the care groups to monitor their progress and trends. An increase in C.difficile, MRSA bacteraemia and Klebsiella spp. bacteraemia has been reported compared to the same period last year but fewer cases of E.coli and Pseudomonas bacteraemia.

The IPC Team investigate all preventable infections and multi-disciplinary meetings are held to identify learning to inform practice and influence patient care, all of which is widely shared.

A significant proportion of infections are deemed to be community acquired and there will be a focus in 2024 to restructure the IPC Team as well as collaborative interventions with Public Health colleagues to meet the demands of the CTMUHB population. Clinical engagement is critical to introduce targeted interventions to improve patient care.

Infection Prevention and Control Team.

A strategic review of the IPC Team is underway and a restructure will enable the team to provide an integrated service for secondary, community and primary care. The team will support the care groups to identify and drive improvements in practice.

Absences and vacancies have negatively impacted the Teams' ability to drive improvements this year. Every effort has been made to complete the planned annual audit programme but not all areas have been completed. These areas will be prioritised next year. Support has been requested from clinical teams to address sub optimal IPC practices and environmental issues identified during the IPC audits and ward visits.

The ICP Team have reintroduced a blended approach to support delivery of IPC education and training. Face to face sessions have been reintroduced to support the eLearning packages available to staff.

Acute Respiratory Infections (ARI)

CTMUHB realigned its testing strategy in line with the revised national framework in response to widespread vaccination and changing public health conditions. An increase in ARI including COVID-19, Influenza and other respiratory pathogens proved challenging during the winter months as admissions to hospitals with ARI peaked, hospitals were operating at maximum capacity with the added complication of staff sickness. Individual cases of ARI and outbreaks of infection

were managed by the IPC Team but decisions to close wards were often over ruled and a risk based approach to maintaining patient flow through the hospitals was adopted.

Point of care testing was introduced in the Emergency departments and paediatric wards at the acute hospital sites to inform patient management.

A new COVID-19 variant was identified during the summer and the impact of its transmissibility and severity is being monitored.

Decontamination

A dedicated Decontamination Officer has been appointed to drive the decontamination agenda. An external audit carried out last year, provided reasonable - substantial assurance for the decontamination arrangements, processes and systems across CTMUHB. Plans to centralise the endoscope decontamination unit at the Princess of Wales hospital are progressing.

Safeguarding and Public Protection

One of the priorities for 2023-2024 has been to increase the compliance of level 3 training for those who work with children and vulnerable adults. In addition to monthly level 3 sessions, bespoke training has been provided to students, nursing, General Practitioners and medical colleagues to enhance their knowledge in the recognition and management of safeguarding concerns. Learning from incidents, reviews and complaints has been incorporated into all training, in addition 7 minute briefings have been developed and disseminated to colleagues across all care groups. Throughout Safeguarding week numerous activities were delivered throughout CTMUHB, including a learning event. It is recognised that training and education underpins effective safeguarding practice.

CTMUHB were involved in a Rapid Review of child protection arrangements within Merthyr Tydfil and a Joint Inspection Review of Child Protection Arrangements within Bridgend. This was a cross inspectorate review of how well safeguarding partners work together to protect children. Health Inspectorate Wales (HIW) the independent inspectorate and regulator of healthcare in Wales led on the health component of the review and contributed to the overall report published in September 2023. Following this review, a joint action plan was developed and overseen by the Cwm Taf Morgannwg Regional Safeguarding Board (CTMSB).

Throughout both reviews it was acknowledged that good practice was evidenced through supervision and peer review meetings. CTMUHB's safeguarding team was seen as a valued resource, offering support, advice, supervision, and training to staff. The team was identified as being proactive in ensuring learning from reviews was shared via the development of 7-minute briefings and the revision of training to capture key messages. Good practice was also evidenced through holistic health assessments for children looked after. However, the report suggested that improvements were required in specific areas, particularly CTMUHB's contribution to core group meetings and review child protection conferences for school aged children. This represented missed opportunities to be involved in multi-agency child protection arrangements. Therefore, collaboration with those services

working with school aged children is ongoing to provide equitable and meaningful co production working for those children with a care and support plan. Part of this work has included the revision of child protection case conference reports.

Building on the positives identified throughout the review, CTMUHB have continued to build on efforts to ensure that the voice of children and adults at risk are heard and captured through the services they receive. Improvement planning has included the development of questionnaires for children, their families and survivors of domestic abuse. The voice of these individuals will be utilised to drive improvements within child protection medicals and services providing care and support to those affected by domestic abuse.

The role of the health Independent Domestic Abuse Advocate (IDVA) has been integral to understanding the needs of patients accessing services within CTMUHB. This role has facilitated advice and support for those who have accessed acute services, and in need of ongoing support and safety advice with third sector services.

In line with Safer Lives guidance, CTMUHB have ensured mental health attendance at all Multi-Agency Risk Assessment Conferences. This ensures that those suffering with mental health problems and affected by domestic abuse receive appropriate assessment, support and interventions. Health services are seen as uniquely placed to help identify victims/survivors and perpetrators of domestic abuse and to refer to appropriate support. A bespoke package of training was delivered to mental health colleagues in partnership with the Independent Domestic Violence Advisor (IDVA) and Drive partnership programme to share learning from adult practice and domestic homicide reviews.

The safeguarding hub provides access to child protection medical examinations for children over the age of one, in normal working hours, in a child centred environment. This Hub has been extended to provide cover over 5 days, this facilitates timely child protection medicals in a dedicated space for children residing within Cwm Taf Morgannwg and Powys.

CTMUHB are active partners of the regional safeguarding board and strive to deliver services in line with its priorities. CTMUHB also contributes to the Community Safety Partnership and Corporate Parenting Boards. CTMUHB have recently engaged in the national safeguarding review and committed to driving improvements, this includes exploring different ways of working with multi-agency challenges.

Deprivation of Liberty Safeguards (DoLS)/Mental Capacity Act

DoLS are an amendment to the Mental Capacity Act 2005 (the 'Act'), and provide protection for vulnerable people, in care homes or hospitals who lack capacity to consent to the care or treatment they need. If it is in the best interests of a person for a hospital or care home ('the Managing Authority') to deprive a person of their liberty to keep them safe from harm and provide appropriate treatment, then the Managing Authority must apply for permission (a DoLS authorisation).

In 2019 the law was changed with an amended Mental Capacity Act (2019) (the MCA). The MCA (amendment) 2019 was to put in place new legislation, the publication of a new code, and regulations under Liberty Protection Safeguards (LPS). However, in April 2023 the Department of Health and Social Care announced that the implementation of the LPS, and the Mental Capacity (Amendment) Act 2019, would be delayed.

CTMUHB have been fortunate to receive Welsh Government funding to increase the numbers of completed Deprivation of Liberty Safeguard authorisations and reduce any backlog. This funding was utilised to expand the DoLS team and commission an external agency. This allowed for increased numbers of authorisations to be completed within statutory timescales. A bid has been submitted to Welsh Government to further progress on this work through 2024-2025.

An internal audit was completed for 2023-2024, the review looked at the current processes for DoLS applications, to ensure they are managed in accordance with the DoLS Code of Practice, Welsh Government guidance, and CTMUHB procedures. It also considered the Liberty Protection Safeguards preparatory work undertaken by CTMUHB, and how it is used to improve current DoLS processes.

The findings of the review identified areas for further improvement. These included recommendations for the development of a standard operating procedure (SOP), a review of the current management system, to ensure each stage of the process is captured, monitoring of mental capacity act training completion rates at the various levels and future prediction work to better understand what is required to better understand the demand on the DoLS service.

In order to provide assurances, a quarterly quality improvement meeting has been developed to have oversight of the action plan, drive improvements and have oversight of the quality of authorisations at each stage. Management systems have been adapted to provide improved scrutiny over the accuracy of data at each stage of the process. Work is ongoing to find a digital solution that can provide a more robust management system for use in CTMUHB.

Consent is central to healthcare practice, The Mental Capacity Act (MCA) provides a legal framework for all staff who work with/come into contact with patients and/or families and individuals who may lack Mental Capacity who are 16 and over. The development of an MCA Practice Educator and Practitioner has enabled CTMUHB to develop, deliver and oversee all levels of MCA training. Levels 1, 2 and 3 MCA and DoLS training has become mandatory throughout the health board. Competencies have been reviewed and allocated in line with the framework.

Wards across community and district general hospitals have already received training, along with community services. In addition, Mental Capacity Act principles resources including banner pens, posters and leaflets have been designed and distributed across all sites to raise awareness amongst staff and community during a roadshow.

The team have produced a twitter page dedicated to raise awareness and keep people updated in respect of changes and plans for CTMUHB. A newly designed

intranet page ensures that all colleagues can access relevant guidance and documents pertaining to Mental Capacity Act.

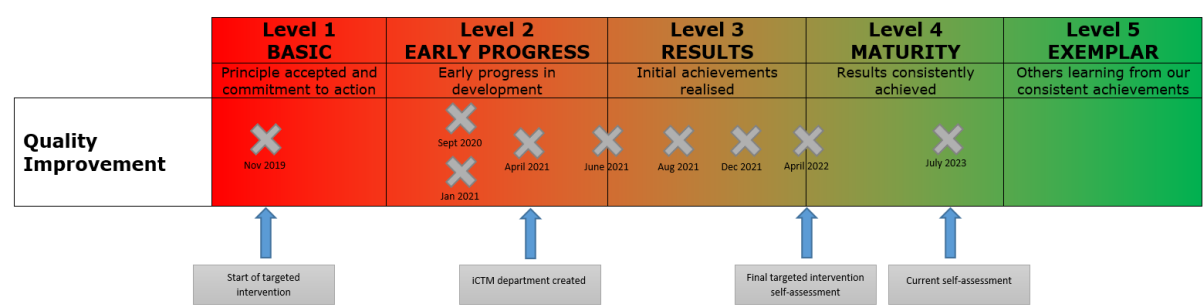
The MCA and DoLS team have also arranged Court of protection training for managers/key individuals from across different disciplines and sites. This ensured those individuals understood the principles and the process, and were able to disseminate the information more widely.

The MCA Practice Facilitator is working collaboratively with the Deprivation of Liberty Safeguards (DoLS) team leader, and Head of Legal and Risk, to explore an e-Capacity Assessment form, which is user friendly. They are also exploring the development of a teaching session on keeping the MCA and DoLS teams up to date with legal legislation, and ensuring good and shared practice.

Innovation and Improvement

iCTM is there to ensure a robust Improvement, Innovation and Value Based Healthcare capability exists to support and facilitate service and quality enhancement and enable the organisation to build the change capability needed to meet its strategic objectives and future vision. In 2019 CTMUHB entered Targeted Interventions for a number of areas including Quality Improvement, with WG setting maturity assessment criteria for progression. Over the last 3 years CTMUHB has moved from a basic level of Quality Improvement (QI) to Maturity/Exemplar status which is a testament to its people in embracing change and delivering improvements within their areas.

Figure 27



During 2023-2024, CTMUHB has continued to see its capability and capacity to deliver sustainable patient focused improvement build and mature with training and development for our people, which has enabled us to build a network of improvement and value based healthcare champions across the organisation and taking us towards our vision of everyone being an improvement agent. Complementing this community, and unique to CTMUHB is a Multi-Disciplinary Improvement Faculty made up of frontline Multi-Disciplinary Team resource of QI champions who provide two sessions each of support every week to quality improvement.

This capability and support in CTMUHB has allowed us to work with our partners as part of the Safe Care Collaborative (in partnership with 'Improvement Cymru' and 'Institute for Healthcare Improvement'), which has seen CTMUHB teams create a number of key improvement projects which are driving forward

improvements in patient care, safety and experience along with improving process and work for our people:

- Acute Deterioration (RADAR)
- Paediatrics Diabetics
- Falls Reduction Improvement
- Pressure Damage Reduction
- Community Midwifery
- Navigation Hub

Our staff ideas scheme has continued to build momentum with over 1,000 active users engaging with challenges, generating over 140 improvement and innovation ideas.

In 2023-2024, CTMUHB procured a new single platform for the continued roll-out, across CTMUHB, Patient Reported Outcome Measures (PROMS) and Patient Reported Experience Measures (PREMS), providing valuable insight into the experience of our patients and identifying areas for improvement and innovation.

Notable achievements in 2023-2024:

- 5 Improvement Initiative posters shortlisted for Institute for Healthcare Improvement;
- Launch of Value-Based Healthcare project launched in partnership with Welsh Wound Innovation Centre to address Community Acquired Pressure Ulcers;
- Falls Reduction Collaborative in Adult Mental Health launched;
- Success of our capacity building approach demonstrated at our first Quality Improvement showcase event;
- Endoscopic Retrograde Cholangiopancreatography improvement work where waste and patient safety / quality issues have been identified;
- First Patent secured for over 10 years from an idea suggested by a member of staff turned into a prototype for breast wound protection clip;
- Sustainability initiatives including a project run by our Regional Innovation Coordination Hub (RIC) on cardboard recycling into commercial viable products including horse bedding for South Wales Police (shortlisted for NHS Wales Award);
- 6 Value Based Healthcare projects won awards including – Heart Failure Diagnostics, Remote Monitoring Heart Failure Digital App, Frailty, MyMobility T&O, Lymphoedema, Mobile Respiratory Bus.

Research & Development (R&D)

CTMUHB's R&D Department supports the set up and delivery of a broad range of commercial and non-commercial Clinical Research Portfolio (CRP) studies, to maximise the opportunity for CTMUHB's population to participate in high quality research, with potential access to new treatments and therapies, which may improve patients' outcomes or quality of life.

The R&D Department continues to meet and collaborate with its academic partners to optimise research opportunities that will have impact, both for the NHS and academic institutions. Collaborative working has supported the submission of

high-quality funding applications. Recent successful collaborative grant applications include Welsh Intensive Care Society (Swansea University), Burdett Trust (University of South Wales) and NIHR Health Determinant Research Collaborator (Cardiff University/Rhondda Cynon Taf Local Authority). CTMUHB's R&D Department provides an annual Collaborative Academic Research Funding scheme to support staff to develop new research partnerships with an academic institution to address a current healthcare challenge and 5 projects have recently been awarded £3000 each.

The R&D department continues to support the CTMUHB's workforce pursuing external funding for project and personal awards to progress their research ideas, to include "first into research" and "research training awards".

CTMUHB's R&D Department continues to monitor the main performance metric for participant recruitment from Welsh Government, which is for 80% of CRP and commercial studies to close having recruited to time and target (target number of participants recruited within the specified timeframe). During 2023-2024, 100% of CRP and commercial studies have closed having met their recruitment target.

The continuing review of the R&D infrastructure has led to the addition of 1 x Band 6 Research Nurse, 1 x Research midwife and 0.5 x Band 7 Research Physiotherapist, with the appointment of an additional Band 7 Clinical Research Specialist Officer in process. The successful award of external grant funding has also enabled the appointment of a fixed term Band 6 Research Nurse and Band 5 Research Officer.

Following the opening of the Clinical Research Centre at the Royal Glamorgan Hospital site in February 2021, the R&D team continues to seek designated research space at Prince Charles Hospital and Princess of Wales Hospital sites.

The provision of addition of long term designated clinic facilities and space for research will be essential for CTMUHB to participate in, contribute to and support the upcoming significant research opportunities. Such an opportunity will include access to UK government funding as part of an investment initiative with the ABPI. This initiative ([voluntary scheme for branded medicines pricing, access and growth](#) (VPAG)) is being implemented to increase commercial research activity across the UK, notably in the field of new medications and treatments. The Welsh NHS R&D services have an opportunity to access this funding and enhance the research opportunities for the population of Wales.

With support from CTMUHB's Executive Leadership Group, the R&D Department is working hard to promote and implement the Health and Care Research Wales NHS R&D Framework, which was published in July 2023. This is a key document that details the role of the Health Boards in helping support and facilitate research activity for all health care professionals and our population.

The annual Research and Development Conference took place in November 2023 at the Vale Resort, Hensol, providing an opportunity to showcase the multi-disciplinary and multi-professional research being hosted and undertaken across many specialties within CTMUHB as well as providing a networking opportunity for delegates to develop further research collaborations. The event was the best

attended to date with 214 delegates from academia, NHS, industry and patient representatives. There were 11 oral presentations, including the keynote speaker and 54 poster presentations sharing and disseminating research findings. The event was shared through CTMUHB R&D's and Health and Care Research Wales's social media.

Public and Population Health

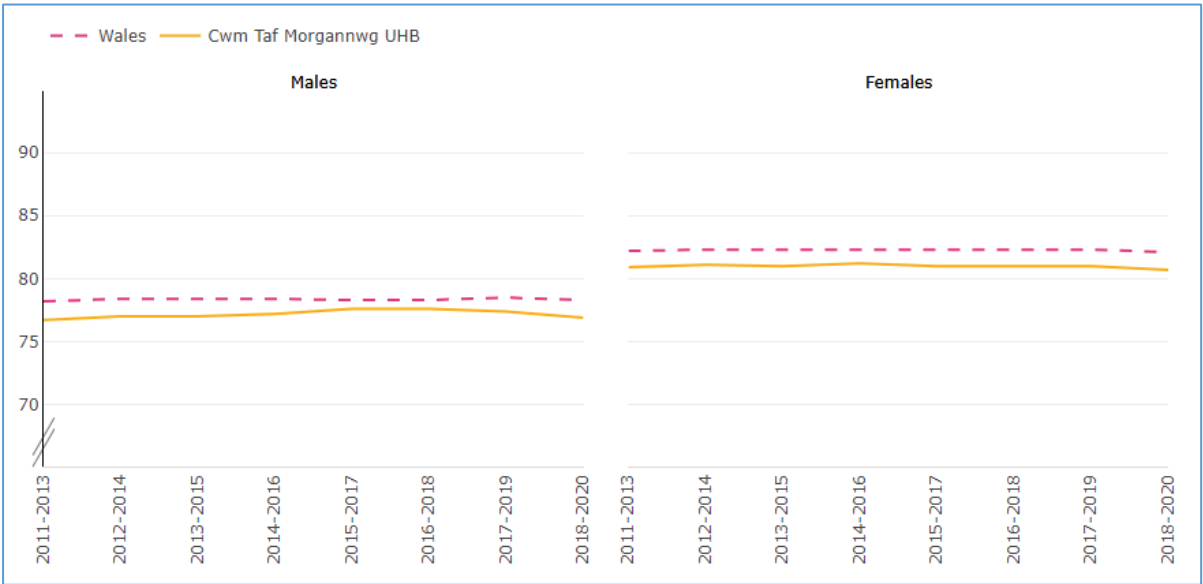
The Population We Serve

The resident population of CTMUHB was estimated at 444,037 (StatsWales Welsh Government, November 2023). The region has high levels of deprivation, with 56.5% of the population of the Health Board area living in the two most deprived fifths in Wales (WIMD 2019 with populations from ONS, 2020). The highest levels of deprivation lie mainly in the valleys to the north of the CTMUHB area.

The challenges of poorer health outcomes for the population of CTMUHB are considerable when compared to Wales as a whole and large inequalities exist within the CTMUHB area. Life expectancy for men and women in CTMUHB is less than the Welsh average, and the difference in healthy life expectancy (the number of years a person can expect to live in good health) is also considerably lower for men and women. The inequality gap for our population compared to the rest of Wales in terms of life expectancy and healthy life expectancy can be seen in the following charts:

Life expectancy at birth, Total, males and females, 2011-2013 to 2018-2020

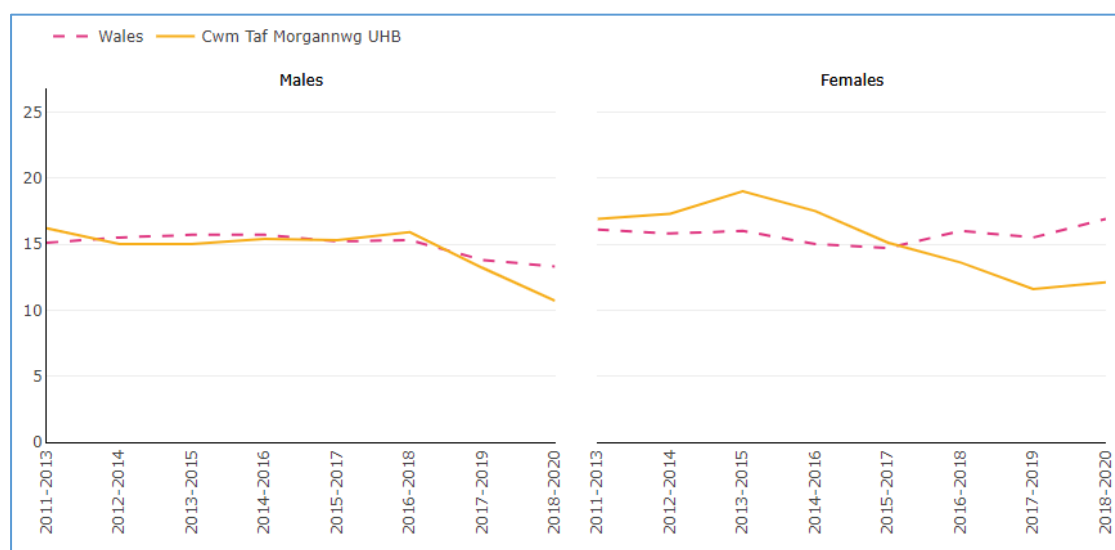
Figure 28



Source ©2023 PHW using APS, 2011 Census, PHM, MYE (ONS)

The gap in Healthy life expectancy at birth between the most and least deprived, males and females, 2011-2013 to 2018-2020

Figure 29



Source ©2023 PHW using APS, 2011 Census, PHM, MYE (ONS)

Seen within the wider UK context, in 1950, Britain had the 7th highest life expectancy in the world, the highest of all G7 countries (UK, Canada, USA, Germany and Italy, France and Japan). By 2020, life expectancy in the Britain had fallen to 36th place internationally and 6th amongst the G7. Only the United States has fared worse¹.

Whilst this can be explained in part by other countries, particularly in Asia, “catching up”, social and economic policies lie at the heart of this decline. Income inequality has continued to rise since the 1980s. In financial year ending (FYE) 2022, the income of the richest 20% of people in the UK was over six times higher than the poorest 20%, while the richest 10% received 50% more income than the poorest 40%². This has led to an increase in the variation in life expectancy between different social groups. One reason why the overall increase in life expectancy has been so sluggish in the UK is that, in recent years, it has fallen for those living in deprivation. Within Wales, whilst female life expectancy in the richest (least deprived) fifth of the population continues to rise, it is falling for women in the most deprived fifth³.

CTMUHB experienced the worst COVID-19 outcomes in Wales⁴; however, the decline in life expectancy predates the pandemic. Austerity measures since 2008 have affected not only the wider determinants of health, but also as the capacity

¹ Hiam L, Dorling D, McKee M. (2023) Falling down the global ranks: life expectancy in the UK, 1952–2021. *Journal of the Royal Society of Medicine*
doi:[10.1177/01410768231155637](https://doi.org/10.1177/01410768231155637)

² [Household income inequality, UK - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/household-income-inequality-uk)

³ [Life Expectancy and Mortality in Wales \(2020\) - Public Health Wales \(nhs.wales\)](https://nhs.uk/wales/public-health/life-expectancy-and-mortality-in-wales-2020)

⁴ CTM DPH report, 2022

of services to address increasing demands placed upon them. A steepening social gradient in health has resulted in poorer people spending more of their shorter lives in ill health⁵. The current cost of living crisis serves to compound these already stark inequalities. Taken in conjunction, we are at risk, warns Professor Sir Michael Marmot, of a “*significant humanitarian crisis*”⁶.

Additionally, the region lags behind Wales in terms of practising healthy behaviours. Healthy behaviours impact on the rates of conditions such as diabetes, heart disease, dementia and cancer. The following are some of the key risk factors for our population:

- High smoking prevalence in those aged 16 years or older (‘daily smoker’ or ‘occasional smoker’); Rhondda Cynon Taf at 15.7%, Merthyr Tydfil at 15.8% and Bridgend at 10.1% when compared with Wales at 12.8% (2022-23 National Survey for Wales).
- 66.9% of adults in CTM are overweight or obese. This compares with an all-Wales average of 61.7%. The Wales average for those aged 16 or over eating at least five portions of fruit or vegetables a day is 29.1% compared with 25.3% in CTM. At Local Authority level, the percentage of people eating at least five portions of fruit or vegetables was highest in Bridgend (31.0%), followed by Rhondda Cynon Taff (22.7%), and lowest in Merthyr Tydfil (22.0%). Similarly, those aged 16 or above meeting the physical activity guidelines is 55.7% for Wales, with all CTM areas reporting lower figures (Rhondda Cynon Taf 54.8%, Bridgend 51.2%, and Merthyr Tydfil 47.9% (Adult lifestyle by local authority and health board, StatsWales, July 2023)).
- Highest levels of childhood obesity in Wales;
<https://phw.nhs.wales/services-and-teams/child-measurement-programme/cmp-2018-19/child-measurement-programme-for-wales-report-2018-19/>
- High levels of teenage pregnancy at 20.5% in CTM compared with 15.2% in Wales (PHOF, 2021).
- Low levels of breastfeeding at 10 days, with 31.2% in CTM and 36.3% across Wales as a whole (PHOF, 2022).
- Higher percentage of babies in CTM born with low birth weight (6.5%) compared to Wales (6.1%).

These factors, coupled with the impact of COVID-19 on health and social care services which is still being felt by our population (with people experiencing longer waiting times for diagnostics tests and treatment) means that the focus of our three year plan must be to address inequalities, at the same time as delivering

⁵ the-marmot-review-10-years-on-executive-summary.pdf (instituteofhealththeequity.org)

⁶ Institute of Health Equity (2022) *Fuel Poverty, Cold Homes and Health Inequalities in the UK* [LINK](#)

StatsWales, Mid-year population estimates (2009 onwards), by Welsh health boards, by single year of age and sex, November 2023

National Survey for Wales – adult lifestyle by local authority and health board, 2021-22 & 2022-23, <https://statswales.gov.wales/Catalogue/National-Survey-for-Wales/Population-Health/Adult-Lifestyles/adultlifestyles-by-healthboard-from-202021>

healthcare service development and recovery. Our aim is to ensure that we undertake activity to improve the health and wellbeing of our population alongside activity to improve access to services and incorporate proactive and preventative approaches based on population need. It is fundamental that we seek to improve access in a sustainable way, reducing our impact on the environment, which in itself is a prevention activity, through redesigning healthcare to reduce waste and unnecessary steps and delivering value-based healthcare (VBHC) pathways and avoiding the delivery of interventions of limited value.

The External Environment

The post-pandemic environment presents health and social care organisations with sustained and new challenges. The impacts of operational pressures and workforce constraints (across health and social care systems) alongside ongoing impacts of COVID-19 and the significant financial pressures present a complex challenge to planning and recovery of services. The Health Board's over-riding imperative is to deliver our statutory functions to provide safe and high-quality healthcare services to our population balanced with the financial duties.

Given the complexity of the environment, and scale of challenge facing our organisation, we are presenting this plan in a three year context, with a focus on the actions required for the first year, in recognition of the dynamic approach to planning required to drive sustainable change in this context.

CTMUHB Vaccination Programme

Vaccination represents one of the most successful and cost-effective interventions for protecting the health of the population. Vaccination programmes are a cornerstone of public health, and with the exception of safe water, no other modality has had such an impact on mortality reduction and population growth.

The release of the [National Immunisation Framework for Wales](#) in October 2022 shaped the development of a three-year Vaccination and Immunisation Strategic Plan, and required the development of a Vaccine Equity Strategic Plan during 2023-2024. The Executive Leadership Group signed off both Strategic Plans in December 2023, and during 2024-2025 implementation plans will be developed within the wider Health Protection system.

National Vaccination Uptake Targets

NHS Wales published four vaccine-related delivery measures in 2023-2024⁷ in the NHS Performance Framework, which are reflected in the incremental targets within our 3-year Vaccination and Immunisation Strategic Plan:

Figure 30

	Delivery Measure
1	Percentage of children who received 3 doses of the hexavalent '6 in 1' vaccine by age 1
2	Percentage of girls receiving the Human Papillomavirus (HPV) vaccination by the age of 15
3	Percentage uptake of the influenza vaccination amongst adults aged 65 years and over
4	Percentage uptake of the COVID-19 vaccination for those eligible

Local Performance 2023/24 – Childhood Vaccination and Influenza

Routine Childhood Vaccinations

The following table (derived from Public Health Wales COVER report 148⁸) shows the % uptake of selected vaccinations in resident children reaching their 1st, 2nd, 5th and 16th birthday between 1 July 2023 and 30 September 2023, and resident on 30 September 2023, compared to Wales.

The national uptake target for all routine children's immunisations, except the Human Papillomavirus Virus (HPV) vaccine, is 95%.

Figure 31

Area	Age 1 year				Age 2 years				Age 5 years		Age 16 years			
	6 in 1 ¹	Men B ²	PCV	Rotaviruses	MMR 1	PCVf ³	MenB ⁴	Hib/Men C	MMR 2	'4 in 1' ¹	MMR 1	MMR 2	MenACW Y	'3 in 1' teenage boosters
Bridgend LA	97.1	97.1	97.9	95.9	95.7	96.0	95.2	95.7	90.0	89.7	97.3	93.2	88.5	87.8
Merthyr Tydfil LA	94.2	94.8	97.4	94.2	95.9	95.2	95.2	94.5	86.9	86.9	94.6	93.0	83.8	84.3
Rhondda Cynon Taf LA	95.5	95.5	96.8	93.0	95.9	95.9	95.4	95.6	91.7	91.8	96.5	94.7	85.4	85.6
Health Board Total	95.8	95.9	97.3	94.1	95.8	95.8	95.3	95.5	90.4	90.4	96.6	94.0	86.2	86.1
Wales	93.8	93.6	95.7	91.4	93.3	93.0	92.5	92.7	88.9	89.2	94.7	91.6	80.9	80.8

Above 95% = Green; Below 90% = Red; Between 90% and 95% = Amber

¹ Uptake of pertussis as a proxy

⁷ [NHS Wales Performance Framework 2023-2024 \(gov.wales\)](https://gov.wales/nhs-wales-performance-framework-2023-2024)

⁸ [COVER - National childhood immunisation uptake data - Public Health Wales \(nhs.wales\)](https://nhs.wales/cover-national-childhood-immunisation-uptake-data)

² Uptake of two doses of meningococcal serogroup B (MenB Vaccine), scheduled at 2 and 4 months of age
³ Children receiving the final dose of PCV
⁴ Uptake of three doses of meningococcal serogroup B (MenB Vaccine), scheduled at 2, 4 and 12-13 months of age
⁵ Uptake of diphtheria (reinforcing booster dose) used as a proxy

Influenza

The following table⁹ shows the % uptake of Influenza by Health Board, Local Authority and Wales, as of 27 February 2024. The national uptake target for Influenza is 75%.

Summary by Health Board and Local Authority (27th February 2024)

Figure 32

		Children 2 to 3 years		
		Denominator	Immunised	Uptake (%)
CTMUHB	Bridgend	3,053	1,295	42.4%
	Merthyr Tydfil	1,261	519	41.2%
	Rhondda Cynon Taf	4,738	2,355	49.7%
	CTM Total	9,052	4,169	46.1%
Wales	Wales	60,477	25,888	42.8%

		Clinical Risk 6m to 64 years		
		Denominator	Immunised	Uptake (%)
CTMUHB	Bridgend	24,798	9,639	38.9%
	Merthyr Tydfil	9,925	3,605	36.3%
	Rhondda Cynon Taf	38,168	14,102	36.9%
	CTM Total	72,891	27,346	37.5%
Wales	Wales	458,472	177,530	38.7%

		65y and older		
		Denominator	Immunised	Uptake (%)
CTMUHB	Bridgend	34,617	25,997	75.1%
	Merthyr Tydfil	11,755	7,874	67.0%
	Rhondda Cynon Taf	49,756	35,373	71.1%
	CTM Total	96,128	69,244	72.0%
Wales	Wales	704,293	507,850	72.1%

⁹ [Workbook: IVOR TABLES 2019-20 \(cymru.nhs.uk\)](#)

Achievements:

During 2023-2024, a number of Welsh Health Circulars (WHC) have been received and enacted. These include, but are not limited to the following:

- WHC (2023) 024 Change of Vaccine and Cohort Expansion for Shingles Vaccination Programme (from September 2023)
- WHC (2023) 023 The National Influenza Immunisation Programme 2023-24
- WHC (2023) 043 Vaccination of Healthcare Staff to Protect Against Measles
- WHC (2024) 008 Vaccination of Children to Protect Against Measles

Further information on the WHC's received by CTMUHB is captured on page 138.

A range of service development projects have been undertaken in collaboration with departments and teams, such as the Public Health team, the Specialist Immunisation team, Child Health, School Nursing, Primary Care, Occupational Health, Local Authority colleagues, and Public Health Wales to support the above, implementation of the National Immunisation Framework, and CTMUHB incremental targets.

Service developments have included:

- Fluenz/Measles Mumps Rubella (MMR) Mop up Clinics – During January 2024, all unvaccinated children aged 2-11 years old were invited to a Community Vaccination Centre (CVC) for their Fluenz vaccination. Vaccination appointments were sent via the [Notify](#) system using an evidence based template letter, which also included links to Frequently Asked Questions (FAQ) for parents and guardians regarding both vaccination programmes. This project included an in-depth data cleanse of vaccination details held on electronic vaccination platforms, and Fluenz vaccination were given to 680 children, alongside 39 MMR vaccines (opportunistically);
- MMR Staff Vaccination Programme – In line with the WHC, and increasing rates of measles within the UK, a decision was taken to offer a staff wide MMR vaccination catch up programme (ongoing). All staff have been encouraged to check their vaccination status via the Occupational Health portal, and attend for vaccination in a CVC, via Occupational Health, or at their place of work (priority wards have been identified for pop up clinics);
- Changes to the Shingles Programme – Due to a change in eligibility for the shingles programme, a stock take exercise and audit was undertaken with GP Practices, which supported the development of a regional plan for submission to Vaccine Programme Wales. In addition, the Specialist Immunisation team updated all vaccinators of the changes to the programme (eligibility and vaccine type), and provided Practices with template invitation letters;
- Winter Respiratory Programme – A number of activities were undertaken over the winter respiratory period to support uptake of the vaccinations (flu vaccine and COVID-19 booster) by Healthcare staff. Staff were able to access their vaccinations via a variety of opportunities, such as walk-in appointment in the CVCs, and clinical site walkabouts. Previously gathered insight and data were used to inform the development of targeted communications for staff, and a number of staff Q&A sessions were attended to answer questions on the

vaccines, and to provide information on how to access. In addition, a staff FAQs document was developed, and shared;

- Pharmacy Script/FAQs – It was identified that uptake of the flu vaccination was sub-optimal amongst our clinically at risk under 65 cohort with respiratory illness. Subsequently, a task and finish group was established, and drawing from previously gathered insight into facilitators and barriers for vaccination uptake, a behaviourally informed conversational script, and supporting FAQs were developed for staff working within community Pharmacy settings to facilitate vaccination based conversations with patients. Both the script and FAQs are currently being evaluated as part of the wider winter respiratory programme debrief.

The focus for 2024-2025, will be our 3-year Vaccination and Immunisation Strategic Plan, which is underpinned by the Vaccine Equity Strategic Plan, and is informed and guided by data, learning from the national strategic policy context, and the design principles set out within the National Immunisation Framework.

Our long standing aims within CTMUHB's vaccination programmes are:

- To reduce preventable disease in the population by vaccinating consenting individuals at the appropriate time, in line with recommendations from the Joint Committee on Vaccination and Immunisation (JCVI) and direction from Welsh Government; and
- To reduce the inequality in preventable disease distribution in Cwm Taf Morgannwg by increasing uptake of vaccinations, and reducing vaccine inequities.

Our ultimate goal is to achieve vaccination uptake in line with the national targets set by Welsh Government, and our Strategic Plans encompass 5 improvement pillars to support our implementation of the National Immunisation Framework:

- Vaccine Equity;
- Data and Monitoring;
- Evidence Based Practice and Evaluation;
- Innovation and Sharing; and
- Governance and Accountability.

CTMUHB has a statutory duty for improving and protecting population health. It is assured that it discharges its duties through relevant Board and Committee structures. A detailed 3 year CTMUHB vaccination and immunisation implementation plan will be developed which will outline how this strategic plan will be delivered across CTMUHB, and used for reporting purposes, and assurance.

Wellbeing of Future Generations (Wales) Act 2015

Wellbeing Objectives

CTMUHB's Wellbeing Objectives are fully aligned and integrated with the CTM2030: Our Health, Our Future strategy and our ambition to being a population health organisation.

Our current Wellbeing Objectives are:

- Work with communities and partners to reduce inequality;
- Promote wellbeing and prevent ill-health;
- Provide high quality, evidence based, and accessible care;
- Ensure sustainability in all that we do, economically, environmentally and socially; and
- Co-create with staff and partners a learning and growing culture.

A high level review of the objectives, led by Philip Daniels, Executive Director of Public Health is planned for quarter 4, 2024-2025.

Activity during 2023-2024

A commitment to the principles of the Wellbeing of Future Generations Act (WBFGA) continues to provide a "golden thread" throughout the work of the Health Board.

The **CTM2030 Strategy, Our Health, Our Future**, continues to guide CTMUHB's ambitious programme of strategic transformation, identifying four strategic priorities (*creating health, sustaining our future, improving care and inspiring people*), underpinned by strategic implementation groups which work across the life course.

Work plans have been developed for each of the strategic priorities and groups are meeting regularly to report on progress.

The Creating Health strategic pillar foregrounds Population Health Management approaches across the work of CTMUHB, which aim to embed data-driven planning and delivery of proactive care to improve the health of the population, whilst *reducing health inequalities within and across the population*. A key facet of this is the *Building Healthier Communities Steering Group*, which continues to coordinate activities which contribute to developing, supporting, and working with our communities to build capacity to encourage wellbeing and prevention.

This includes:

- Our role as an anchor institution;
- Our role as part of the foundational economy and circular economy;
- Our role in ensuring "More than just words" is enacted and embedded;
- Our role in achieving Net Zero.

The Sustaining our Future strategic pillar encompasses the sustainable development principles of the Wellbeing of Future Generations Act (2015), and our commitment to:

- Becoming a green organisation;
- Ensuring our services financial sustainability;
- Embedding value based healthcare;
- Ensuring our estate is fit for the future.

The overarching ambition of “building healthier communities together” represents a fundamental shift towards preventing ill health from happening, rather than treating people when they get sick, whilst ensuring that we are able to provide the best care possible when people need our support. Recognising that many of the determinants of population health and wellbeing exist outside of our direct control, CTMUHB is actively pursuing its role as an effective system leader; working with community leaders and multi sectoral partners to achieve better population health outcomes and reduce health inequalities for people living in CTMUHB.

During the past year we have;

- Further established the CTM2030 Community Leaders’ Network for developing and building new relationships and partnerships between CTM UHB and the voluntary and community sector in Cwm Taf Morgannwg. This in-person forum meets quarterly; it facilitates discussion with community leaders across the three strategic aims. It also creates opportunity to test thinking and ideas for change or improvement;
- Improved how we share information, and engage with, community leaders by introducing ‘highlights/actions reports’ following each community meeting and by developing a dedicated CTM2030 Community Leaders’ Hub;
- Worked in collaboration with our three Community Voluntary Councils to deliver a regional engagement series, involving 140 women and 30 voluntary sector organisations; with the purpose of determining the core issues affecting women’s health in CTMUHB. The series outcomes are being connected internally within CTMUHB via its established Women’s Hub and Women’s Network;
- Along with Housing and employment: recognising employment as core determinant of health, we have developed an Employability Working Group; this is a task and finish group of our CTM ‘Healthy Housing Alliance’. It brings together housing and health partners to develop employability pathways into CTMUHB. Housing leaders are also now core members of our CTM2030 Community Leaders’ Network and are working with CTM Regional Social Landlords to improve communication and information sharing between health and housing, for supporting the social wellbeing of CTMUHB residents;
- Co-designed a new 24/7 Alcohol Care Service for CTMUHB with people living with Alcohol dependency. We are engaging with community leaders across CTM to identify need and providing support information to community leaders, and other strategic partners, to promote the availability of this service for local residents. Community organisations are also being signposted to support and

information for expecting mums; highlighting a campaign called 'Drymester' which promotes a zero tolerance to alcohol during pregnancy;

- Partnered with 'Business Education Together'; this is Merthyr Tydfil County Borough Council's new partnership forum for supporting the attainment and employment opportunities, including pathways into employment, for children and young people living in Merthyr Tydfil. The forum connects 70 business and education leaders in Merthyr, together with health;
- Continue to identify partnership opportunities with local groups, organisations and charities for supporting people's health and wellbeing needs. This has included the expansion of 'CTMs Bereavement, Loss and Grief Café' We have also seen the expansion of CTMs Wellness Improvement Service (WISE) into community settings;
- Delivered integrated education and awareness campaigns with the CTM Regional Partnership Board to engage people with protected characteristics living in CTM around their health and wellbeing. This has included support for people with Learning Disabilities and people living with Dementia;
- Grown and continue to grow our network to support warmer, healthier homes and tackle fuel poverty across CTMUHB. Working with Interlink, Warm Wales, National Energy Action and our GP Clusters to raise awareness of and socially prescribe free home improvement programmes such as ECO4 as well as partnering to provide wrap around energy advice and support to local households;
- Developed data linkage capability between health & housing sectors in order to target our collaborative work on health prevention and early intervention in CTM communities.

As we look ahead to 2024-2025, we will:

- Continue to develop community and third sector partnerships to address the critical issue of how we can collectively enable our residents to achieve healthy weights and maintain a healthy body mass index (BMI). The 'CTM Healthy Weights Programme' will have a continued focus on addressing obesity in Children and Young People and will also be addressing the increasing prevalence of people living with Diabetes Type 2 in CTM, by providing information on managing care and risk prevention;
- Build on our existing data driven approach to population health (management and prevention) in the planning and delivery of proactive care, to achieve maximum impact for the health and wellbeing of the population. Using a population data tool for the region, we will help people to manage their conditions, identify risk factors for different health conditions and support people to reduce their risk factors using behavioural insights and effective engagement;
- Core to CTM's engagement and involvement approach is utilising existing links and structures across the CTM region. Making Every Contact Count (MECC) is a public health approach to behaviour change that utilises daily interactions to support people with making positive changes to their physical and mental health and wellbeing. We are focused on embedding the MECC approach to support and empower CTMs community leaders to contribute to the population health agenda;

- Whilst serving as a brief precis, these activities ably demonstrate CTMUHB's long term vision and commitment to the Seven Wellbeing Goals and five ways of working, as laid out within the WBFGA.

Public Service Boards (PSBs)

The Wellbeing of Future Generations Act (WBFGA) 2015 gives a legally-binding common purpose to improve the economic, social, environmental and cultural wellbeing of their area by contributing to the achievement of the seven national wellbeing goals. The WBFGA puts a wellbeing duty on specified public bodies including local authorities, local health boards, fire and rescue services and Natural Resources Wales to act jointly via PSBs. PSBs are required to assess the state of economic, social, environmental and cultural wellbeing in their areas (the Wellbeing Assessment), to use that to set local wellbeing objectives (the Wellbeing Plan) and to act together to meet those objectives.

In 2023, the previous two PSBs in operation in the CTM area joined together to form one PSB, to reduce duplication and enable more effective joint working to improve the wellbeing for people in the CTM region. Updates on the work of the CTM PSB are provided via CTMUHB's Population Health & Partnerships Committee and a copy of its report to the meeting held on 7 November 2023 are available [here](#).

In 2023, the PSB published the CTM Wellbeing Plan for 2023-2028 (found [here](#)), in line with the requirement to produce this document every five years. The document sets out the local wellbeing objectives and the steps it proposes to meet these objectives. The PSB have used the Wellbeing Assessment as the evidence base for the Wellbeing Plan, the data and information gathered has been used alongside what local communities and people have advised about life in Merthyr Tydfil, Rhondda Cynon Taf and Bridgend through ongoing engagement with members of the public, and community groups. The Wellbeing assessment identified inequalities across the communities and the draft plan sets out how the PSB will work together to reduce these inequalities to improve the wellbeing for people living in the region now and for building towards a fair future. The Wellbeing Plan will drive every aspect of the Public Services Board's activity and has two main objectives:

- Objective one: Healthy local neighbourhoods;
- Objective two: Sustainable and resilient local neighbourhoods.

Regional Partnerships Boards (RPBs)

Part 9 of the Social Services and Wellbeing Act (2014) requires local authorities and health boards to establish RPBs to manage and develop services to secure strategic planning and partnership working and to ensure effective services, care and support are in place to best meet the needs of their respective population. A funding stream is in place by way of the Health and Social Care Regional Integrated Fund (RIF) which is providing five years of revenue funding to deliver a programme of change from April 2022 to March 2027.

The RPB's aim is to be a strong and meaningful cross-sector partnership that works with professionals and residents to improve services. Its vision is to make a difference to people's lives by involving them, listening and taking action together to transform the way services are delivered. It is important that the CTMUHB plays an active role within the partnership arrangements as it is well acknowledged that health care services alone only contribute to between 10-20% to the health and wellbeing of the population. The RPB's work focuses on eight priority groups: people with learning disabilities; unpaid carers; people with dementia; people with accessibility needs; neurodivergent people; children and young people; older people and people who access mental health services.

Following the development of a Population Needs Assessment in 2021, a Regional Area Plan has been co-produced with professionals and people with lived experiences. The plan sets out the priorities for the RPB until 2027. The plan focuses on what is important to the communities it serves, and the areas that need immediate prioritisation and can be found [here](#).

Sustainability Report

CTMUHB is actively realising its unique contribution to a globally responsible Wales. The CTMUHB Environmental Sustainability Group (ESG) plays a key role in advising, guiding and monitoring the development and implementation of:

- CTMUHB's Decarbonisation Strategy (2022–2030) and Decarbonisation Action Plan (DAP). The DAP has been refreshed for 2024-2026 as per Welsh Government guidelines;
- A wide range of programmes and projects delivering decarbonisation and environmental sustainability;
- Annual carbon emission reporting to Welsh Government which serve to monitor CTMUHB's progress towards its strategic goal of 'Sustaining Our Future' and becoming a carbon neutral organisation in line with Welsh Government's NHS Decarbonisation plan. The latest submission was reported to CTMUHB Board in September 2023, and submitted to Welsh Government the same month and can be found [here](#) and highlighted a reduction in carbon emissions from the previous year. Work is underway to understand the detail of this as there were changes in the measurement processes which are likely to have had an impact.

Quarterly reports on progress against the DAP are submitted to Welsh Government.

As a committed Anchor Institution, CTMUHB has developed an Anchor Strategy and over the last year has established a Building Healthier Communities Steering Group to maximise the positive impacts of its employment, procurement, environmental and corporate activities. Whilst serving as a brief precis, these activities ably demonstrate CTMUHB's long term vision and commitment to the Seven Wellbeing Goals and five ways of working, as laid out within the Wellbeing of Future Generations Act (WBFGA).

Environmental Sustainability

CTMUHB requires that all staff and in particular all managers at all levels of the organisation be aware of, and fully supportive, of their responsibilities to sustainability, in line with CTMUHB's compliance to the ISO14001:2015 environmental certification. As part of the CTM2030 Clinical Strategy development CTMUHB has identified 'Sustaining our Future' as one of the four strategic goals.

This goal encompasses the sustainable development principles of the Wellbeing of Future Generations Act (2015) and demonstrates CTMUHB's commitment to:

- Becoming a green organisation;
- Ensuring our services financial sustainability;
- Embedding value based healthcare; and
- Ensuring our estate is fit for the future.

ISO 14001 Certification – Environmental Management

ISO 14001:2015 is the international environmental standard that specifies requirements for controlling aspects of an organisation that have a significant impact on the environment, through an effective Environmental Management System (EMS). It is a requirement of Welsh Government that Health Boards in Wales are accredited to ISO 14001:2015.

The accreditation is on a three-year cycle with surveillance audits every year for CTMUHB to ensure compliance. CTMUHB achieved re-certification in June 2023 where assurance was provided that the environmental management system and processes have been maintained by the CTMUHB Facilities and Estates team and with no non-conformities to the ISO14001:15 requirements and standards reported.

Internally, CTMUHB is actively realising its unique contribution to a globally responsible Wales. The CTMUHB Environmental Sustainability Group (ESG) plays a key role in advising, guiding and monitoring the development and implementation of:

- CTM's Decarbonisation Strategy (2022–30) and implementation plan;
- CTM's Biodiversity and Resilient Ecosystem Strategy (2022-25) and implementation plan;
- Programmes and projects delivering decarbonisation and environmental sustainability;
- Annual carbon emission reporting to Welsh Government which serve to monitor CTM's progress towards our strategic goal of 'Sustaining Our Future' and becoming a carbon neutral organisation in line with Welsh Government's NHS Decarbonisation plan.

Carbon Reduction and Energy Management

CTMUHB is committed to trying to achieve the challenging targets set out in the NHS Wales Decarbonisation Strategic Delivery Plan, which sets out a series of aims and initiatives for Health boards in Wales to address in order to contribute towards Wales decarbonisation targets, including the aim for the public sector in Wales to be net zero by 2030. For building energy this translates to a 34% reduction in CO₂ emissions by 2030, with an interim 16% reduction in CO₂ by 2025.

CTMUHB has an Environment & Sustainability Group which is the over-arching steering group for the decarbonisation agenda in CTMUHB. In addition, we have the **Green CTM Group** which is the staff working group actively engaged in responding to the *NHS Wales Decarbonisation Strategic Delivery Plan*. The group gathers ideas and engagement from staff about how the Health Board can deliver carbon net zero by 2030 in line with this delivery plan. CTMUHB also have a dedicated Green Space intranet site, the home to CTMUHB's climate change work.

In terms of the carbon emissions from the energy usage of our buildings and estates, the Capital & Estates Team within CTMUHB is committed to tackling these and to a continual drive to reduce the carbon footprint of our building energy

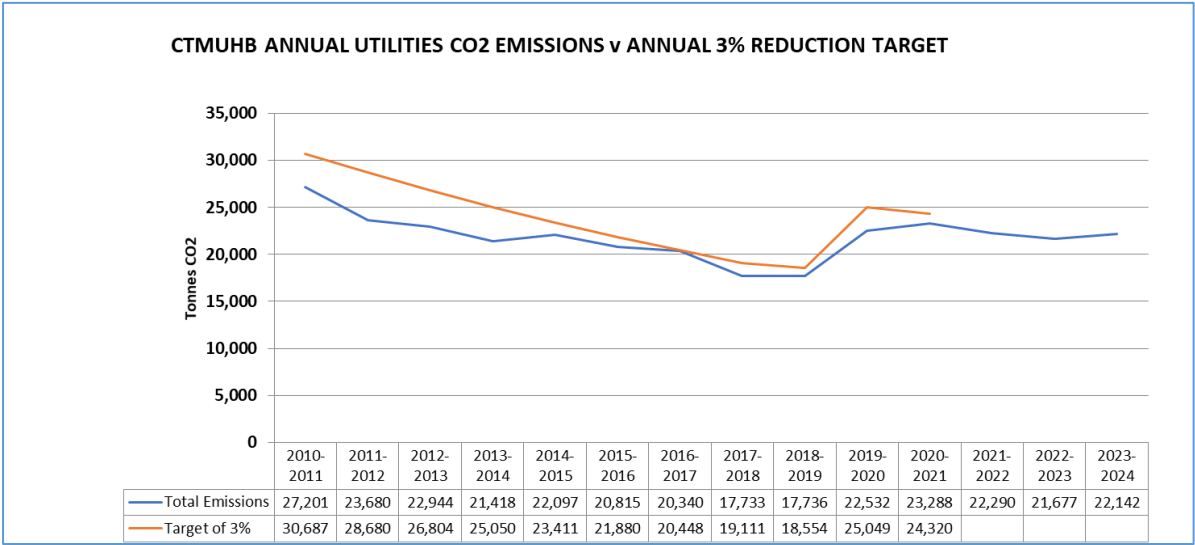
emissions. Set against the challenges of a growing estate and demand for services, this challenge can only be achieved through a major step-change in the way we manage and use energy.

In 2023-2024, carbon emissions from energy (heat and power) was 22,142 tonnes CO2e, which, disappointingly is a slight increase on 2022-23 (see figures 33 and 38). Likely reasons include increased service demands upon the organisation, seasonal variations in weather (potentially increasing seasonal demand for heating or cooling and reducing the forecast output from our solar PV installations), reduced performance from biomass and CHP units (combined heat and power).

In terms of our energy costs, in 2023-2024 this stood at £15.7 million (see figure 38 on page 93), which, whilst a decrease on last year’s historic highs are still over double the costs from prior to the COVID-19 pandemic and other global volatility challenges. Although consumption decreased marginally it is vital that the drive continues to reduce energy usage and the resulting carbon emissions.

Prior to the introduction of the National Decarbonisation Strategic Delivery Plan, our progress was measured against a 3% year-on-year reduction target and, although this has now been withdrawn it still provides a useful illustration of the long-term direction of travel for energy and carbon reduction:

Figure 33



(Note – the step increase in 2019 represents the addition of Bridgend area estate into the previous Cwm Taf estate)

Re:Fit Future Plans

The key plan within CTMUHB Capital and Estates to improve upon this and to deliver the transformational level of change required is to enter into a programme called Re:Fit. This is a Welsh Government backed energy performance contracting framework that supports public sector bodies wishing to implement energy efficiency and decarbonisation measures across the estate through a long-term partnership (typically 10 year) based on a guaranteed savings arrangement.

CTMUHB signed a contract in April 2024 with its preferred Re:Fit partner company and work has started to develop the first phase of energy and carbon reduction projects to commence in 2025. The types of initiatives likely to form part of the first phase of Re:Fit include solar photovoltaic generation installations, the rapid roll-out of LED lighting and low carbon heating systems.

Current Activity

In terms of specific projects and activity delivered within the CTMUHB Estates and Capital Teams, much has been achieved in recent years and the team continues to work hard to build on these schemes. Including:

- Onsite generation – CTMUHB now employs a variety of onsite energy generation technologies e.g., Solar Photovoltaics (PV), gas turbine CHPs, Absorption Chillers, Biomass boilers;
- In the last two years there have been significant new Solar PV installations across the estate, including at Dewi Sant, Ysbyty Cwm Cynon, Ysbyty Cwm Rhondda & Kier Hardie Health Park. This has increased the installed solar PV capacity by almost 700 kilowatts;
- Further major PV installations commencing at Glanrhyd Hospital and Williamstown Medical Records Store totalling over 500 kilowatts;
- Together this will result in approximately 1.2 Megawatts of new solar PV across our estate;
- LED Lighting upgrades (internal & external) continue with the UHB now having converted approximately 40% of the estate;
- Air Source Heat Pumps (a low carbon heating technology) are currently in use at Keir Hardie Health Park;
- Insulation & other building fabric improvements (including window replacement) undertaken where funding available;
- Monitoring & targeting – the Health board is pro-active in utilising Building Energy Management Systems such as Team Sigma, and Automatic Meter Reading;
- Voltage optimisation technology has been installed at a number of sites which was able to deliver savings in electrical consumption.

Clearly these are positive developments, however they are by themselves relatively small scale and are not able to deliver the transformative change required to reduce carbon emissions in line with national aims. This makes it clear why moving ahead with the Re:Fit partnership is seen as the best option to deliver the scale and pace of carbon reduction activity required.

Partnerships with Local Authorities

CTMUHB continues to pursue opportunities with our Local Authority partners to deliver on carbon reduction initiatives where our estate is located in proximity to any local authority schemes.

- **Rhondda Cynon Taf** – working with the Local Authority on a large-scale PV scheme to supply the Royal Glamorgan Hospital with a 1MW installation generating 1 million kWh annually of zero carbon renewable electricity from a

nearby Local Authority solar farm development via a private wire. CTM has recently signed a PPA (Power Purchase Agreement) with the Local Authority to formalise the arrangement.

This supply has been sized to match the hospital's electricity demand during peak summer (when solar generation is at its maximum), therefore ensuring greatest efficiency. Overall, the solar farm will supply approximately 15% of the typical current annual electricity demand of the Royal Glamorgan Hospital.

- **Merthyr Tydfil** – working with the Local Authority on PV schemes based at a school redevelopment near to Prince Charles Hospital, to include a private wire supply and an agreement to supply the hospital with all surplus electricity (i.e., not required by the schools). It is anticipated that this mutually beneficial scheme could total over 1.3 megawatts of installed capacity and CTMUHB is currently beginning negotiations with Merthyr Tydfil Council over the PPA to supply.
- **Bridgend** – CTMUHB is in discussion with the Local Authority on their plans for heat and power networks for the whole Bridgend area, which could benefit both Princess of Wales and Glanrhyd Hospitals. This is a complex scheme and it is at an early stage in development led by the local authority.

Waste Management

Our aim is the delivery of high quality, compliant and sustainable Waste services to enable our contribution towards net zero carbon emissions by 2030 and 2050. Reduce associated manufacture damages to nature, biodiversity and the environment globally.

Our priorities are:

- Deliver the Welsh Government Waste Recycling Reforms;
- Meet the April 2024 recycling reform delivery target for Community and Primary Care healthcare sites;
- Meet the April 2025 recycling reform delivery target for Acute and Community hospital sites;
- Support the Welsh Government and CTMUHB Strategic Decarbonisation Action Plan (DAP) where we have continued to progress the waste management objectives and targets;
- Work closely with procurement and suppliers to reduce the impact on the environment of packaging and product waste;
- Improve supply chain resilience by using recycled material in manufacture and reducing dependence on raw materials;
- Use innovation and promote Recycle, Repurpose and Reuse.

Waste Management performance monitoring data can be found in figures 34 and 35 below:

Figure 34

Financial Year	Clinical Waste		Offensive Hygiene Waste	
	Tons	Cost (£million)	Tons	Cost (£million)
2021 - 2022	992	£0.3829	143	£0.02714
2022 - 2023	1172	£0.5267	371	£0.10750
2023 - 2024	1059	£0.6242	434	£0.1689

Figure 35

		2021 - 2022	2022- 2023	2023-2024
Non-Financial Indicators (Tonnes)	Total Waste	3120	4274	4298
	Landfill	65	58	63
	Reused/Recycled	1077	1608	1546
	Composted	0	0	0
	Incinerated with energy recovery	2382	2718	1196
	Incinerated without energy recovery	0	0	0
Financial Indicators (£million)	Total Cost (See note below)	£0.678,666	£1.403,091	£1.550,717
	Landfill	£0.004,510	£0.017,347	£0.018,196
	Reused/Recycled	£0.164,996	£0.329,589	£0.379,202
	Composted	0	0	0
	Incinerated with energy recovery	£0.495,764	£0.711,117	£0.359,410
	Incinerated without energy recovery	0	0	0

Waste Notable Achievements

Figure 36



In October 2023, CTMUHB in partnership with Elite paper Solutions became the overall category winners of the NHS Wales award for 'Working Seamlessly across the Third and Public Sector'.

The NHS Wales Awards recognise how innovative ideas for change can make a significant difference to the patients who need care, the organisations who provide care, and the health and care system as a whole. It is an opportunity to showcase hardworking and inspiring teams working together, striving to improve healthcare practices and patient care across Wales.

The project has removed cardboard from the HTM0701 category of waste and moved it in to a biodegradable resource, an animal bedding currently being used in partnership with South Wales Police Mounted section and Dog section.

Transport and Travel Management

Our aim is the delivery of high quality, compliant and sustainable Transport Fleet services to enable Decarbonisation of fleet and work towards Net Zero emissions and help support the well-being of current and future generations.

Our priorities are:

- Reduce Transport fleet where practically possible to do so;
- Deliver NHS Wales and CTMUHB Decarbonisation Strategic Delivery Plan (DSDP) reduce emissions by Target 1 (16%): 2025 and Target 2 (34%): 2026-2030. Transfer current petrol and diesel Fleet to EV's by 2027;
- Working closely with the All-Wales Transport Group and in support of CTMUHB Estates to develop the best practice approach for electric vehicle (EV) charging technology, procurement, and car park space planning – this will include consideration of service fleet, staff and visitor EV charging infrastructure (EVCI);
- Deliver on the NHS Wales Decarbonisation Strategic Delivery Plan and its Fleet Initiatives 17, 18, 19, 20 & 21;
- Identify best option for Fleet Management telematics software.

Travel Mileage and CO2

Fleet Vehicles

The Scope 1 kg CO_{2e} for this reporting period has been determined by the fuel card provider applying the annual kg CO_{2e}/lt conversion for diesel and unleaded petrol from the Defra 'Greenhouse Gas Conversion Factor Repository - Government conversion factors for company reporting':

<https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

Scope 1 transport emissions, determined using litres of fuel used and the above Defra conversion data, indicates that the fleet and pool vehicle emissions have increased compared to the previous year 2022-2023, from (310) to (330) tCO_{2e}. The travel emissions data in Table 5 indicate the total CO_{2e} emissions, and the Scope 1 and Scope 3 breakdown for fleet vans, pool cars, staff business mileage and lease car user claims.

Business and Staff Lease Vehicles

The fuel usage related to staff business (grey fleet) and staff lease car mileage cannot be determined, therefore the fuel consumed basis used for determining Scope 1 kgCO_{2e} cannot be used for calculating Scope 3 emissions.

For consistency with previous annual reports comparing the Scope 3 emissions data in this report, we have continued using the conversion factors from the CarDio: NHS Wales Carbon Calculator, which used Defra provided conversion factors for vehicle CO₂ emissions.

A breakdown across expense items has been provided in figure 37 for the period 1st April 2021 to 31st March 2024.

Figure 37

Financial Year	Expense Item	Mileage Total	Cost Total	Tonnes CO ₂ e
2021-2022	Business Mileage	2,526,969.20	1,137,136.14	800
	Lease Mileage Car	283,301.92	33,996.23	90
	Salary sacrifice	176,790.58	79,555.76	56
	Total	2,987,061.70	1,250,688.13	946
2022-2023	Business Mileage	3,854,930.22	1,714,928.30	1220
	Lease Mileage Car	252,311.80	28,795.24	80

	Salary sacrifice	173,400.45	76,626.06	55
	Total	4,280,642.47	1,820,349.60	1355
2023-2024	Business Mileage	4,081,373.33	1,836,618.00	1292
	Lease Car Mileage	111,145.35	12,670.57	35
	Salary sacrifice	172,221.40	19,633.24	55
	Total	4,081,373.33	1,856,251.24	1382

Comparing the figures in figure 35 suggests a decrease in business mileage claims of 5% (from 4,280,642 miles in FY 2022-2023 to 4,081,373 miles in 2023-2024).

Staff lease car mileage claims has also decreased by 78% from 252,311 miles in FY 2022-2023 to 111,145 miles in 2023-2024.

The decrease suggests more staff are working from home, reduced travel between sites and an increase in meetings being held on Teams.

Figure 38 indicates that the 2021-2022, 2022-2023, 2023-2024 year on year Scope 3 CO2e emissions have increased by 62% from 1.287 to 2.432 (1,000 t CO2e). The Scope 3 emissions relating to **staff mileage and lease car** user claims continue to be the largest element of the UHB transport kg CO2e emissions.

Figure 38

Greenhouse Gas Emissions		2021 – 2022	2022-2023	2023-2024*
* Indicates estimated figures				
Tons CO _{2e} Non-Financial Indicators (1,000 t CO _{2e})	Gross Emissions Scope 1 (direct) - Energy (Gas)	16,317	15,182	15,337*
	Gross Emissions Scope 2 (Indirect) - Energy (Electricity)	5,973	5,951	6,264*
	Gross Emissions Scope 1 (direct) - Travel	0.230	0.310	0.330*
	Gross Emissions Scope 2 (Indirect) - Energy (CHP)	0.76	0.61	0.65*
	Gross Emissions Scope 2 & 3 (Indirect) - Travel	1.114	2.236	2.432*
	Total Gross Emissions Energy and Travel	22,291.34	21,679.54	22,144.76*
Related Energy Consumption (megawatt Hrs)	Electricity: Non-renewable	7.65	4.28	5.09*
	Electricity Renewable	28.35	30.71	30.24*
	Gas	89.56	83,17	83.84*
	LPG	0	0	0
	Other- Biomass (Woodchip)	3,938	3,885	2,036*
	Other - Oil	0.16	0.12	0.29*
Financial Indicators (£million)	Expenditure on Energy	£10.03	£17.5	£15.7*
	CRC License Expenditure (2010 onwards. CRC ended 2019 but evidence packs to be kept updated to 31.03.2025.)	0	0	0
	Expenditure on accredited offsets (e.g., GCOF)	0	0	0
	Expenditure on official business travel	£1.250	£1.820	£1.856*

Biodiversity and Resilient Ecosystem

Biodiversity is defined in the [Environment \(Wales\) Act 2016](#) as 'the diversity of living organisms, whether at the genetic, species or ecosystem level. Biodiversity drives the functioning and resilience of our ecosystems'.

A healthy natural environment helps society and the economy flourish. Our natural resources and ecosystems can help us in many ways: to reduce flooding, improve air quality and supply materials for construction. They also provide a home for a variety of wildlife and give us landscapes we value within the localities of the Health Board sites, encouraging patients to be treated, staff to work and visitors to visit healthily and comfortably.

The CTMUHB Biodiversity and Ecosystem Resilience Plan' meets our obligations in accordance with the [Environment \(Wales\) Act 2016](#), to demonstrate how we 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 the aims will be delivered by the Health Board 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 (WBFGA).

The actions will set out what the Health Board intends to do and corresponds with the targets in its Strategic Decarbonisation Action Plan, which reference biodiversity and ecosystem resilience.

CTMUHB requires that all staff and in particular all managers at all levels of the organisation to be aware of, and fully supportive, of our responsibilities to biodiversity and ecosystem resilience.

Task Force on Climate-related Financial Disclosures (TCFD)

Governance

- CTMUHB Board receive an annual update on the delivery of our Decarbonisation Strategy and associated Decarbonisation Action Plan which includes climate related risks and opportunities. The Population Health and Partnerships Committee as a sub-committee of the Board receive more regular updates.
- The Executive Director of Strategy and Transformation is the Senior Responsible Officer (SRO) for Decarbonisation, which climate change is part of. All Board and Committee reports include an assessment of the Environment/Sustainability impact (5 Rs – Reuse, Recycle, Repurpose, Reduce, Refine) so any management project or initiative must take these into account.

Work on the adaption agenda is commencing as it was recognised that this was a gap in the work of CTMUHB.

CTMUHB is part of a piece of work which has just commenced and being led by the Partnership Services Board (PSB) which is focused on undertaking a Climate Change Risk Assessment, the outcomes of which will be considered by the Health Board.

Metrics and Targets

- The organisation uses the metrics set out within the Welsh Government reporting processes on decarbonisation.
- The annual carbon emissions report sets out the appropriate Scope 1, Scope 2 and Scope 3 emissions and the last return was submitted to Welsh Government in September 2023. The totals were as follows:

Figure 39

Scope 1	16,588,247
Scope 2	5,776,271
Scope 3	120,314,533

Welsh Language Standards

Increasing our capacity and capability to provide more of our services in Welsh is a CTMUHB strategic objective and is one of our ten People Plan priorities. We have made further progress in improving and consolidating our bilingual provision in year, continuing to view this agenda through the lens of cultural and behavioural change.

The following are some of our key Welsh language achievements in 2023-2024:

- Created an internal framework for communication, focussed around 4 themes inspired by [the COM-B model](#) of behaviour change, namely **Da Iawn** (to share best practice, small wins and examples of how staff have embedded Welsh in their roles), **Skills, Learning and Development** (to promote opportunities to learn and develop Welsh language skills), **Staff Support** (to share information on the support on offer to embed Welsh, such as translation and advice) and **More Than Just Words** (to share stories of what using Welsh has meant to patients and staff);
- Launched an internal campaign focussed on the concept of 'Hiraeth', as we continue to build a culture of belonging around Welsh language and culture, moving away from solely 'compliance', giving staff the opportunity to explore their identity and what Welsh language and culture means to them as individuals;
- Created a [new guide](#) for patients on what their rights are to use Welsh with [new web content](#);
- Fully embedded the Welsh Language into our newly launched Equality Impact Assessment so that we have a robust, independent methodology to assess the impact of business change on Welsh;
- Included Welsh as part of our developing Leadership Competency Model under the umbrella of 'Inclusivity', focussing on aspects of Leading Self, Leading Others and Leading Systems in relation to bilingualism.

Further information, including details on our level of compliance and other areas of progress, can be found in our Welsh Language Standards Annual Monitoring Report published annually in August and available [here](#).

Conclusion and Forward Look

I hope you found that this performance section provided a wide ranging summary of activity across a range of our programmes of work for 2023-2024.

Despite what continues to be a very challenging period, CTMUHB is extremely proud of what its staff have achieved in terms of improvements in waiting times and performance across specialties, which has been the result of commitment to our patients and a great deal of focused effort against a challenging backdrop.

Of course, there is further work to do and we will be focussing our efforts to improve key areas including cancer services and planned care waits.

There are a number of performance meetings established where scrutiny is undertaken and direction given on the actions required and proposed to see real improvements.

Looking Forward

CTMUHB has plans in place to continue its trajectory of improvement into 2024-2025, and will be looking at:

- Continued development of **patient flow**, at the front door and at the point at which patients leave us, including innovative ways of providing safe care that facilitates smooth and swift movement through all stages;
- Further **increasing the activity rates** within Unscheduled, Planned Care and across the other areas of CTMUHB, looking to return and overtop pre-COVID-19 levels where appropriate and safe. This will include, amongst other things, continued theatre efficiency, full utilisation of outpatients along with proactive management of the waiting lists, using Consultant Connect, validation exercises and innovation wherever possible. Where appropriate, CTMUHB will learn lessons from other organisations and take direction as has happened this year with the involvement of the Delivery Unit and colleagues from Welsh Government. The focus on cancer services will be maintained;
- Further **development of measures within Primary Care and Community** to support hospital services – including changes to the Community Hospitals, developments in Primary Care access and extending the bedding in of the Navigation Hub.

Risks and Mitigation

In common with other NHS organisations there are risks that will need to be managed to achieve our aim of maintaining and improving both activity and quality and of course mitigations will be in place.

The main issues going forward are:

- The **continuation of Industrial Action** by any staff group within the Service would inevitably result in delays to elective activity as an absolute minimum. Staff are becoming familiar with the process of Industrial Action and managing risks associated;
- The high level of activity and acuity of medical and other patients coming through the Emergency Departments in CTMUHB, especially in the winter months, is a **risk to elective activity**. CTMUHB will mitigate against this with the usual “winter pressures” series of actions though this is an issue over which there is limited control;
- The **availability of staff in “hard to recruit to” areas** can be an issue and can result in significant delays – this is an issue across the NHS. CTMUHB continues to look for innovative and focused options to improve this situation when it arises;
- **Increasing referrals, increases in population need** are an increasing issue as identified in the performance section of this report.

Wherever there are risks, we will identify them and secure mitigations to reduce their impact.

The key strategic and high level risks facing CTMUHB are captured in the Accountability Section on page 116 of this report.

Signature:

Paul Mears

Chief Executive

Date: 11th July 2024

Chapter 2 – Accountability Report

Corporate Governance Report

The Corporate Governance Report provides an overview of the governance arrangements and structures that were in place across CTMUHB during 2023-2024, it includes:

- **The Directors' Report:** This provides details of the Board who have authority or responsibility for directing and controlling the major activities of CTMUHB during the year. Some of the information which would normally be shown here is provided in other parts of the Annual Report and Accounts and this is highlighted where applicable.
- **The Statement of Accounting Officer's Responsibilities and Statement of Directors' Responsibilities:** This requires the Accountable Officer, Chair and Executive Director of Finance to confirm their responsibilities in preparing the financial statements and that the Annual Report and Accounts is fair, balanced, and understandable.
- **The Governance Statement:** This is the main document in the Corporate Governance Report. It explains the governance arrangements and structures within CTMUHB and brings together how the organisation manages governance, risk, and control

Directors Report

The Composition of the Board and Membership

CTMUHB is made up of 11 Independent Members (including the Chair and Vice-Chair) who are appointed by the Minister for Health and Social Services, and 9 Executive Directors.

All Independent Members and Executive Director Members have full voting rights.

There are also three Board Level Directors (Director of Corporate Governance/Board Secretary, Director of Digital and Director Communications, Engagement and Fundraising) on the Executive Leadership Group who are invited to attend the Board as 'in attendance' members, but have no voting rights.

In addition, there are three Associate Members who have been appointed by the Minister for Health and Social Services following a recommendation from CTMUHB in accordance with Standing Orders. Associate Members have no voting rights.

Before an individual may be appointed as a Member or Associate Member they must meet the relevant eligibility requirements, set out in Schedule 2 of The Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulation 2009, and continue to fulfil the relevant requirements throughout the time that they hold office. The Regulations can be accessed via the following [link](#).

Further details in relation to the composition of the Board can be found at pages 142-146 of the Governance Statement. This will include Board and Committee membership, including the Audit and Risk Committee, for 2023-2024, the meetings attended during the year and the champion roles fulfilled by Board Members.

Statement of the Chief Executive’s responsibilities as Accountable Officer of CTMUHB

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

The relevant responsibilities of Accountable Officers, including their responsibility for the propriety and regularity of the public finances for which they are answerable, and for the keeping of proper records, are set out in the Accountable Officer’s Memorandum issued by Welsh Government.

As far as I am aware there is no relevant audit information of which the entity’s auditors are unaware, and I have taken all the steps I ought to have taken to make myself aware of any relevant audit information and to establish that CTMUHB’s auditors are aware of that information.

I can confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and I take personal responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.

I am responsible for authorising the issue of the financial statements on the date that they were certified by the Auditor General for Wales.

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

Signed:

Paul Mears Chief Executive		Date: 11 th July 2024

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 CTMUHB and of the income and expenditure of CTMUHB for that period.

In preparing those accounts, the directors are required to:

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

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

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

By Order of the Board

Signed:

Jonathan Morgan Chair		Date: 11 th July 2024
Paul Mears Chief Executive		Date: 11 th July 2024
Sally May Executive Director of Finance		Date: 11 th July 2024

Governance Statement

Scope of Responsibility

The Board is accountable for Governance, Risk Management and Internal Control.

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

This Annual Report outlines the different ways the organisation has had to work both internally and with partners in response to the unprecedented pressure in planning and providing services. It explains arrangements for ensuring standards of governance are maintained, risks are identified, mitigated and assurance has been sought and provided. Where necessary additional information is provided in the Governance Statement, however the intention has been to reduce duplication where possible. It is therefore necessary to review other sections in the Annual Report alongside this Governance Statement.

The Executive Leadership Group assist me as Chief Executive in discharging my accountabilities and meet weekly for formative discussion, support and decision-making. The Executive meets more formally with the wider leadership management group via the monthly Operational Management Board meetings. It has strong links to all relevant governance forums inside and outside CTMUHB.

The organisation's work is supported by the achievement of the policies, aims and objectives. These are delivered in the knowledge that there is a need to safeguard public funds and the organisation's assets for which Board Members are personally responsible.

Escalation and Intervention Arrangements

Please refer page 13 of this Annual Report which outlines the current escalation status of CTMUHB and the changes during 2023-2024. In summary, as at the time of finalising this report the escalation status of CTMUHB remained unchanged in the following areas:

Area	Previous Status	New Status
Planning and Finance	Enhanced Monitoring	Enhanced Monitoring
Performance	Targeted Intervention	Targeted Intervention

Our Governance Framework

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 it 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.

The Chair's performance is assessed by the Minister for Health and Social Services whilst the Chief Executive's performance is assessed by the Chair with input from the Director General Health and 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 regularly by the Operational Management Board providing oversight that CTMUHB is meeting both internal and external targets for quality and performance. The Board Assurance Framework, discussed later in this section, is also received at every routine Health Board meeting.

Hosted Organisations (WHSSC, EASC and NIAW) provide a Governance Statement or a Compliance Statement to support the Chief Executive in signing the CTMUHB Governance Statement. These are available upon request from the Director of Corporate Governance/Board Secretary or via CTMUHB's Audit & Risk Committee papers on our website for the month of July 2024, [available here](#).

CTMUHB continues to work closely with local authority partners and stakeholders, and the third sector. The organisation's '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.

Model Standing Orders, Reservation and Delegation of Powers

Model Standing Orders, Reservation and Delegation of Powers are issued by Welsh Ministers for the regulation of the CTMUHB's proceedings and business. These translate the statutory requirements set out in the Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009 (S.I. 2009/779 (W.67)) into day to day operating practice, and, together with the adoption of a Scheme of decisions reserved to the board; a Scheme of Delegations to officers and others; and Standing Financial Instructions (SFIs), they provide

the regulatory framework for the business conduct of the health board and define its 'ways of working'.

The All-Wales Model Standing Orders, Reservation and Delegation of Power for Standing Orders and the Standing Financial Instructions are reviewed annually.

During 2023-2024, Welsh Government issued updated Model Standing Orders for NHS bodies in Wales, as outlined below:

Issued July 2023 - The main changes related to reflecting the provisions of the Health and Social Care (Quality and Engagement) Act 2020, including:

- Introduction of the duty of quality and duty of candour;
- Changes linked to the establishment of Llais and the dissolution of the Community Health Councils and the Board of Community Health Councils;

These amendments were approved by the Board at its meeting on the 28th September 2023.

Issued March 2024 – The main changes related to the adoption of the Joint Commissioning Committee and the ceasing of WHSSC and EASC. These amendments were adopted by the Board at its meeting on the 28th March 2024.

These documents form the basis upon which our governance and accountability framework is developed and, together with the adoption of our Standards of Behaviour framework, is designed to ensure the achievement of the standards of good governance set for the NHS in Wales.

Variation to standing Orders

Conducting Board Meetings – Standing Orders states that 'The board and its committees shall conduct as much of its formal business in public'.

During the pandemic, CTMUHB was unable to meet in public, in accordance with the Public Bodies (Admissions to Meetings) Act 1960, due to limitations on public gatherings, however, to ensure business was conducted in as open and transparent manner as possible during this time, it continued to:

- Live broadcast all Board meetings;
- Publish agendas and papers in advance of the meeting – ideally seven days (the board acknowledge that this is a breach of Model Standing Orders which stipulates agendas should be published 10 days prior to meetings, however a local variation has been made);
- Provide a clear link to the health board's website pages and social media accounts signposting to further information and publication dates; and
- Make amendments to the website (which constitutes the official notice of board meetings) and explain why the board is not meeting in public.

This variation to our Standing Orders continued until 30 March 2023, when the Board returned to meeting in person. Live streaming of Board meetings has continued to maintain transparency and accessibility by the public and staff to board business and decision making and from January 2024 members of the public and staff were encouraged to observe Board meetings in person.

The public are not currently invited to attend Board Committees in person or via virtual form. This equates to a breach of CTMUHB's Standing Orders. This has been risk assessed, taking into account that all decisions are made by the Board, and committee papers and minutes are made available on the CTMUHB website, available [here](#).

CTMUHB also records a breach of Standing Orders by failing to meet the 10 day publication of papers requirement by routinely only publishing 7 days in advance of Board meetings.

With regards to the Annual General Meeting (AGM) - Standing Orders states that CTMUHB 'must' hold an AGM in public no later than the 31 July each year.' In light of the revised timetable for Audit Wales (AW) to submit final Annual Reports and Accounts to HSSG Finance for the reporting period 2022-2023, Welsh Government confirmed that AGMs will take place no later than 28 September 2023. This variation was noted by the Audit & Risk Committee on the 19 April 2023 and Board on the 25 May 2023 directing that the health board: 'must hold its 2023 AGM in public no later than the 28 September. This variation from the date of July will be reviewed on the 31 March 2024.' This was reported to the Board in May 2023.

The AGM position for 2023-2024 is that it shall be held no later than the 28th September. CTMUHB is planning to hold its AGM at the end of July 2024.

CTMUHB Board

CTMUHB Board provides leadership and direction to the organisation and is responsible for governance, scrutiny, and public accountability, ensuring that its work is open and transparent.

The Board functions as a corporate decision-making body. All 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 is comprised of individuals from a range of backgrounds, discipline, and areas of expertise, and provides leadership and direction ensuring that sound governance arrangements are in place.

During 2023-2024, all Board meetings in public were broadcast live, with a recording of the meeting uploaded to our website after each meeting.

During 2023-2024, the Board held:

- 6 meetings in public (all were quorate)
- One Annual General Meeting
- 8 Board Development / Briefing Sessions

Attendance is formally recorded within the minutes, detailing where apologies have been received and where deputies have been nominated.

The dates, agendas and minutes of all public meetings can be found on the CTMUHB [website](#):

CTMUHB Board has an Annual Cycle of Board Business and a Forward Work Programme, which is adapted during the year to respond to emerging events and circumstances. There is also a Shared Listening and Learning (Staff and Patients) centred focus by the Board and Board Committees, demonstrated by the presentation of stories at each meeting where appropriate.

Items considered by CTMUHB Board during 2023-2024, included:

Governance, Risk and Assurance • Policy on Policies - Inclusion of Data Protection Impact Assessment Section • WHSSC Governance and Accountability Framework & WHSSC Standing Orders and Standing Financial Instructions • Amendments / Variations to CTMUHB's Standing Orders and Standing Financial Instructions • Internal Audit Annual Audit Plan 2023/2024 • Chairs Report and Affixing of the Common Seal • Chief Executives Report • Board Assurance Framework • Annual Review of the Risk Management Framework • Board Committee Highlight Reports and Annual Reports • Annual Report and Accounts 2022-2023 • JAG Accreditation Position Statement • Audit Wales and Healthcare Inspectorate Wales Joint Follow Up Review Quality Governance • Welsh Language Standards Annual Report 2022-2023 • CTMUHB Assurance Manchester Arena Inquiry – Recommendations • Audit Wales Structured Assessment 2023 • Charitable Funds Annual Report and Accounts • Effective Management of Board Business • Strategic Equality Plan • Audit Wales Annual Audit Report	Environmental & Sustainability • Decarbonisation Action Plan • Active Travel Charter	Public Health & Population • Decarbonisation Action Plan • Director of Public Health Report 2020 – 2023 • Vaccination and Immunisation and Vaccine Equity Strategic Plans 2023-2026
Planning, Performance & Finance • Integrated Performance Dashboard • Civil Contingencies and Business Continuity Report • Finance Report • CTM 2030 Our Health, Our Future • CTM 2030 Clinical Services Plan • Regional Capital Board – Capital Plan • Annual Plan Quarterly Updates • Annual Plan 2023/2024 Resubmission	Quality Governance • Nurse Staffing Levels Annual Assurance Report 2022-2023 • Carers Annual Report	Partnership Working • Working in Partnership • WHSSC Cochlear Implant and Bone Conduction Hearing Implant Hearing Device Service Engagement and Next Steps • Regional Ophthalmology Strategy

• Annual Carbon Plan • CTM 2023 Strategy Update • Llantrisant Health Park Update – To include the year one+ Plan – Presentation • Integrated Medium Term Plan	• Putting Things Right Annual Report • . Infection Prevention & Control Annual Report • Clinical Education Annual Report • Public Services Ombudsman For Wales A Year of Change – A year of Challenge Annual Report and Accounts 2022/2023 • Safeguarding Annual Report	• Regional Partnerships Board & Public Services Board 6 Monthly Report - Verbal Update • Implementing a Regional Model of Integrated Community Care Services • Establishment of the NHS Wales Joint Commissioning Committee, as a Joint Committee of Local Health Boards in NHS Wales

CTMUHB - Board Membership

The Board has been constituted to comply with the Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009. The Board consists of 20 voting members (11 Independent Members and 9 Executive Directors). There are also three Associate Members that take part in board meetings in public, though they do not hold any voting rights. The Board is supported by the Director of Corporate Governance/Board Secretary, the Director of Digital and the Director of Communications, Engagement & Fundraising, who attend its meetings but do not have voting rights.

There have been a number of changes to the Independent Members of the Board during 2023-2024, CTMUHB has said farewell to:

- Jayne Sadgrove, Vice Chair on 31 August 2023;
- James Hehir, Independent Member (Legal) on 30 September 2023;
- Mel Jehu, Independent Member (Community) on 31 March 2024.

CTMUHB also warmly welcomed two new Independent Members to the Board in 2023-2024:

- Kath Palmer, Vice Chair on 13 November 2023;
- Helen Lentle, Independent Member (Legal) on 2 January 2024.

Where there were changes in Independent Board Member appointments during the year, every effort was made to ensure that the interval until a new appointee was confirmed was as short as possible. Such action helped to bolster Board Member arrangements and therefore avoid any adverse impact on decision-making. Unfortunately, there was a short gap in appointment of an Independent Member (Legal) and the Vice Chair due to system changes within the Public Appointments Unit in Welsh Government which delayed the appointment process.

Whilst we initiated the recruitment process for a new Independent Member straightaway, we also undertook a review of committee membership to ensure that committees were appropriately covered and supported by other Independent Members as appropriate.

In March 2024, the Chair recommended to the Minister the re-appointment of Associate Board Members, Anne Morris and Lisa Curtis-Jones. Their new terms will commence in 2024-2025.

Biographies, providing further information on Board Members, are published on CTMUHB's [website](#).

In addition to responsibilities and accountabilities set out in terms and conditions of appointment, Board Members also fulfil a number of Champion roles where they act as ambassadors for these matters. The table at Appendix B of the Governance Statement sets out the composition of the Board in 2023-2024 outlining the positions held, the area or expertise/ representation role, the Board and Committee membership and attendance, and the Champion roles.

The following key changes have been made to the Executive Leadership Group during the year:

- CTMUHB faced challenges in appointing a substantive Executive Director of Public Health, however, in the interim, the portfolio was covered by Philip Daniels, Consultant in Public Health, who following a competitive recruitment exercise was successful in being appointed to the substantive role as Executive Director of Public Health, which commenced on the 13 November 2023.
- Gareth Watts was successfully appointed to the role of Director of Corporate Governance / Board Secretary commencing on the 6 September 2023. Prior to Gareth's appointment the Corporate Governance portfolio had been covered by the Assistant Director of Governance and Risk following the departure of G Galletly in November 2022.

Board Committees

The Board can and has delegated certain functions to Board Committees, whilst maintaining that the Board is ultimately accountable and responsible for decision-making.

An effective Board and Committee structure provides the mechanism for Board Members to be able to focus on "Oversight, Insight and Foresight".

There are currently **9** formal Board Committees

1. Audit & Risk Committee
2. Charitable Funds Committee
3. Digital & Data Committee
4. Mental Health Act Monitoring Committee
5. People & Culture Committee
6. Population Health & Partnerships Committee
7. Planning, Performance & Finance Committee

8. Quality & Safety Committee
9. Remuneration & Terms of Service Committee

There is currently **1** formal Sub Committee of the Board:

1. Health Safety & Fire Sub Committee (Sub Committee of the Quality & Safety Committee)

Each Committee and Sub-Committee is chaired by an Independent member. These committees have an important role in providing scrutiny and seeking assurance in relation to the achievement of our strategic and planning objectives, provision of safe and effective services, compliance with legislation and standards, learning from lessons, and oversight of performance and risk.

The Terms of Reference for all Board Committees are reviewed on at least an annual basis and can be found on CTMUHB [website as follows:](#)

The chair of each committee provides a written Highlight Report to the Board following each meeting outlining key risks and highlighting areas, which need to be brought to the Board's attention to contribute to its assessment of assurance and provide scrutiny against the delivery of objectives or other matters. The committees, as well as reporting to the Board, also work together on behalf of the board to ensure, where required, that cross reporting and consideration takes place, and assurance and advice, is provided to the board and the wider organisation. As well as producing formal minutes, each committee maintains a table of actions that is monitored at meetings, a Committee Cycle of Business and a Forward Work Programme. Each committee chair is also responsible for providing the board with an annual report, setting out a helpful summary of its work throughout the year. Each committee has an Executive Director lead(s) who works closely with the chair of each committee in agenda setting, business cycle planning and to support good quality, timely information being

Agenda planning meetings are held with Committee Chairs, Vice Chairs, Executive Leads and the Corporate Governance Team which provides an opportunity to reflect on the effectiveness of the previous meeting and consider the agenda for the next, whilst also referencing the Committee Cycle of Business, Forward Plan, the Board Assurance Framework and high risks on the Organisational Risk Register.

There is an agreed process for committee referrals where the Chair of the referring Committee will ensure the following questions are clarified prior to an item being deferred:

- What are you referring?
- Why are you referring it?
- What is the outcome that you are anticipating from this referral?

During 2023, each committee has undertaken a self-assessment and produced a meaningful summary and action plan, as appropriate, to ensure there is continual learning and improvement.

Appendix B of the Governance Statement includes a table outlining Board and Committee Membership attendance for 2023-2024.

Appendix C of the Governance Statement includes a table outlining the Board and Committee meetings held during 2023-2024, highlighting any meetings where there may have been an issue with quoracy.

An Effective Management of Board Business Review Proposal commenced in January 2024, with a report to the Board on the 28th March 2024 recommending a revised Board and Committee structure. This recommendation was approved and the arrangements will be implemented during 2024-2025.

Board Advisory Groups

CTMUHB has a statutory duty to 'take account of representations made by persons and organisations who represent the interests of the communities it serves, its officers and healthcare professionals'.

- **Stakeholder Reference Group (SRG)**

The SRG is formed from a range of partner organisations from across the Health Board's population area and engages with and has involvement in the strategic direction, advises on service improvement proposals and provides feedback to the Board on the impact of its operations on the communities it serves. The SRG met six times during 2023-2024. This group is chaired by Anne Morris, Associate Board Member.

- **Clinical Advisory Group (CAG) (Formerly known as the Health Professionals' Forum)**

The CAG provides the mechanism to seek essential contributions from clinicians across CTMUHB in the development of CTMUHB's clinical strategy. It provides a structure within CTMUHB that enables the front-line clinical team voices to reach management and the Board from a pan-health board perspective. The CAG met eight times during 2023-2024. This group is chaired by Sally Bolt, Associate Board Member.

- **Local Partnership Forum (LPF)**

The LPF engages with local trade union representatives from all recognised trade unions, on matters relating to operational and strategic workforce and CTMUHB service delivery issues. It provides the formal mechanism through which the CTMUHB works together with trade unions and professional associations to improve health services for the population served. It is the LPF where key stakeholders engage with each other to inform debate and seek to agree local priorities on workforce and health service issues. The LPF met five times during 2023-2024. This forum is jointly chaired by a Staff Side Representative and Hywel Daniel, Executive Director for People.

Board Development

CTMUHB has held regular Board Development Sessions throughout 2023-2024 on a variety of topics to support ongoing awareness, learning and development for Board Members. Examples of the topics covered include:

- Reflection on Integrated Performance Dashboard contents;
- Risk Tolerance – in a Clinical Context;
- Mental Health & Learning Disabilities Briefing;
- Clinical Services Plan;
- Critical Care Framework;
- Creating Health through Whole Systems Leadership;
- Response to Healthcare Inspectorate Wales Review into Mental Health Services – Update;
- Healthcare Inspectorate Wales/Audit Wales Joint Follow Up Review into Quality Governance;
- Recognition of the Royal College of Nursing Award Finalists;
- Facilitated Session: Developing High Quality Care Cultures;
- Focussed session on Diabetes;
- Annual Updates from Welsh Health Specialised Services Committee and the Emergency Ambulance Services Committee;
- Presentation on Long Term Conditions;
- CTMUHB Self-Assessment: Speaking Up Safely – A Framework for the NHS in Wales;
- Presentation on the Future Models of Primary Care;
- Community Engagement and CTMUHB Ambition to become an 'Engaging Organisation';
- The Employee Wellbeing and Experience Service: Past, Present and Future;
- Research & Development.

The purpose of these sessions is to promote Board engagement, relationships and collaboration and increase the opportunity for Board members to gain a greater understanding of their core responsibilities, develop the skills of the collective Board, work together effectively in developing strategy, strengthening oversight and delivering the collective accountabilities of a Board. The continuing approach for Board Development Sessions will be a structured programme of development, facilitated where appropriate.

There will be at least four sessions per annum where Board Members are asked to prioritise attendance in person, it is considered that meeting in person supports and builds positive relationships and engagement amongst Board Members.

Where possible the sessions will be limited to two topics per session to allow for sufficient time for robust discussion and learning.

Board Briefings

During 2023-2024, Board Briefing sessions have been held to brief Board Members on topical issues (including confidential issues) and to raise awareness and

understanding to better inform decision-making and scrutiny. Items are suggested by the Executive, or requested by Independent Members to build a programme of briefings relevant to topical and timely issues.

Board Effectiveness

Board Annual Self-Assessment of its Effectiveness 2023-2024

During 2023-2024, CTMUHB has undertaken and/or engaged in a number of assessments that would provide internal and external sources of assurances to support the Board in undertaking its annual effectiveness self-assessment, these are:

Internal Sources of assurance:

- Effective Management of Board Business Review;
- Board Development Session – Developing High Quality Care Cultures;
- Corporate Governance in Central Governance Departments: Code of Practice 2017;
- Good Governance Activity, such as;
 - Reflective Practice following Board and Committee meetings
 - Board Committee Effectiveness
 - Independent Member Scrutiny Toolkit
 - Board Assurance Framework Reporting
 - Board Development Programme / Board Briefings
- Annual Review of the Risk Management Framework;
- Responding to the 2022-2023 Annual Board Effectiveness Self-Assessment.

External Sources of Assurance:

- Audit Wales Structured Assessment 2023;
- Internal Audit Review of the Board Assurance Framework;
- Joint Escalation and Intervention Arrangements Status – Quality & Governance, Trust and Confidence;
- Quality Governance Review (Audit Wales and Health Inspectorate Wales).

Following due consideration of the sources of assurances and supporting documentation, the Board were asked to consider an overall level of maturity in respect of governance and Board effectiveness, based on the same criteria used in previous years, the Board concluded its maturity rating in respect of Board Effectiveness / Governance, Leadership and Accountability to be “Level 4 –We have well developed plans and processes and can demonstrate sustainable improvement throughout the service”, and this was formally approved by the Board at its meeting on the 30th May 2024. The full report is available here: ctmuhb.nhs.wales/about-us/our-board/board-meetings-papers/2024-board-papers/30-may-2024/agenda-and-papers-health-board-meeting-30-may-2024-v2-compressed-pdf/

Joint Committees

As noted on page 10, CTMUHB hosts the following Committees on behalf of NHS Wales:

- **Emergency Ambulance Services Committee (EASC)**
- **Welsh Health Specialised Services Committee (WHSSC)**

Further detail on EASC and WHSSC is captured on page 10 of this report.

Partnership and Collective Working

NHS Wales Shared Services Partnership Committee

NWSSPC was established in 2012 and is hosted by Velindre University NHS Trust. It is responsible for the shared services functions for the NHS, such as procurement, recruitment, and legal services. CTMUHB is represented by the Executive Director for People at this committee with regular reports received by the Board following each meeting.

A 'Working in Partnership' update report is received by the Board at every meeting. Update reports from the Advisory Groups, Joint Committees and Statutory Partnerships are also received and these can be found with the Board papers available via the following link

Command and Control Structure

As reported in previous annual reports a command and control structure was established to facilitate planning and preparations in response to the COVID-19 pandemic. During 2023-2024, the command and control structure was stood up to support the response to Industrial Action and to manage service impact and to minimise disruption to services.

The Purpose of the System of Internal Control

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

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 March 2024 and up to the date of approval of the annual report and accounts.

The Board is accountable for maintaining a sound system of internal control which aids achievement of the organisation's objectives. It has been supported in this role by the work of the main Committees, each of which provides regular reports to the Board, underpinned by a Board Committee structure, as outlined in Appendix D of the Governance Statement. The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties and a system of delegation and accountability.

CTMUHB recognises that scrutiny has a pivotal role in promoting improvement, efficiency and collaboration across the whole range of its activities and in holding those responsible for delivering services to account.

Capacity to Handle Risk

Risk Management Strategy

CTMUHB is committed 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 Annual Plan.

The Board Assurance Framework (BAF) is used by the Board to identify, monitor and evaluate risks which impact upon strategic objectives. It is 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.

CTMUHB reviewed and approved a revised Risk Management Strategy at its meeting in May 2023, which is available on the Health Board's [website](#): and is further complemented by an updated Risk Management Policy and Risk Assessment Procedure.

The Risk Management Strategy, Risk Management Policy and Risk Assessment Procedure outline how CTMUHB escalates areas of weakness (risk) from service to Board.

'Llais', who represent the views of and advocate for people across health and social care in respect of complaints about services) are represented at the Quality & Safety Committee and Health Board meetings where risk is discussed.

Where work is delivered in partnership with strategic partners, such as via the Public Services Board and Regional Partnership Board, risk management arrangements are led by the host organisation. These risk management arrangements dovetail with the CTMUHB's Risk Management Framework to feed into the Organisational Risk Register and Board Assurance Framework as appropriate.

Risk Appetite Statement

CTMUHB's Risk Appetite has been defined following consideration of organisational risks, issues and consequences. Appetite levels will vary, in some areas the Health Board's risk tolerance may be cautious in others it may be eager for risk and willing to carry risk in the pursuit of important strategic objectives.

CTMUHB will always aim to operate organisational activities at the levels defined below. Where activities are projected to exceed the defined levels, this will be escalated through the appropriate governance mechanisms to the Board for ratification.

The Risk Management Strategy, Risk Appetite Statement, Board Assurance Framework and Risk Scoring Domain Matrix were reviewed in April 2023 and approved at the Public Board Meeting in May 2023. They are next scheduled for review in May 2024.

The current risk appetite domains are:

Quality and Safety risks - (including physical and/or psychological harm) of its patients, workforce and the public) – the Health Board has adopted a **Cautious** stance for quality and safety risks, with a preference for safer delivery options, tolerating a cautious degree of residual risk and choosing the option most likely to result in successful delivery, high quality care and value for money services to its population.

Reputation / Adverse Publicity (Trust in Confidence) risks - the Health Board has adopted a **Cautious** stance for reputational risks, with a preference for safer delivery options, tolerating a cautious degree of residual risk and choosing the option most likely to result in successful delivery, high quality care and value for money services to its population.

Business Continuity risks - the Health Board has adopted a **Cautious** stance for Business Continuity Risks. The Board will receive ongoing assurance from the testing of business continuity plans.

Legal / Regulatory Compliance risks – the Health Board has adopted a Cautious stance for Legal, Regulatory and Compliance risks, seeking a preference for adhering to responsibilities and safe delivery options with little residual risk. The Board will receive assurance that compliance regimes are in place.

Data and Information Management risks – the Health Board has adopted a **Cautious** stance for data and information management risks seeking a preference for adhering to responsibilities and safe delivery options with little residual risk. There is acceptance for the need for operational effectiveness with risk mitigated through careful management of information sharing and limiting distribution.

Financial stability risks – the Health Boards stance for financial risk is varied as follows:

- **Averse** for financial propriety and regularity risks with a determined focus to maintain effective financial control framework accountability structures;
- **Averse** – in terms of risks related to the Health Boards qualification of accounts, associated process and deviation from reporting timescales;
- **Minimal** – as to risk relating to breaching individual control totals;
- **Cautious** – in relation to the Health Boards budget spend with the intention that it should maximise the use of resource each year. The Health Board will seek safe delivery options with little residual risk that only yield some upside opportunities. The Board would receive ongoing assurance through reporting structures that policies and procedures are in place to comply with HMT guidance.

Assets and Estates risks – the Health Board has adopted **Cautious and Open** stances for assets and estates respectively, seeking value for money but with a preference for proven delivery options that have a cautious residual risk. This means that the Health Board will use solutions for purchase, rental, disposal, construction, and refurbishment that ensures it protects the public purse from as much risk as possible, producing good value for money whilst fully meeting organisational objectives.

Technological advances - the Health Board has adopted an **Open** stance for risks associated with technological advances accepting that system and technology developments can enable improved delivery. Responsibility for non-critical decisions may be devolved in accordance with the Scheme of Delegation. Plans

Board Assurance Framework

CTMUHB's Board Assurance Framework (BAF) was first approved by the Board on the 31st March 2022. A review was undertaken in April 2023 and an updated BAF was approved at the Public Board meeting in May 2023.

The BAF is articulated via a Board Assurance Report (BAR) presented to Board that brings together the organisation's strategic goals and the strategic risks which may impact CTMUHB's ability to deliver its objectives. The BAR identifies the controls in place to manage these risks, assurances which show whether they are working and the further mitigating action required.

The BAR:

- provides action plans to mitigate any gaps in controls or assurances;
- links to key measures of performance and National priority measures; and
- aligns strategic risks to operational risks on the Organisational Risk Register.

The benefits of the BAR include:

- that it is designed specifically for Board-level oversight;
- it is a structured and evidence-based assessment of the key risks facing CTMUHB
- can be used to shape cycles of business and the work of the Board and Board Committees;
- enables Independent Members to focus their scrutiny and constructive challenge; and
- supports strategic decision-making.

CTMUHB will monitor the BAR and ensure remains up to date by the following activity:

- each strategic risk has a Lead Executive(s);
- the Assistant Director of Governance and Risk will review the risk score, action plan and current performance with the Lead Executive(s) in readiness for reporting to the Board;
- each principal risk is aligned to a Board Committee(s) for assurance;
- the BAR will include a trend line for each strategic risk, showing how the score has changed over time;
- the Board should consider annually whether the principal risks are comprehensive, or if risks need to be added / removed / changed.

The Audit and Risk Committee, as a Committee of the Board, has oversight of the processes through which the Board gains assurance in relation to the management of the BAF. The latest Board Assurance Framework Report which was received at the Board meeting on the 28th March 2024, is available [here](#).

Strategic / Principal Risks

As at the 31st March 2024, there are ten Strategic Principal Risks captured within the Board Assurance Framework as follows:

Figure 40

Strategic / Principal Risk 1	Sufficient capacity to meet emergency and elective demand.	This risk has a risk score of 16.
Strategic / Principal Risk 2	Ability to deliver improvements which transform care and enhance outcomes.	This risk has a risk score of 16.
Strategic / Principal Risk 3	Finance Revenue Resources. <i>This risk was approved for closure at the Board meeting on the 28th March 2024 as the target score had been achieved.</i> <i>A new financial risk was developed and presented for approval at the May 2024 Board meeting.</i>	This risk has a risk score of 8.
Strategic / Principal Risk 4	Sufficient workforce to deliver the activity and quality ambitions of the organisation.	This risk has a risk score of 20.
Strategic / Principal Risk 5	Community and Partner Engagement.	This risk has a risk score of 12.
Strategic / Principal Risk 6	Delivery of a digital and information infrastructure to support organisational transformation.	This risk has a risk score of 16.
Strategic / Principal Risk 7	Leadership and Management.	This risk has a risk score of 12.
Strategic / Principal Risk 8	Culture, Values and Behaviours.	This risk has a risk score of 12.
Strategic / Principal Risk 9	Fulfilling our Environmental and Social Duties and Ambitions.	This risk has a risk score of 16.
Strategic / Principal Risk 10	Healthy Life Expectancy.	This risk has a risk score of 20.

Aligned to the Strategic/Principal risks within the Board Assurance Framework report are organisational risks which have been escalated to the Organisational Risk Register, which have a risk score of 15 and above.

A summary of some of the highest graded risks facing the organisation, which have been escalated to the Organisational Risk Register, are listed below. This is

not an exhaustive list and the Organisational Risk Register as at the end of March 2024 is available [here](#).

CTMUHB has a number of Improvement Programmes supporting the mitigation of risk, for example, the Planned Care Recovery Programme, Six Goals, and Stroke Improvement Programme.

The Impact of COVID-19 Pandemic

In terms of the COVID-19 Risk Logs, when Gold Command was stood down, any relevant legacy risks were transferred to the Organisational Risk Register as appropriate. It is evident from the CTMUHB's risk register that the impact of the pandemic has significantly affected the organisation's position in terms of recovery and resetting of its services.

Service to Board Escalation

The risk management process in relation to the escalation of new risks is defined in Appendix 3 of the [Risk Management Strategy](#)

Risk Tolerance Levels

CTMUHB's Risk Management Strategy indicates that any risk graded 15 and above, or those not able to be managed, are escalated to the Organisational Risk Register for consideration by the Board once they have been signed-off through the relevant escalation stages.

Organisational Risk Register

A copy of the Organisational Risk Register (as at March 2024) is available [here](#). It is received in its entirety at the Audit & Risk Committee and assigned risks are considered at each Board Committee meeting as appropriate. The cover paper supporting the register outlines the new risks, control measures and the action taken to mitigate risks. The register is also made available to Board Members at each Board meeting for reference when scrutinising the Board Assurance Report.

Risk Management Training

Risk Management training continues on a monthly basis delivered by the Assistant Director of Governance & Risk and the Heads of Quality & Safety. Sessions are planned throughout 2024 and continue to result in positive feedback and results in training numbers growing year on year.

Independent Assurance on Risks

- Internal Audit Review – Board Assurance Framework (April 2023)

An Internal Audit Review on the Board Assurance Framework (BAF) was undertaken during the final quarter of 2022-2023, which concluded with a 'Substantial Assurance' rating. The report (including management action plan) was submitted to the Audit & Risk Committee papers in April 2023. The findings confirmed that policies and procedures are in place, that the BAF aligns to

strategic objectives set out in the IMTP and that strategic risks are regularly reviewed. Furthermore the report set out that action plans are in place where gaps in controls exist and that monitoring and scrutiny of the BAF is evident.

The only area identified for improvement related to the provision of greater clarity as regards the gaps in controls and mitigating actions.

- Internal Audit Review – Risk Management (March 2024)

The outcome of the 'Risk Management Review' was 'Reasonable Assurance'.

- Structured Assessment Report 2023

The Structured Assessment Report for 2023 was received at the Audit & Risk Committee in December 2023 and presented to the Board at its meeting in January 2024, the full report is available [here](#):

The report commented as follows:

"The Health Board's Board Assurance Framework is well embedded and starting to drive Board and committee business. The Health Board has an appropriate Board-approved risk management framework in place, with the risk management strategy, statement, and risk domains up-to-date and reflecting the organisation's new operating model." Page 6, paragraph 12.

The Control Framework

Quality Governance

CTMUHB's Quality Strategy ([available here](#)) sets out our quality ambitions and our quality goals, structured around the six dimensions of quality for 2022-25.

CTMUHB have undertaken stakeholder engagement to ensure that these chime with the views and priorities of its stakeholders.

Each year, CTMUHB will devise an Annual Quality Work Plan to focus its efforts on the delivery of quality objectives. Identification of these annual objectives will be data-driven and risk-stratified to ensure a targeted approach to improving quality.

CTMUHB report its progress against the quality objectives that it has committed to achieve. This will be at regular intervals and CTMUHB will adapt its plans based upon progress and learning.

CTMUHB ensures that its quality performance monitoring is 'always on'. The Quality Management System will ensure that quality performance data is readily available in order to ensure rapid identification and response to any early warning indicators.

Quality and safety is everyone's business, but senior accountability and responsibility has been strengthened within CTMUHB through the collective responsibility being shared across its four clinical Executive Directors. The operating model ensures clearly defined structures for quality governance across the Care Groups, and professional groups who have clearly identified leads for quality.

CTMUHB's risk management strategy is outlined on page 116. CTMUHB considers that the risk management process within the organisation supports the approach set out in "The Orange Book – Management of Risk – Principles and Concepts". [The Orange Book – Management of Risk – Principles and Concepts \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/100000/the-orange-book-management-of-risk-principles-and-concepts.pdf)

Clinical Audit

Clinical Audit - A report setting out progress on the Clinical Audit Forward Plan for 2024-25 (which includes a position report for audits from 2023-2024) was submitted to the Quality & Safety Committee at its meeting in [March 2024](#). A Clinical Audit and NICE Effectiveness (CANE) group is responsible for development of the organisation's annual forward plan. The group is also responsible for reviewing the progress of local Clinical Audit Operational Plans. Themed Clinical Effectiveness Committees (CEC) will identifying priority clinical audit topics and monitor national clinical audit recommendations and action plans. The CANE and CECs are able to escalate any concerns to Audit and Risk and Quality and Safety Committee

Information Governance

Information Governance (IG) is managed through a framework which includes the IG Group (IGG) and a central IG Team. The IGG drives the IG agenda and provide CTMUHB with the assurance that effective information governance best practice mechanisms are in place, such as:

- A Caldicott Guardian whose role it is to safeguard patient information
- A Senior Information Risk Owner (SIRO) whose role it is to manage information risk from a corporate viewpoint; and
- A Data Protection Officer (DPO) whose role it is to ensure CTMUHB is compliant with data protection legislation.

The IG Team, led by the Head of IG, provides assurance on its activity and compliance with the relevant legislation which can be evidenced by:

- Quarterly reports to the IGG, including key performance indicators;
- A range of information governance and information security policies, procedures and guidance documents;
- IG training and bespoke learning in addition to Induction for new staff;
- Robust management of all reported breaches, including proactive reporting to the ICO;
- An Information Asset Register used to manage information across the organisation;
- Registers of data sharing agreements and of data protection impact assessments;
- IG Risk Register, received at all regular meetings of the IGG; and
- Annual SIRO report and Highlight Reports from the IGG to the Digital & Data Committee.
- Highlight reports submitted to the Digital & Data Committee are available [here](#):

In terms of the Freedom of Information (FOI) Act, 646 requests were received in 2023-2024 (an increase on the previous 12 month period during which 508 FOI requests were received).

Lapses in Information / Data Security

Data protection legislation requires that where personal data breaches meet a certain set criterion, they be notified to the Information Commissioner's Office (ICO) as the statutory body for data protection in the UK. Information governance incidents are assessed against the threshold for notification by the Information Governance Team.

Incident reports which include data breaches are submitted to the Information Governance Group for scrutiny. For the year 2023-2024, the Information Commissioners Officer were notified of 2 data breaches. One in relation to inadvertent disclosure of personal data was investigated accordingly, with the ICO confirming no further action would be taken. The other is still an ongoing investigation and CTMUHB are awaiting the ICO outcome. All recommendations, actions and lessons learnt are submitted and monitored via the Information Governance Group and Digital Data Committee.

Corporate Governance Code

An assessment of the Corporate Governance Code has been undertaken and is captured on page 113 of this report, along with the annual review of Board Effectiveness.

The Board concluded its maturity rating in respect of Board Effectiveness / Governance, Leadership and Accountability to be "Level 4 –We have well developed plans and processes and can demonstrate sustainable improvement throughout the service", and this was formally approved by the Board at its meeting on 30th May 2024.

Integrated Performance Dashboard

The arrangements for managing performance within CTMUHB is detailed in the Performance Report section captured on page 21.

Planning Arrangements

The planning arrangements relating to CTMUHB's IMTP are outlined on pages 18-19.

Disclosure Statements

Equality, Diversity and Human Rights Legislation

CTMUHB have developed their Strategic Equality Plan (SEP) in collaboration with its workforce as well as its community through an internal and external consultation period over summer 2023. The key themes arising from the consultation have led to finalising the four objectives aligned to the CTM 2030 Strategy. These are:

- 1. Services** - Improve the experience and health outcomes for our patients, ensuring equal access to the services that they need.
- 2. People** – Improve staff engagement and experience, attracting and retaining diverse talent and create a compassionate, inclusive and just culture in which everyone can thrive.
- 3. Community** - Make sure under-represented groups and marginalised communities are involved at the outset of design and delivery of services.
- 4. Infrastructure** – Make sure equality, diversity and inclusion is embedded into the way CTMUHB operate and delivers its services.

The SEP covers the period 2024-2028 in line with Welsh Government guidelines; and the action plan which sits under the SEP will encompass measures linking to national government action plans for Anti-Racism, LGBTQ+ and Disability whilst also tending to measures relating to Gender Pay. As part of our organisational governance arrangements the CTM SEP is being sent for ratification at Board in [March 2024](#), to be published once approved. It sits within the CTMUHB Culture plan for “Creating the Conditions for Everyone to Thrive within a Compassionate, Inclusive & Just Culture”. Implementation for the CTM SEP will be led by the Equality, Diversity and Inclusion working group which has a wide representation from key stakeholders and is held 6-weekly and reports to the Culture Steering Group and the People & Culture Committee with a highlight report the Board.

Membership of the NHS Pension Scheme

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

Carbon Reduction Delivery Plans

As referenced on page 84, CTMUHB has a Decarbonisation Strategy (2022–30) and Decarbonisation Action Plan (DAP). The DAP sets out CTMUHB’s carbon reduction delivery plans, with key areas of focus around facilities, digital, estates, capital, procurement, medicines (including gases) and corporate activities.

Emergency Preparedness

In relation to our emergency preparedness and civil contingency requirements regarding weather projections, CTMUHB notes the following recent activity:

- Review of the Severe Weather Conditions Policy (Snow and Ice) – this policy is underpinned by the Severe Weather Contingency Procedural Guidance.
- Severe Weather Contingency Plan (Heatwave) is currently under review and once finalised the plan will be utilised in partnership with Public Health Wales – Extreme Hot Weather Advice.

The Severe Weather Conditions Policy (Snow and Ice) and the Severe Weather Contingency Plan are aligned to the South Wales Local Resilience Forum (SWLRF) Severe Weather Arrangements (2023-2026). CTMUHB are represented on the SWLRF Severe Weather Sub-Group and as such have engaged with the recent review of the SWLRF severe weather arrangements. It is important to note that:

- The SWLRF arrangements are directly linked to the SWLRF Community Risk Register;
- Representation on the SWLRF Severe Weather Sub Group provides CTMUHB with direct links to all Wales Flood Plans, enabling the Estates Function to also access plans as and when developments on sites is undertaken;
- From a practical/operational perspective CTMUHB are fully signed up to the Met Office – Extreme Weather alerting system. This provides early warning of extreme weather and a suite of graded warnings that are shared pan CTM to allow for the initiation of plans as required. CTMUHB also have direct access to the Met Office Civil Contingencies/EPRR advisor who translates weather warnings into practical and local terms for CTMUHB to respond appropriately as partner organisations;

Register of Interests

Register of interests Details of company directorships and other significant interests held by members of the Board, which may conflict with their responsibilities, are maintained, and updated on a regular basis. A Register of Interests is available on CTMUHB's website at: [Register of Interests, Gifts, Hospitality & Sponsorship - Cwm Taf Morgannwg University Health Board \(nhs.wales\)](#), or a hard copy can be obtained from the Director of corporate Governance/Board Secretary on request.

Environmental, Social and Community Issues

As outlined in the Environmental Sustainability section on page 84, CTMUHB works hard to reduce its impact on the environment, to encourage staff to make healthy lifestyle choices, and to strengthen our relationships and engagement with local communities. Our strategic approach to sustainability ensures that we not only look at ways to reduce fixed costs such as energy, water and waste, but we also embed efficiency principles within our processes for procuring goods and services.

Ministerial Directions

There was one Ministerial Direction received during 2023-2024, which was entitled the National Health Service Joint Commissioning Committee (Wales) Directions 2024 which was issued on 6 February 2024 and came into force on 7 February 2024. The [Direction](#) directed that all seven Local Health Boards must jointly exercise the functions of the new NHS the relevant functions of the new NHS Wales Joint Commissioning Committee from 1 April 2024. Welsh Government has issued non-statutory instruments and Welsh Health Circulars (WHCs) since 2014-2015, and a list of circulars issued can be found on the Welsh Government website. Within CTMUHB, WHC's are logged centrally and an Executive Lead assigned. The list of WHC's are captured in Appendix A to the Governance Statement on page 138.

Modern Slavery Act 2015 – Transparency in Supply Chains - The Welsh Government's Code of Practice

Ethical Employment in Supply Chains highlights the need, at every stage of the supply chain to ensure good employment practices exist for all employees, both in the United Kingdom and overseas. CTMUHB has continued to embed the principles and requirements of the Code, and the Modern Slavery Act 2015. In doing so, it is demonstrating our continued commitment 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; and
- Unfair use of umbrella schemes and zero hour's contracts.

To promote this agenda CTMUHB has been raising awareness of the Code with its staff via Statutory and Mandatory training, as well as with contractors and suppliers. CTMUHB is an accredited Living Wage Employer, which means staff receive an hourly rate, which is higher than the Government's "Minimum National Living Wage. This commitment applies to not only to directly employed staff but also to third party contractors and supplier staff. Therefore all CTMUHB newly appointed contractors / suppliers are required to pay their staff the living wage, if they are not already. This accreditation ensures that everyone working or undertaking work for CTMUHB will received a fair day's pay for their work.

CTMUHB has implemented the Speaking up Safely Framework which provides staff with easier access to raising concerns which outlines the process and individuals they may contact, to empower and enable them to raise suspicions of any form of malpractice, by either our staff or that of suppliers / contractors working on our premises. Staff also have the opportunity to raise such matters via Anonymous Communication, Respect and Resolution Policies and the NHS Raising Staff Concerns Procedure.

CTMUHB has also continued to work in partnership with NHS Wales Shared Services Partnership, recruitment and, buying and procurement staff, to ensure the code commitments underpin and support these activities.

During 2024-2025, CTMUHB will continue to take the following two actions, to deliver on the Code's commitments:

- To strengthen CTMUHB's 'Speaking up Safely' process by actively doing more promotional work to socialise and embed it, to ensure that every employee and worker is aware of it and has the confidence to speak up, without fear of punishment or reprisal.
- Write to all contractors and suppliers whose contracts are due to expire within a 12 month period to remind them that they will only be eligible to re-tender if they can evidence that they are paying their employees and worker the living wage.

Review of Effectiveness

Accountable Officer Statement

The Board is collectively accountable for maintaining a sound system of internal control that supports the achievement of the organisation's objectives and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system.

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

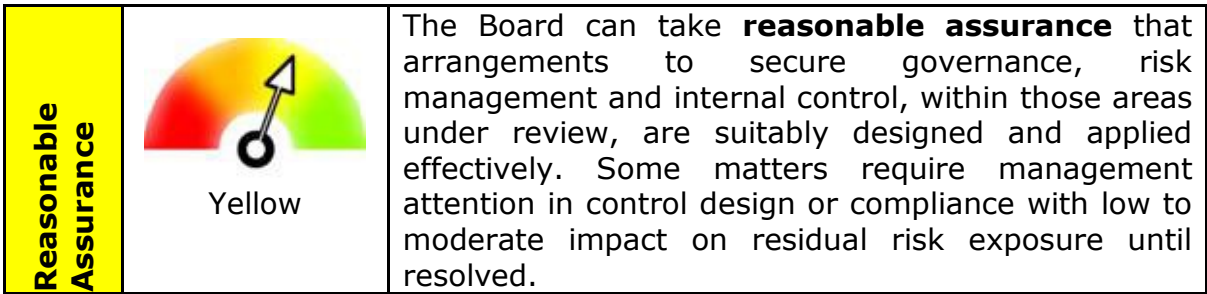
Head of Internal Audit Opinion (HoIA) 2023-2024

Internal audit provide the Chief Executive and the Board, through the Audit & Risk Committee, with a flow of assurance on the system of internal control. The HoIA has commissioned a programme of audit work which has been delivered in accordance with public sector internal audit standards by the NHS Wales Shared Services Partnership.

The scope of the 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.

The overall opinion for 2023-2024 is that:

Figure 41



The purpose of the annual Head of Internal Audit opinion is to contribute to the assurances available to the Chief Executive as Accountable Officer and the Board which underpin the Board’s own assessment of the effectiveness of the system of internal control.

It is a requirement that this opinion is reflected within the Governance Statement along with confirmation of actions planned to address the issues raised. Particular focus is placed on the agreed response to any Limited Assurance opinions issued during the year and the significance of the recommendations made (of which there were seven audits in 2023-2024)

The audit plan is agile and responsive to ensure that key developing risks to the organisation are covered. As a result of this approach, and with the support of CTMUHB Officers and Independent Members across CTMUHB, the plan for 2023-2024 has been delivered substantially in accordance with the agreed schedule and changes required during the year, as approved by the Audit & Risk Committee. In addition, regular audit progress reports have been submitted to the Audit & Risk Committee. Although changes have been made to the plan during the year, it has been confirmed that sufficient audit work has been undertaken during the year to be able to give an overall opinion in line with the requirements of the Public Sector Internal Audit Standards.

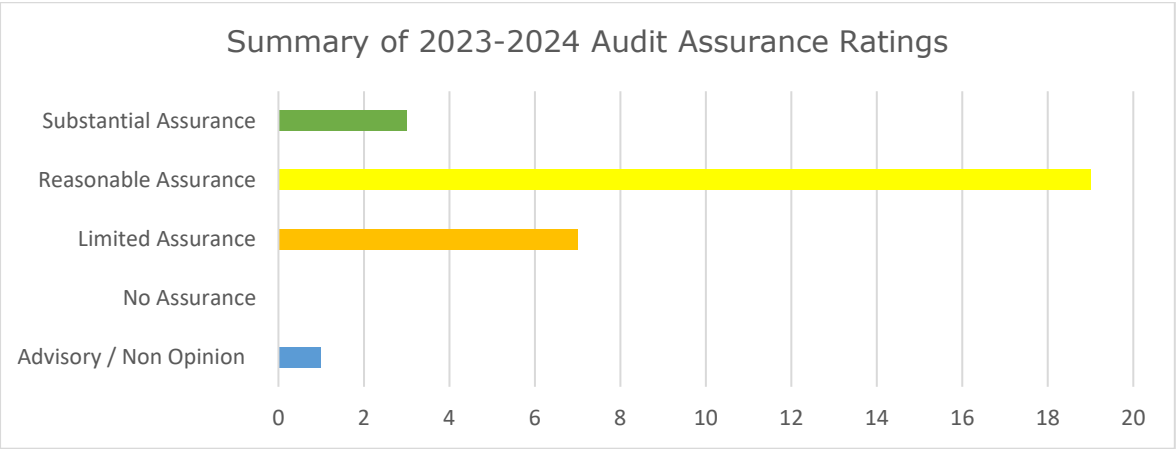
The Internal Audit Plan for 2023-2024 year was presented to the Audit & Risk Committee in April 2023. Some changes to the plan have been made during the course of the year and these changes have been reported to the Committee as part of regular progress reporting.

As in previous years, audits undertaken at NHS Shared Services Partnership, Digital Health & Care Wales, Welsh Health Specialist Services Committee, and the Emergency Ambulance Services Committee support the overall opinion for NHS Wales’s health bodies.

The audit coverage in the plan agreed with CTMUHB has been deliberately focused on key strategic and operational risk areas; the outcome of these audit reviews may therefore highlight control weaknesses that impact on the overall assurance opinion.

Summary of 2023-2024 Audit Assurance Ratings for CTMUHB

Figure 42



A summary of the audits undertaken in the year and the results are summarised in the table below:

Substantial Assurance	Reasonable Assurance
• Arrangements for financial savings – Centralised processes • Prince Charles Hospital – Quality – site supervisor role • Prince Charles Hospital – Validation of management actions	• Adult Mental Health Clinical Service Group – Governance arrangements • Adult Mental Health Clinical Service Group – Risk management • Adult Mental Health Clinical Service Group – Workforce • Adult Mental Health Clinical Service Group – Planning and performance • Deprivation of Liberty Safeguards (DoLS) • Arrangements for financial savings – Enabling schemes • IT infrastructure • IT service management • Leadership and management development • Management of controlled drugs • Risk management • Technical resilience

	• Welsh Risk Pool • Follow up – Radiology workforce • Follow up – Medical variable pay (Draft) • Follow up – Digital operating model • Follow up – Reasonable offer (Draft) • Prince Charles Hospital – Financial management and change control • Prince Charles Hospital – Delivery of key project objectives (Draft)
Limited Assurance	Advisory/Non-Opinion
• Decarbonisation • Estates condition (Draft) • Arrangements for financial savings – Care group processes • Gastro-Intestinal pathways – Demand management • Interventions Not Normally Undertaken (INNU) • Performance management of 4 hour target • Follow up – Patient pathway appointment management	• Annual Governance Statement
No Assurance	
• N/A	

In reaching this opinion the HoIA have identified that the majority of reviews during the year concluded positively with robust control arrangements operating in some areas.

From the opinions issued during the year, three were allocated Substantial Assurance, nineteen were allocated Reasonable Assurance and seven were allocated Limited Assurance. No reports were allocated a 'no assurance' opinion. One advisory or non-opinion piece of work was also undertaken.

At the time of producing the Annual Report, two audits were still work in progress, however, they had not been sufficiently progressed to reliably determine the

assurance rating. The outcomes for these audits may feed into the opinion for 2024-2025 if not completed before the HoIA issues their final annual opinion.

Details set out here of the seven reviews which received a 'Limited Assurance' rating:

1. **Decarbonisation** – CTMUHB has a decarbonisation action plan and there is a governance structure to support implementation. However, the review identified three high priority matters relating to resources, planning, and monitoring and reporting. A limited level of assurance was determined.
2. **Estates Condition (Draft)** – the review noted some progress in addressing historic backlog maintenance to improve the condition of the estate, which has been restricted by the availability of financial resource. The review recommendations aim to aid CTMUHB management in identifying and prioritising the works required - recognising some of the competing pressures and risks. This position is reflected at all of the Health Boards and Trusts where this review was undertaken. A limited level of assurance was determined.
3. **Arrangements for financial savings – care group processes** – Savings targets are allocated to clinical service groups within care groups. The review raised a high priority recommendation in relation to the assessment of savings schemes within care groups. The review provided a limited assurance opinion on this area.
4. **Gastro-Intestinal (GI) pathways – Demand management** – the review focussed on the management of referrals, and considered if the demand for lower GI services (gastroenterology and colorectal surgery) is being managed across the three CTMUHB hospital sites. The review issued a limited assurance report on this area. The report made three high priority recommendations. It was identified that management needed to develop a policy and procedure document in respect of lower GI referral and demand management processes. There was a need to ensure that monitoring and reporting of demand was consistent and regular across the service. Finally, quality checks needed to be introduced in respect of GI clinicians' referral triage process and outcomes.
5. **Interventions Not Normally Undertaken (INNU)** – CTMUHB has identified a number of interventions that would not normally be undertaken. For example, where there is currently insufficient evidence of clinical and /or cost effectiveness, or the intervention is considered to be of relatively low priority for NHS resources. An example of an INNU would be the removal of a tattoo. CTMUHB's policy suggests that these interventions should only be undertaken where set criteria have been met. The review identified three high priority matters in relation to this area, which were in relation to policies, collection of evidence to support an INNU, and monitoring arrangements. A limited assurance opinion was issued.
6. **4-hour Emergency Department performance reporting** – The national 4-hour performance measure is intended to indicate the percentage of patients that have been in A&E longer than the 4-hour target period where there was not a medical reason for keeping them there. The review focused on the systems and process in place for capturing, recording and validating the data used to calculate the performance target. The review issued a limited assurance report and identified high priority matters in relation to: the need to

develop a standard operating procedure; the need for standardised training across the emergency departments; developing consistent approaches, terminology and definitions in place across sites; and ensuring that information is captured accurately and consistently.

7. **Follow up – Patient pathway appointment management** – The review identified three matters arising in the original review, which included nine high priority recommendations, and one medium priority recommendation. From the analysis of data, review of documentation and meetings with staff, the review confirmed that five recommendations had been implemented and there was ongoing work for a further three. However, there had been no progress regular reporting to the care group director group on 'outcomes not booked' or on the analysis of closed pathway data. The review issued a limited assurance opinion.

During 2023-2024, Internal Audit undertook follow-up work and issued five reports during the year which consider the progress made by CTMUHB against the recommendations that were raised. These were:

- Follow-up: Radiology workforce – Reasonable Assurance;
- Follow-up: Medical variable pay [Draft] – Reasonable Assurance;
- Follow up: Patient pathway appointment management – Limited;
- Follow-up: Digital operating model – Reasonable Assurance; and
- Follow-up: Reasonable offer – Reasonable Assurance.

Where there have been Limited Assurance outcomes, CTMUHB is aware of the specific issues identified and have agreed action plans to improve control in these areas. Furthermore, where a limited assurance report is received, a follow up audit will be commissioned by the Audit & Risk Committee for inclusion in their audit programme as appropriate.

Furthermore, where a 'follow up' limited assurance report is received; the Health Board will ensure the Lead Officer attends the Audit & Risk Committee 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

CTMUHB started to refine its recommendation tracking process during 2022-2023, and this has continued through 2023-2024. CTMUHB continues to work to improve the accuracy and timeliness of the information contained within the tracker. Internal Audit leads attend the Audit & Risk Committee and see that the tracker is scrutinised at each meeting.

Internal Audit have also undertaken work towards the end of the year to validate the stated position for a sample of recommendations within the tracker for the actions that they sampled it has been concluded that there was appropriate evidence to confirm that action had been completed.

The full version of the HoIA's report will be accessible via CTMUHB's [website](#) from mid July 2024. In that the HoIA states that assurances can be provided to the Board with regard to the arrangements to secure governance, risk management and internal control being suitably designed and applied effectively.

Audit Wales

Structured Assessment 2023

Structured Assessment - CTMUHB received its [Structured Assessment 2023](#) from Audit Wales in January 2024.

The report's overarching finding was: *"Overall, we found that the Health Board has generally effective arrangements to ensure good governance; however, opportunities exist to improve some of these arrangements further. Addressing the financial challenges currently facing the Health Board and preparing a long-term Clinical Services Plan and an approvable Integrated-Medium Term Plan remain key priorities for the Board".*

Set out below are some of the individual findings from the report:

- "... the Board and its committees operate effectively, cohesively, and transparently, but opportunities to further enhance some arrangements remain;
- the Board continues to conduct its business in an open and transparent manner. Agendas and papers for Board and committee meetings continue to be published on the Health Board's website in a timely manner. However, the confirmed minutes of Board and committee meetings are not made available on the Health Board's website in a timely manner. Board meetings are held in person and are livestreamed to allow the public to observe virtually, with recordings made available on the Health Board's website. The Health Board makes good use of social media to promote Board meetings, but it should provide more guidance on how members of the public can request to attend meetings in person should they wish to do so. The Board and committees review, update, and publish key control frameworks on a regular basis, but some policies are out of date;
- the Board and committees are operating well, and receive good support from the Corporate Governance Team despite the significant capacity challenges the team has been dealing with during 2023. Meetings are well chaired, with members and attendees observing the necessary etiquette. Whilst the Health Board continues to have a stable and well embedded committee structure in place, it plans to review this structure next year. In doing so, the Health Board has an opportunity to align it to its long-term vision and strategic goals. Board and committee work programmes and agendas cover all aspects of their respective terms of reference and are shaped by the Board Assurance Framework. Oversight of the Health Board's estate is improving. Board meetings are generally well chaired, with members and attendees observing the necessary etiquette. Papers for Board and committee meetings are generally well written and clear;
- the Health Board continues to demonstrate a strong commitment to hearing from staff and patients. The Board acts cohesively, with Independent Members providing a good balance of scrutiny, support, and challenge. There have been

some changes to the Independent Member cadre during this year which have been managed well to with no disruption to Board business. The Health Board has continued to make effective use of self-assessments, appraisals, and board development sessions to support learning, development, and continuous improvement;

- ...the Health Board's risk, performance, and quality governance arrangements continue to strengthen, but further work is required to ensure they are fully embedded across the organisation and achieving the desired impact;
- ...the Health Board's Board Assurance Framework is well embedded and starting to drive Board and committee business. The Health Board has an appropriate Board approved risk management framework in place, with the risk management strategy, statement, and risk domains up-to-date and reflecting the organisation's new operating model;
- ...the Health Board has appropriate arrangements in place to manage performance. However, it lacks a documented framework that clearly sets out roles, responsibilities, and frequency for reviewing performance at all levels of the organisation. The Health Board's Integrated Performance Dashboard continues to provide a detailed overview of its performance, and now appropriately focusses on the key challenges facing the organisation;
- ...the Health Board's arrangements for quality governance have improved significantly. The Health Board has a stronger strategic focus on quality and patient safety. Its new three-year Quality Strategy and three-year Quality and Patient Safety Framework provide a good foundation to support the delivery of the Duty of Quality and Duty of Candour which came into effect in April 2023. There is greater clarity on roles, responsibilities, accountability, and governance in relation to quality and patient safety. Organisational scrutiny of quality safety has also improved considerably, with greater openness and transparency evident. This is a positive development, and the Health Board is aware that some further action is required to fully embed its revised quality governance arrangements across the organisation;
- ...the Health Board's arrangements for monitoring internal and external audit recommendations have improved. Whilst positive steps are being taken to track recommendations from other inspectorates and regulators, more could be done to identify and analyse key themes;
- ...the Health Board's corporate planning arrangements have matured, and work is underway to develop the Clinical Services Plan. However, as with other Health Boards, it has been unable to produce an approvable IMTP. Furthermore, its arrangements for monitoring the delivery of corporate plans and strategies require further improvement;
- ...the Health Board's corporate planning arrangements continue to mature. It has a clear Board-approved vision and strategic goals, which are being used to shape its Page 7 of 42 - Structured Assessment 2023 – Cwm Taf Morgannwg University Health Board Clinical Services Plan. There is a clear timeline in place for developing the Clinical Services Plan, progressing this work at pace remains a priority for the Health Board;
- ...the Health Board has effective arrangements in place for preparing its Integrated Medium-Term Plan (IMTP). However, in common with other Health Boards in Wales, it has been unable to produce a Welsh Government approved IMTP for 2023-26 and is instead working to an Annual Plan. Further work is still required to develop clear milestones, targets, and outcomes for corporate plans and strategies to enable the Board and its committees to ensure effective monitoring, assurance, and scrutiny of progress;

- that despite a clear process for financial planning, and good arrangements for managing and monitoring the financial position, the Health Board's financial position is extremely challenging for 2023-24;
- the Health Board has a clear process for financial planning, with good involvement from the Board. However, the Health Board did not meet its statutory duties in 2022-23 in respect of achieving financial balance and having an approvable medium-term plan. The financial position for 2023-24 is extremely challenging with the Health Board working to a planned financial deficit of £79.6m million. The Health Board reported a £36.0 million year-to-date deficit against its core revenue plan in Month 5 2023-24, which was £2.8 million worse than plan. In October 2023 additional allocations were made available to Health Boards, alongside a requirement for a 10% stretch saving delivery. As a result, the Health Board now has a break-even planning position for 2023-24; and
- arrangements to oversee and scrutinise financial management are effective, and the Health Board has updated several of its financial control procedures. However, the delivery of its savings plan is a challenge. The Health Board requires savings of £22.9 million but was reporting a gap of £4.4 million in its savings plans at Month 5 2023-24."

Annual Audit Report 2023

Audit Wales 2023 Annual Audit Report – this report was received by the Board at its meeting in March 2024 and the Audit & Risk Committee at its February 2024 meeting. A copy of the report is available [here](#). The key findings highlighted in the report are as follows:

- "...concluded that the Health Board's 2022-23 accounts were properly prepared and materially accurate, therefore an unqualified true-and-fair opinion was issued. Review did not identify any material weaknesses in the Health Board's internal controls (as relevant to financial audit);
- ...regularity opinion was qualified because the Health Board breached its revenue resource limit. For the three-year period 2020-21 to 2022-23 the Health Board expended £24.221 million over the three-year revenue limit that the Welsh Government had authorised. The Health Board did not exceed its authorised capital resource-limit for the for the three-year period 2020-21 to 2022-23;
- ...found no other regularity matters of a material adverse nature. It was however reported that the Health Board did not meet its financial duty to have an approved three-year integrated medium-term plan in place for the period 2022-23 to 2024-25. This financial duty requires Health Boards to prepare, and have approved by the Welsh Ministers, a rolling three-year integrated medium-term plan;
- ...reported nine audit recommendations for improvement to the Health Board's Audit and Risk Committee. Management fully accepted seven of the nine recommendations and they have put actions in place to implement them. The Health Board's progress with the actions will be reviewed and monitored as part of the 2023-24 audit
- urgent and sustainable action is needed to tackle the long waiting times for orthopaedic services. There's a clear commitment to improve waiting times, however, it could take three years or more to return the orthopaedic waiting list to pre-pandemic levels;

- from an all-Wales perspective, despite an increasing NHS workforce, there remain vacancies in key areas, high sickness and staff turnover resulting in over-reliance on agency staffing. More positively, NHS Wales is becoming a more flexible and equal employer;
- the Health Board has generally effective arrangements to ensure good governance; however, opportunities exist to improve some of these arrangements further. Addressing the financial challenges currently facing the Health Board and preparing a long-term Clinical Services Plan and an approvable Integrated-Medium Term Plan remain key priorities for the Board; and
- the Health Board had made significant progress in addressing the substantial concerns and recommendations set out in the 2019 joint review of Quality Governance arrangements with Healthcare Inspectorate Wales.”

Audit Wales's National Audit Reports

Audit Wales's All-Wales Audit Reports – the Audit & Risk Committee received copies of all-Wales Reports on thematic and national audits including:

- Orthopaedic Services in Wales – Tackling the Waiting List Backlog

Conclusion

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

Signature:

Paul Mears

Chief Executive

Date: 11th July 2024

Governance Statement Appendices

The following should be shown as appendices rather than in the main body of the Governance Statement:

- a. Table of Welsh Health Circulars
- b. Table of Board Membership and Attendance
- c. Table of Board & Committee Meetings held during 2023-2024
- d. Board and Committee Structure as at 31st March 2024

Appendix A - Table of Welsh Health Circulars Received 2023-2024

Figure 42

WHC Number and Topic	Date / Year of Adoption	Action to demonstrate implementation/response
Withdrawal of WHC 2022 (009) - Prioritisation of COVID-19 patient episodes by NHS Wales Clinical Coding Departments	August 2023	WHC/2022/009 "Prioritisation of COVID-19 patient episodes by NHS Wales Clinical Coding Departments" was set to be reviewed on 28/02/2023. Following the review, the decision has been made that there is no longer a requirement to prioritise the assignment of classifications codes to inpatient episodes of care involving COVID-19 ahead of other types of inpatient activity. This decision supports the transition from COVID-19 as a pandemic to being an endemic condition. WHC/2022/009 has been withdrawn and therefore no further action required.
WHC 2023 (003) - Guideline for the Investigation of Moderate or Severe early developmental impairment or intellectual disability (EDI/ID)	April 2023	Clinical guideline for the investigation of moderate or severe early developmental impairment or intellectual disability (EDI/ID) in children. Guideline has been adopted and implemented across CTM.
WHC 2023 (010) - Certification of Vision Impairment in Primary and Community Care	June 2023	New All-Wales patient pathway introduced that will enable patients to be certified as visually impaired by Wales Eye Care Services (WECS) optometrists who are low vision accredited and have completed an approved training module as determined by Health Education and Improvement Wales (HEIW) and outlined in WECS Standard Operating Procedures. Disseminated to all relevant staff in Primary and Community care.
WHC 2023 (011) - NICE Guidance on Self-harm: assessment, management and preventing recurrence	April 2023	National Institute for Health and Care Excellence (NICE) guidance on Overview - Self-harm: assessment, management and preventing recurrence (NICE Guideline NG225). Guidance has been disseminated to all relevant staff.
WHC 2023 (012) - 2023/24 LHB, SHA & Trust Monthly Financial Monitoring Return Guidance	April 2023	Guidance for LHBs, SHAs and Trusts on submitting monthly monitoring returns to Welsh Government. Updated guidance has been circulated to relevant staff for monthly submission of monitoring returns
WHC 2023 (013) - Health and Care Quality Standards 2023 (replacing Health and Care Standards 2015 - WHC 2015/015)	May 2023	The Duty of Quality has recently been introduced under the Health and Social Care (Quality and Engagement) (Wales) Act 2020. The Health and Care Quality Standards in the Duty will now replace the 2015 Health and Care Standards issued under WHC (2015) 015. New Standards to replace the 2015 standards have been adopted and cascaded to all relevant staff.
WHC 2023 (014) - Guidance for engagement and consultation on changes to Health Services 2023	May 2023	Revised and updated guidance for engagement and consultation on changes to health services which aims to give NHS organisations guidance and prompts on issues to consider as they approach changes to services. Revised guidance has been disseminated to all relevant staff involved in engagement and consultation on changes to health services.
WHC 2023 (015) - COVID-19 Vaccination Observation Periods/ Vaccination following recovery from COVID-19	May 2023	Guidance on post vaccination observation periods, both for those receiving a booster and those receiving a primary dose of a COVID-19 vaccine. Disseminated to the Chief Pharmacist and all Immunisation Leads.
WHC 2023 (017) - NHS Wales Executive National Policy on Patient Safety Incident Reporting and Management	May 2023	New national policy on patient safety incident reporting and management. The revised policy was ratified through internal governance processes during Quarter 1 of 2023-24.
WHC 2023 (018) - Introduction of HL7 FHIR as a foundational standard in all NHS Wales Bodies	June 2023	Requirement for all NHS Wales Bodies to adopt HL7 FHIR as a foundational standard for interoperability. All digital teams have been notified and have adopted the HL7 FHIR since May 2023.

WHC Number and Topic	Date / Year of Adoption	Action to demonstrate implementation/response
WHC 2023 (019) - In support of prevention of suicide and self-harm: GMC and NICE Guidance on information disclosure for the protection of patients and others	June 2023	The General Medical Council's (GMC) guidelines on sharing information and the consensus statement which has been agreed by the Department of Health, Royal Colleges and other partners. Guidance has been disseminated to the Care Group audit and research group who have provided the statement via AMaT.
WHC 2023 (021) - This Welsh Health Circular replaces WHC/2017/036 issued on 24 July 2017, which is retired with immediate effect	August 2023	Replaces WHC/2017/036. It sets consent in the context of the framework of the Duty of Quality that is now in place in Wales Disseminated to all relevant staff and clinicians within the Children and Family Care Group.
WHC 2023 (022) - Armed Forces Covenant – Healthcare Priority / Special Consideration for Veterans / Ex-Armed Forces Personnel	June 2023	Guidance on Armed Forces Covenant - Healthcare Priority for Veterans WHC 2017 (41). Disseminated to all GPs within Primary Care for consideration when referring veterans suffering from health conditions into secondary care. Also copied to the Executive Lead for Veterans for information purposes.
WHC 2023 (023) - The National Influenza Immunisation Programme 2023-24	June 2023	Detailed guidance for the flu vaccination programme for the coming autumn and winter (National Influenza Immunisation Programme 2023-24). Disseminated to all Immunisation Leads.
WHC 2023 (024) – Change of vaccine and cohort expansion for Shingles Vaccination Programme (from September 2023)	June 2023	Information about forthcoming changes to the NHS Wales shingles vaccination programme. Disseminated to all Immunisation and Vaccination Leads.
WHC 2023 (025) – Information Governance / Performance / Delivery	July 2023	Guidelines relating to the management of patients on a suspected cancer pathway and the reporting of performance against the cancer target. Guidance has been disseminated to Care Group Leads and wider teams.
WHC 2023 (026) – NHS Framework for Research and Development - Research Matters – What excellence looks like in NHS Wales	July 2023	New Research and Development (R&D) Framework, in a drive to embed and integrate research into all aspects of health and care services in NHS Wales. Framework has been cascaded to all Research & Development Directors and leads.
WHC 2023 (028) - Withdrawal of WHC 2019/042 re Annual Quality Statements	August 2023	There is no longer a requirement for NHS organisations to prepare an Annual Quality Statement as described in WHC 2019/042, which is being withdrawn with immediate effect. For information no further action required.
WHC 2023 (029) - Winter Respiratory Vaccination Programme: Autumn and Winter 2023 to 2024	August 2023	2023/24 National Influenza Immunisation Programme and the COVID-19 Vaccination Programme will again be brought together to form a single Winter Respiratory Vaccination Programme (WRVP 2023/24). Disseminated to all Immunisation and Vaccination Leads.
WHC 2023 (030) - New 2023 National Safety Standards for Invasive Procedures (NatSSIPs2) by the Centre for Perioperative Care (CPOC) and Patient Safety Notice PSN 034	August 2023	Launch of the National Safety Standards for Invasive Procedures (NatSSIPs2). NatSSIPs2 that have been developed in collaboration across the four UK nations and replace the 2015 NatSSIPs introduced in Patient Safety Notice PSN034. Standards have been disseminated to relevant Care Groups Operational Directors and Medical Director for completion of a Gap Analysis.
WHC 2023 (031) - AMR & HCAI Improvement Goals for 2023-24	August 2023	To combat antimicrobial resistance through lowering the burden of infections, improving treatments and optimising our use of antimicrobials in humans. Cascaded to Director of Nursing, Medical Director and Director of Public Health for action with immediate effect.
WHC 2023 (033) - Vaccine Products to be used in the Autumn 2023 COVID-19 Vaccination programme	September 2023	Confirmation of the COVID-19 vaccine products to be deployed in Wales this winter together with revised instructions on the sequencing of offering vaccination to eligible groups in response to the emergence of a new COVID-19 variant. Disseminated to all Vaccination Leads.

WHC Number and Topic	Date / Year of Adoption	Action to demonstrate implementation/response
WHC 2023 (034) – NHS Welsh Sustainability Conference and Awards	September 2023	Launch of the NHS Welsh Sustainability Conference and Awards to promote the principles of sustainable healthcare and support the incorporation of sustainable practices into clinical care. For information.
WHC 2023 (035) - Update of guidance on clearance and management of healthcare workers living with a bloodborne virus (BBV) and a reminder of health clearance for tuberculosis	October 2023	Guidance on the clearance and management of healthcare workers (HCWs) living with a bloodborne virus (BBV), has been updated. Sent to Director of Public Health for relevant action within the teams.
WHC 2023 (036) – Speaking up Safely Framework – NHS Wales	September 2023	All NHS Boards, Trusts and Special Health Authorities to undertake a self-assessment against the organisational requirements detailed in section 6 of the Framework for Speaking up Safely in NHS Wales and develop an action plan to address any gaps between current practice and the expectations of the Framework. The Health Board has developed a Speaking up Safely Working Group. The self-assessment against section 6 of the Framework was submitted to Welsh Government in May 2023 and an action plan has been developed.
WHC 2023 (037) – Patient Testing Framework for Autumn / Winter 23	September 2023	Reviewed testing guidelines for Autumn and Winter 2023. Disseminated to all relevant staff in secondary, primary and community care.
WHC 2023 (038) – Healthy Start eLearning Course	November 2023	New mandatory eLearning course for all health care professionals re Healthy Start, working with pregnant women and families with children under 4 years old. Learning & Development team have promoted the e-learning package via the Comms Team to undertake staff to undertake the package and a Training Lead has been identified.
WHC 2023 (039) - Independent Authorisation of Blood Component Transfusion (IABT)	November 2023	The All-Wales Policy for Independent Authorisation of Blood Transfusion (IABT) describes the process for selection, education, approval, and support of Health Care Professionals (HCPs) undertaking this role within Wales. Medical Director has shared the information with all relevant staff and the Chair of the Hospital Transfusion Committee.
WHC 2023 (040) - The NHS Wales: Newborn and Infant Physical Examination Cymru (NIPEC)	November 2023	New guidelines and standards for the Newborn and Infant Physical examinations for implementation by health boards in Wales. Sent to the Director of Midwifery to action and nominated a senior NIPEC lead.
WHC 2023-043 - Vaccination of Healthcare Staff to Protect Against Measles (see also entry March 2024)	December 2023	Guidance for the vaccination of Healthcare Staff to protect against measles. Confirmation received that Head of Occupational Health is leading on this for CTM.
WHC 2023 (043) – Staff MMR vaccination records and assessment of risks – request for feedback (see also entry December 2023)	March 2024	Welsh Government request for Health Boards to undertake a further audit of staff vaccination/recorded natural immunity status to MMR. Disseminated to all relevant staff in Primary Care and Occupational Health.
WHC 2023 (044) - Influenza (flu) Vaccination Programme deployment 'mop up' 2023- 2024	November 2023	Health Boards to support Primary Care services with targeted flu 'mop up' work from January 2024. Sent to Director of Public health who has confirmed that Vaccination Leads have actioned.
WHC 2023 (046) - All-Wales Control Framework for Flexible Workforce Capacity	December 2023	Welsh Government Framework for co-ordinating action to reduce Agency workforce Expenditure in Wales. Director for People has confirmed that the People Services Team will lead and action on this.

WHC Number and Topic	Date / Year of Adoption	Action to demonstrate implementation/response
WHC 2023 (047) - Influenza Vaccines and Eligible Cohorts for the 2024/25 season	December 2023	Guidance on eligible cohorts for the 2024/25 influenza (flu) season, reimbursable vaccines for the 2024/25 flu season and changes to the start of the 2024/25 adult flu vaccination programme (except for pregnant women). Disseminated to all Primary Care and Vaccination and Immunisation Leads.
WHC 2023 (048) – Health Board 2024-25 Allocations	December 2023	2024-25 Allocation letter to Health Boards, Trusts and SHA's. For information.
WHC 2024 (001) - Changes to the way individuals who are at highest risk from Covid-19 access lateral flow tests and Covid-19 treatments.	January 2024	Extending access to nirmatrelvir-ritonavir to care home residents and hospital inpatients aged 70 and over who test positive for Covid-19. Principal Public Health Practitioner is discussing with Public Health Wales colleagues in relation to support in any changes to the pathways that may be required.
WHC 2024 (002) - Standards for Competency Assurance of Non-Medical Prescribers in Wales	March 2024	All health boards, Velindre NHS Trust, the Welsh Ambulance Services NHS Trust, and Public Health Wales NHS Trust are required to implement the standards for competency assurance of non-medical prescribers within their organisation by 31 March 2026 at the latest. Cascaded to Director of Nursing, Director of Therapies and Chief P
WHC 2024 (004) - Assurance of aseptic preparation of medicines in NHS Wales	February 2024	Updated guidance setting out the governance and regulatory arrangements for aseptic preparation of medicines for NHS patients in Wales and replaces NHS DGM(97)5 entitled Aseptic Dispensing in NHS Hospitals issued in 1997. Sent to Chief Pharmacist for cascading to all relevant staff.
WHC 2024 (005) - Private obesity surgery and the Welsh NHS	February 2024	Roles and responsibilities of Welsh NHS providers for patients living in Wales who have undergone bariatric surgical procedures in the private sector. Sent to Chief Operating Officer and Director of Public Health to confirm lead and action.
WHC 2024 (006) - National Clinical Guideline for Stroke, for the UK and Ireland	March 2024	National Clinical Guideline for Stroke for the UK and Ireland. Sent to Medical Director who has cascaded to all relevant staff.
WHC 2024 (008) - Vaccination against measles – urgent action	February 2024	Urgent 6-month uptake improvement plan for MMR vaccination in schools. Disseminated to all relevant Vaccination Leads for School Nursing.
WHC 2024 (009) - COVID-19 spring booster vaccination programme 2024	February 2024	Spring Covid-19 Booster Programme and Eligible Cohorts for April to June 2024. Disseminated to all Vaccination Leads.
WHC 2024 (010) - The NHS Welsh Sustainability Conference and Awards	February 2024	NHS Wales Welsh Sustainability Conference and Awards has been established and launched to promote the principles of sustainable healthcare and support the incorporation of sustainable practices into clinical care. For information.
WHC 2024 (011) - Changes to dietary advice on feeding young children aged 1-5 years	March 2024	Changes to Welsh Government dietary advice for young children aged 1 to 5 years following acceptance of recommendations made by the Scientific Advisory Committee on Nutrition (SACN) in its report on 'Feeding young children aged 1 to 5 years'. Sent to Director of Public health who has confirmed that this has been cascaded to the senior Team.
WHC 2024 (012) - Nursing Preceptorship & Restorative Clinical Supervision - A National Position Statement	March 2024	Phased implementation, of the Nursing Preceptorship & Restorative Clinical Supervision Policy with individual organisational implementation plans to be actioned by 1 July 2024. Sent to Care Group triumvirates, Deputy Director of Nursing, Head of Quality & Patient Safety, Assistant Director of Nursing and Peoples Experience and Head of Clinical Education requesting that this is cascaded as necessary.

Appendix B - Table of Board Membership and Attendance

Figure 43

BOARD MEMBER	POSITION (AREA OF EXPERTISE)	BOARD/ BOARD COMMITTEE	BOARD / BOARD COMMITTEE ATTENDANCE 2023/24	CHAMPIONROLE*
Jonathan Morgan	Chair	Public Board In Committee Board Remuneration & Terms of Service Committee (Chair)	6/6 3/4 5/5	Not Applicable
Jayne Sadgrove	Vice-Chair (Until August 2023)	Public Board In Committee Board Remuneration & Terms of Service Committee (Vice-Chair) Audit & Risk Committee In Committee Audit & Risk Committee Hosted Bodies Audit & Risk Committee Digital & Data Committee In Committee Digital & Data Committee Mental Health Act Monitoring Committee (Chair until August 2023) Population Health & Partnerships Committee Quality & Safety Committee (Chair until July 2023) In Committee Quality & Safety Committee	2/2 3/3 2/2 3/4 3/3 3/3 0/1 0/1 1/1 1/2 2/2 2/2	Mental Health, Children & Young People
Kath Palmer	Vice-Chair (From November 2023)	Board In Committee Board Remuneration & Terms of Service Committee (Vice-Chair) Audit & Risk Committee Audit & Risk In Committee Hosted Bodies Audit & Risk Committee Digital & Data Committee In Committee Digital & Data Committee Mental Health Act Monitoring Committee Population Health & Partnerships Committee Quality & Safety Committee In Committee Quality & Safety Committee	3/3 1/1 2/3 2/2 2/2 2/2 1/2 1/2 2/2 1/1 3/3 2/2	Mental Health, Children & Young People
Patsy Roseblade	Independent Member (Finance)	Board In Committee Board Remuneration & Terms of Service Committee Audit and Risk Committee (Chair) In Committee Audit & Risk Committee Hosted Bodies Audit & Risk Committee In Committee Planning, Performance and Finance Committee Planning, Performance and Finance CommitteeI Quality and Safety Committee Quality and Safety In Committee Charitable Funds Committee (Chair) In Committee Charitable Funds Committee (Chair)	6/6 (1 IP)* 4/4 4/5 7/7 6/6 6/6 3/3 7/7 6/6 3/4 1/1 1/1	Not Applicable
James Hehir	Independent Member (Legal) (Until September 2023)	Board In Committee Board Remuneration and Terms of Service Committee Quality and Safety Committee In Committee Quality & Safety Committee Mental Health Act Monitoring Committee (Vice-Chair) Health, Safety & Fire Sub Committee	3/3 (1 IP) 3/4 1/2 3/3 1/2 2/2 0/1	Equality, Putting Things Right
Helen Lentle	Independent Member (Legal) (From January 2024)	Board In Committee Board Remuneration & Terms of Service Committee Quality and Safety Committee In Committee Quality & Safety Committee Mental Health Act Monitoring Committee Health, Safety & Fire Sub Committee	1/2 (1 IP) 0/0 1/2 1/2 1/2 1/1 1/1	Equality, Putting Things Right

BOARD MEMBER	POSITION (AREA OF EXPERTISE)	BOARD/ BOARD COMMITTEE	BOARD / BOARD COMMITTEE ATTENDANCE 2023/2024	CHAMPION ROLE*
Carolyn Donoghue	Independent Member (University)	Board In Committee Board Remuneration & Terms of Service Committee Planning, Performance & Finance Committee In Committee Planning, Performance & Finance Committee Population Health & Partnerships Committee (Chair) In Committee Population Health & Partnerships Committee Quality & Safety Committee In Committee Quality & Safety Committee Audit and Risk Committee In Committee Audit and Risk Committee Hosted Bodies Audit and Risk Committee Digital & Data Committee In Committee Digital & Data Committee	6/6 (1 IP) 4/4 5/5 4/7 3/3 4/4 1/1 6/6 4/4 2/2 2/2 2/2 3/3 3/3	Research & Development
Mel Jehu	Independent Member (Community)	Board In Committee Board Remuneration and Terms of Service Committee Planning, Performance and Finance Committee In Committee Planning, Performance and Finance Committee Mental Health Act Monitoring Committee People and Culture Committee Population Health and Partnerships Committee In Committee Population Health and Partnerships Committee	4/6 2/4 2/5 5/7 2/3 4/4 0/1 3/3 1/1	Veterans and Armed Forces
Lynda Thomas	Independent Member (Corporate Business/General)	Board In Committee Board Remuneration & Terms of Service Committee Digital & Data Committee In Committee Digital & Data Committee People & Culture Committee In Committee People & Culture Committee Population Health & Partnerships Committee In Committee Population Health & Partnerships Committee	5/6 4/4 3/5 2/4 2/4 3/4 1/1 3/4 1/1	Welsh Language
Cllr Geraint E Hopkins	Independent Member (Local Authority)	Board In Committee Board Remuneration and Terms of Service Committee Audit & Risk Committee In Committee Audit & Risk Committee Hosted Bodies Audit & Risk Committee Planning, Performance & Finance Committee In Committee Planning, Performance & Finance Committee People & Culture Committee In Committee People & Culture Committee Health, Safety & Fire Committee Mental Health Act Monitoring Committee Population Health & Partnerships Committee	5/6 (2 IP) 2/4 (1 IP) 2/5 1/5 (1 IP) 0/4 0/4 2/2 1/2 2/3 1/1 2/2 4/4 1/1	Older Persons
Nicola Milligan	Independent Member (Trade Union)	Board In Committee Board Remunerations and Terms of Service Committee Quality and Safety Committee In Committee Quality & Safety Committee People and Culture Committee In Committee People & Culture Committee Planning, Performance and Finance Committee In Committee Planning, Performance & Finance Committee Health, Safety & Fire Committee	4/6 4/4 2/5 5/6 3/4 4/4 1/1 6/7 3/3 2/3	Infection Prevention and Control

BOARD MEMBER	POSITION (AREA OF EXPERTISE)	BOARD / BOARD COMMITTEE	BOARD / BOARD COMMITTEE ATTENDANCE 2023/2024	CHAMPION ROLE*
Dilys Jouvenat	Independent Member(Third Sector)	Board In Committee Board Remunerations and Terms of Service Committee People and Culture Committee In Committee People and Culture Committee Digital and Data Committee In Committee Digital and Data Committee Quality and Safety Committee In Committee Quality & Safety Committee Mental Health Act Monitoring Committee Planning, Performance & Finance Committee In Committee Planning, Performance & Finance Committee Health, Safety & Fire Committee	5/6 4/4 3/5 4/4 1/1 1/1 1/1 6/6 4/4 3/3 5/5 1/1 2/3	Raising Staff Concerns
Ian Wells	Independent Member (ICT and Governance)	Board In Committee Board Remuneration and Terms of Service Committee Audit and Risk Committee In Committee Audit and Risk Committee Hosted Bodies Audit and Risk Committee Digital and Data Committee (Chair) In Committee Digital and Data Committee Planning, Performance and Finance Committee In Committee Planning, Performance and Finance Committee Population Health & Partnerships Committee In Committee Population Health & Partnerships Committee Charitable Funds Committee	6/6 4/4 5/5 6/7 5/6 5/6 4/4 4/4 2/2 1/2 4/4 0/1 1/1	Not Applicable
Paul Mears	Chief Executive	Board In committee Board Emergency Ambulance Services Committee Welsh Health Specialised Services Committee Remuneration and Terms of Service Committee	6/6 4/4 4/6 4/6 5/5	Not applicable
Sally May	Executive Director of Finance and Procurement	Board In Committee Board Audit and Risk Committee In Committee Audit and Risk Committee Hosted Bodies Audit and Risk Committee Planning, Performance and Finance Committee In Committee Planning, Performance and Finance Committee Charitable Funds Committee	5/6 4/4 6/7 5/6 5/6 7/7 3/3 1/1	Not applicable
Philip Daniels	Director of Public Health	Board In Committee Board Population Health and Partnerships Committee In Committee Population Health and Partnerships Committee	5/6 4/4 4/4 1/1	Research & Development
Greg Dix	Executive Director of Nursing/Deputy Chief Executive	Board In Committee Board Quality and Safety Committee In Committee Quality and Safety Committee People and Culture Committee In Committee People and Culture Committee	5/6 4/4 5/6 4/4 4/4 1/1	Children and Young People Putting Things Right Baby Friendly Guardian

BOARD MEMBER	POSITION (AREA OF EXPERTISE)	BOARD/ BOARD COMMITTEE	BOARD / BOARD COMMITTEE ATTENDANCE 2023/2024	CHAMPION ROLE*
Hywel Daniel	Executive Director for People	Board In Committee Board People and Culture Committee In Committee People and Culture Committee Remuneration and Terms of Service Committee Quality & Safety Committee In Committee Quality & Safety Committee Health, Safety & Fire Sub Committee	5/6 3/4 4/4 1/1 5/5 4/6 (1 IP) 1/3 3/3	Fire Safety Violence and Aggression Raising Staff Concerns Welsh Language
Gethin Hughes	Chief Operating Officer	Board In Committee Board Planning, Performance and Finance Committee In Committee Planning, Performance and Finance Committee Quality and Safety Committee In Committee Quality and Safety Committee Mental Health Act Monitoring Committee (Deputy COO/Director of Primary Care and Mental Health attends this meeting on behalf of the COO) Population Health and Partnerships Committee In Committee Population Health and Partnerships Committee	6/6 4/4 7/7 2/3 5/6 (3 IP) 3/4 4/4 3/4 0/1	Not Applicable
Dom Hurford	Medical Director	Board In Committee Board Quality and Safety Committee In Committee Quality and Safety Committee	6/6 4/4 3/6 2/4 (1 IP)	Caldicott Guardian
Linda Prosser	Executive Director of Strategy & Transformation	Board In Committee Board Planning, Performance and Finance Committee In Committee Planning, Performance and Finance Committee Population Health and Partnerships Committee In Committee Population Health and Partnerships Committee	6/6 4/4 7/7 3/3 4/4 1/1	Emergency Planning
Lauren Edwards	Executive Director of Therapies and Health Sciences	Board In Committee Board Quality and Safety Committee In Committee Quality and Safety Committee Population Health and Partnerships Committee In Committee Population Health and Partnerships Committee	5/6 4/4 6/6 (3 IP) 3/4 4/4 1/1	Stroke Services

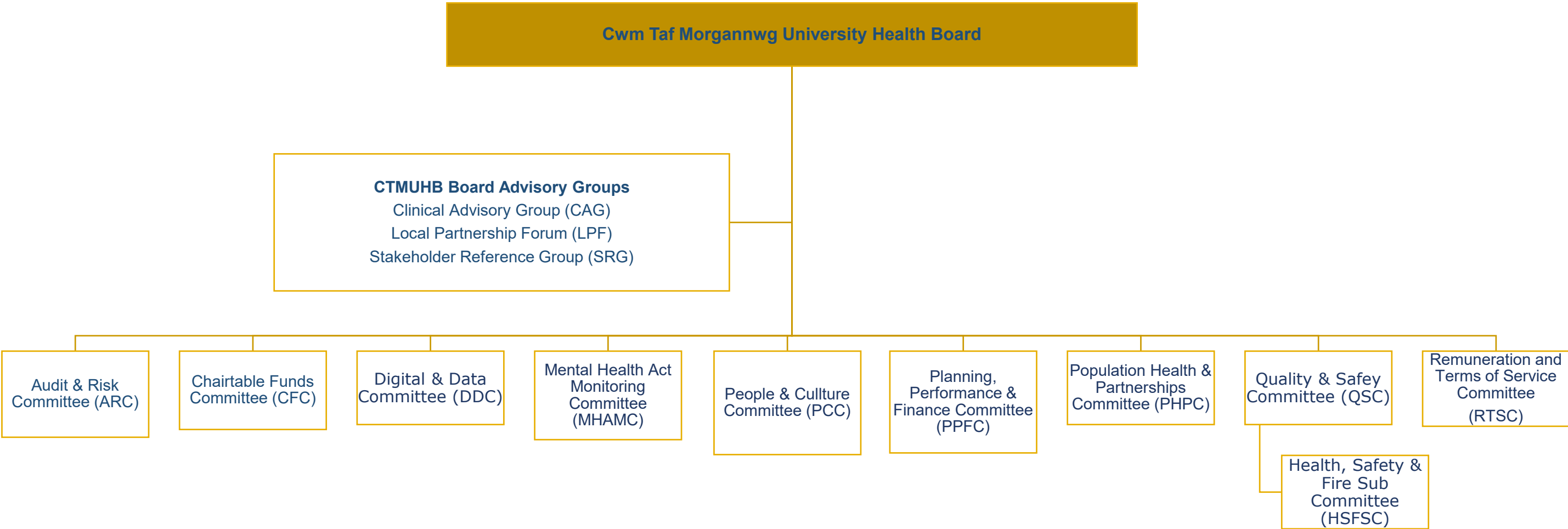
- * IP - Denotes attended In Part

Appendix C - Table of Board & Committee Meetings held during 2023-2024

Figure 44

Board/Committee								
Board Meeting (held in public)	25/05/23	27/07/23	28/09/23	30/11/23	25/01/24	28/03/24		
Board Meeting (held in private)*	25/05/23	27/07/23	10/08/23 (Extra Ordinary Meeting)	30/11/23				
Audit and Risk Committee	19/04/23	21/06/23	26/07/23 (Extra Ordinary Meeting)	16/08/23	24/10/23	19/12/23	22/02/24	
Audit and Risk In Committee	19/04/23	21/06/23	16/08/23	24/10/23	19/12/23	22/02/24		
Audit & Risk Committee Hosted Bodies	19/09/23	21/06/23	16/08/23	24/10/23	19/12/23	22/02/24		
Charitable Funds Committee	26/10/23							
Charitable Funds In Committee	26/10/23							
Quality and Safety Committee	24/05/23	25/07/23	21/09/23	21/11/23	23/01/24	14/03/24		
Quality & Safety In Committee	31/05/23	25/07/23	21/09/23	23/01/24	14/03/24			
Planning, Performance and Finance Committee	04/05/23	27/06/23	22/08/23	31/10/23	11/01/23	27/02/24	13/03/24 (Extra Ordinary Meeting)	
Planning, Performance and Finance In Committee	04/05/23	27/06/23	31/10/23					
People and Culture Committee	10/05/23	09/08/23	08/11/23	07/02/24				
People and Culture In Committee	08/11/23							
Population Health and Partnerships Committee	03/05/23	02/08/23	07/11/23	07/03/24				
Population Health and Partnerships In Committee	07/11/23							
Digital and Data Committee	12/06/23	12/09/23	14/11/23	21/02/24				
Digital & Data In Committee	12/06/23	12/09/23	14/11/23	21/02/24				
Mental Health Act Monitoring Committee	07/06/23	06/09/23	06/12/23	06/03/24				
Remuneration and Terms of Service Committee	20/04/23	19/06/23	30/11/23	06/03/24	28/03/24			
Health, Safety & Fire Sub Committee	15/06/23	09/11/23	4/03/24					

Figure 45



Remuneration and Staff Report

This Remuneration and Staff Report contains information about senior manager's remuneration. The definition of "Senior Managers" for this purpose is:

"Those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS body. This means those who influence the decisions of the entity as a whole rather than the decisions of individual directorates or departments."

CTMUHB is 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 CTMUHB in the financial year 2023-2024 was £220,000 - £225,000 (2022-2023, £210,000 - £215,000). This was 6.3 times the median remuneration of the workforce, which was £35,000 (2023-2024).

In 2023-2024, 27 employees received remuneration in excess of the highest-paid director. Remuneration for staff ranged from £3,000 to £415,000.

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

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 Executive Senior Pay (ESP) pay scale are determined by the Welsh Government and CTMUHB pays these salaried 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, CTMUHB is unable to award increment uplifts within the ESP pay scale. Should a pay increase be considered outside of the range, a job description must be submitted to Welsh Government to be job evaluated. There are clear guidelines in place with regard to the awarding of additional increments. During 2023-2024, CTMUHB has not agreed any additional increments.

The Remuneration and Terms of Service Committee also considers and approves applications relating to the Voluntary Early Release Scheme (VERS). The Committee's members are all Independent Board Members, including its Chair who is also the Chair of CTMUHB. Membership details are set out on pages 142 to 146. No VERS applications were received and approved by the Committee in 2023-2024.

Existing public sector pay arrangements apply to all other staff including members of the Executive Team. The performance of members of the Executive Team are

assessed against personal objectives and against the overall performance of CTMUHB. All Executive Directors have the option to have a lease car, under the terms of the salary sacrifice lease car agreement.

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

CTMUHB’s constitution 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 report on page 152 onwards.

Board Composition by Gender

Figure 46

Board Member Gender at 21 March 2024	Female	Male
Independent Member	6	4
Associate Board Members	3	0
Executive Directors / Directors	4	6

Staff Composition by Gender

This figure represents the composition by gender as at 31 March 2024.

Figure 47

Employee Gender	Head Count	Full-time Equivalent	% of Headcount
Female	10,380	8,884.10	81.16%
Male	2,409	2,272.14	18.84%
Total	12,789	11,156.23	100.00%

Staff Composition by Staff Group

During 2023-2024, the average whole-time equivalent (FTE) number of staff permanently employed was 9,789.52. The average number of employees is calculated a full-time equivalent number of employees in each week of the financial year, divided by the number of weeks in the financial year.

Figure 48

Staff Group at 31 March 2024	Female		Male		Totals	
	Headcount	FTE	Headcount	FTE	Headcount	FTE
Add Prof Scientific and Technical	312	268.52	107	93.24	419	361.76
Additional Clinical Services	2,100	1,772.17	348	327.12	2,448	2,099.29
Administrative and Clerical	2,186	1,865.74	412	396.75	2,598	2,262.49
Allied Health Professionals	637	573.73	163	159.57	800	733.30
Estates and Ancillary	945	652.57	467	430.88	1,412	1,083.44
Healthcare Scientists	126	113.40	85	84.81	211	198.21
Medical and Dental	326	291.51	487	457.18	813	748.68
Nursing and Midwifery Registered	3,716	3,316.14	336	318.60	4,052	3,634.74
Students	32	30.33	4	4.00	36	34.33
Total	10,380	8,884.10	2,409	2,272.14	12,789	11,156.23

Sickness Absence Data

CTMUHB's 2023-2024 sickness absence rate was 6.45% at the end of March 2024 and as such the Health Board did not achieve the Welsh Government's sickness absence target of 5% or less. However, the March 2024 figure did show a slight decrease in the Health Board's sickness absence rate, when compared to the March 2023 rate of 6.71%

During 2023-2024, the number of long-term sickness absences decreased slightly while there was a significant decrease in the number of short-term sickness absences. The top three reasons for sickness absence were; Anxiety/stress/depression/other psychiatric illnesses, other musculoskeletal problems and other known causes - not elsewhere classified. The top two reasons

were not unexpected, given the pressured environment our staff have been working in for an extended period, over the past four years. Health Board managers continues to manage sickness absence in accordance with the NHS Wales Managing Attendance at Work Policy. Our managers work closely with the People Directorate and Trade Union colleagues, to provide their staff with support and to signpost them to appropriate services to assist with their recovery and return to work, where possible. The CTMUHB in-house Wellbeing Service also provides a wide range of evidence based interventions, to assist staff to proactively manage and address their underlying physical and psychological issues, which are causing them to take time of work due to sickness absence.

Figure 49

Sickness Absence Data	2022-2023	2023-2024
Total days lost (long-term)	246,879.00	243,555.25
Total days lost (short-term)	109,907.00	84,997.91
Total days lost	356,787.00	328,553.16
Total staff years lost (average staff employed in period – full-time equivalent)	11,014.69	11,077.39
Average Working days lost	27.39	24.91
Total staff employed in period (headcount)	12,789	12,789
Total staff employed in period with no absence (headcount)	3,754	4,253
Percentage of staff with no sick leave	29.30%	32.51%

Figure 50

Absence %	
% March 2024	Rolling % at 31 March 2024
6.45%	6.81%

Employment Policies

During 2023-2024, the partnership, People Policy Review Group reviewed a total of 10 employment policies and procedures, all of which were approved by the People and Culture Committee. To help to provide our staff with an excellent employee experience the group continued to focus on developing progressive policies which reinforce our values and making them more user friendly and accessible. All employment policies can be access by staff via the People Policy SharePoint page. <http://ctuhb-intranet/Policies/view/People.aspx>. All approved employment policies and procedures are equality impact assessed against the nine protected characteristics, to ensure they do not discriminate or disadvantage any individuals.

Reporting of Other Compensation Schemes

In accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS) no costs were paid. In respect of redundancy legislation one payment was made. The NHS Pension Scheme did meet the cost of Ill-health retirements, which are not included in the tables provided. No staff received an exit payment during 2023-2024.

<u>Single Total Figure of Remuneration 2023-24</u>	Salary	Benefits in kind(taxable)	Pension benefits	Total
	(bands of £5,000)	to nearest £100	to nearest £1000	(bands of £5,000)
<u>Executive Directors</u>	£000	£00	£000	£000
Paul Mears	220-225	0	0	220-225
<i>Chief Executive (Note 1)</i>				
Sally May	175-180	0	0	175-180
<i>Director of Finance (Note 1)</i>				
Dom Hurford	180-185	3	0	180-185
<i>Medical Director (Note 1)</i>				
Greg Dix	145-150	15	0	150-155
<i>Nurse Director (Note 1)</i>				
Linda Prosser	145-150	0	0	145-150
<i>Director of Strategy & Transformation</i>				
Hywel Daniel	140-145	19	0	140-145
<i>Director of Workforce and Organisational Development (Note 1)</i>				
Philip Daniels	120-125	12	573	695-700
<i>Interim Director of Public Health to 12th November 2023</i>				
<i>Director of Public Health from 13th November 2023</i>				
Lauren Edwards	120-125	14	0	120-125
<i>Director of Therapies and Health Sciences (Note 1)</i>				
Gethin Hughes	145-150	3	940	1085-1090
<i>Chief Operating Officer (Note 2)</i>				
<u>Directors</u>				
Stuart Morris	110-115	14	0	110-115
<i>Director of Digital (Note 1)</i>				
Gareth Watts	65-70	0	14	80-85
<i>Director of Corporate Governance/ Board Secretary from 6th September 2023</i>				
Simon Blackburn	75-80	0	512	590-595
<i>Director of Communications, Engagement and Fundraising from 3rd July 2023</i>				
<u>Independent Members</u>				
Jonathan Morgan	65-70	0		65-70
<i>Interim Chair</i>				
Jayne Sadgrove	20-25	0		20-25
<i>Vice-Chair to 31st August 2023</i>				
Kath Palmer	20-25	0		20-25
<i>Vice-Chair from 13th November 2023</i>				
Patsy Roseblade	15-20	0		15-20
<i>Independent Member (Finance)</i>				
James Hehir	5-10	0		5-10
<i>Independent Member (Legal) to 30th September 2023</i>				

	Salary	Benefits in kind(taxable)	Pension benefits	Total														
	(bands of £5,000)	to nearest £100	to nearest £1000	(bands of £5,000)														
Helen Lentle	0-5	0		0-5														
<i>Independent Member (Legal) from 2nd January 2024</i>																		
Ian Wells	15-20	0		15-20														
<i>Independent Member (ICT)</i>																		
Mel Jehu	15-20	0		15-20														
<i>Independent Member (Community)</i>																		
Nicola Milligan	0	0		0														
<i>Independent Member (Staff) (Note 3)</i>																		
Dilys Jouvenat	15-20	0		15-20														
<i>Independent Member (Third Sector)</i>																		
Carolyn Donoghue	15-20	0		15-20														
<i>Independent Member (University)</i>																		
Lynda Thomas	15-20	0		15-20														
<i>Independent Member (Corporate Business)</i>																		
Cllr Geraint E Hopkins	15-20	0		15-20														
<i>Independent Member (Local Authority)</i>																		
Lisa Curtis-Jones, Dr Sally Bolt and Anne Morris 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.																		
Notes																		
1 -Paul Mears, Sally May, Dom Hurford, Greg Dix, Linda Prosser, Hywel Daniel, Lauren Edwards and Stuart Morris are affected by the Public Service Pensions Remedy and their membership between 1 April 2015 and 31 March 2022 was moved back into the 1995/2008 Scheme on 1 October 2023. Negative values are not disclosed in this table but are substituted with a zero.																		
2 - Gethin Hughes commenced contributions covered by the NHS Pension arrangements in August 2023.																		
3 - Nicola Milligan is a paid, full time employee of the organisation and receives no additional remuneration as an Independent Member.																		
4 - For the officers detailed below, their salary banding and the total banding figures exclude the following amounts in respect of their chosen salary sacrifice deductions:																		
<table><tr><td>Hywel Daniel</td><td>£8,257.08</td></tr><tr><td>Phillip Daniels</td><td>£6,561.00</td></tr><tr><td>Greg Dix</td><td>£8,698.08</td></tr><tr><td>Lauren Edwards</td><td>£10,236.96</td></tr><tr><td>Gethin Hughes</td><td>£2,302.50</td></tr><tr><td>Dom Hurford</td><td>£6,790.32</td></tr><tr><td>Stuart Morris</td><td>£8,912.64</td></tr></table>					Hywel Daniel	£8,257.08	Phillip Daniels	£6,561.00	Greg Dix	£8,698.08	Lauren Edwards	£10,236.96	Gethin Hughes	£2,302.50	Dom Hurford	£6,790.32	Stuart Morris	£8,912.64
Hywel Daniel	£8,257.08																	
Phillip Daniels	£6,561.00																	
Greg Dix	£8,698.08																	
Lauren Edwards	£10,236.96																	
Gethin Hughes	£2,302.50																	
Dom Hurford	£6,790.32																	
Stuart Morris	£8,912.64																	

<u>Cwm Taf Morgannwg University Local Health Board</u> <u>Salary and Pension benefits of Senior Managers</u>						
<u>Single Total Figure of Remuneration 2022-23</u>	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)
<u>Executive Directors</u>	£000	£00	£000	£000	£000	£000
Paul Mears	210-215	0	0	n/a	53	265-270
<i>Chief Executive</i>						
Sally May	165-170	0	0	n/a	44	210-215
<i>Director of Finance</i>						
Dom Hurford	175-180	7	29	n/a	30	235-240
<i>Interim Medical Director to 1st May 2022</i>						
<i>Medical Director from 2nd May 2022</i>						
Greg Dix	135-140	15	0	n/a	63	195-200
<i>Director of Nursing, Midwifery and Patient Care (Note 1)</i>						
<i>Deputy Chief Executive Officer from 1st March 2023</i>						
Linda Prosser	140-145	0	20	n/a	32	195-200
<i>Director of Strategy & Transformation</i>						
Hywel Daniel	135-140	19	0	n/a	34	170-175
<i>Director of People</i>						
Kelechi Nnoaham	90-95	0	n/a	0	26	120-125
<i>Director of Public Health to 30th November 2022</i>						
Lauren Edwards	125-130	0	92	n/a	31	250-255
<i>Director of Therapies and Health Sciences</i>						
Gareth Robinson	10-15	0	0	n/a	4	10-15
<i>Interim Chief Operating Officer to 25th April 2022</i>						
Gethin Hughes	135-140	0	n/a	n/a	n/a	135-140
<i>Chief Operating Officer from 19th April 2022 (Note 2)</i>						
<u>Directors</u>						
Georgina Galletly	65-70	11	0	n/a	28	95-100
<i>Director of Corporate Governance/ Board Secretary to 13th November 2022</i>						
Stuart Morris	105-110	14	43	n/a	27	175-180
<i>Director of Digital</i>						
<u>Independent Members</u>						
Emrys Elias	70-75	0				70-75
<i>Interim Chair</i>						
Jayne Sadgrove	55-60	0				55-60
<i>Vice-Chair</i>						
Patsy Roseblade	15-20	0				15-20
<i>Independent Member (Finance)</i>						
James Hehir	15-20	0				15-20
<i>Independent Member (Legal)</i>						

	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)										
Ian Wells	15-20	0				15-20										
<i>Independent Member (ICT)</i>																
Mel Jehu	15-20	0				15-20										
<i>Independent Member (Community)</i>																
Nicola Milligan	0	0				0										
<i>Independent Member (Staff) (Note 3)</i>																
Dilys Jouvenat	15-20	0				15-20										
<i>Independent Member (Third Sector)</i>																
Carolyn Donoghue	15-20	0				15-20										
<i>Independent Member (University)</i>																
Lynda Thomas	15-20	0				15-20										
<i>Independent Member (Corporate Business)</i>																
Cllr Geraint E Hopkins	15-20	0				15-20										
<i>Independent Member (Local Authority)</i>																
Lisa Curtis-Jones, Anna Lewis (to 31st August 2022), Dr Sally Bolt (from 1st September 2022) and Anne Morris (from May 2022) 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.																
Where applicable, any agreed increase in salaries relating to 2022-23, including payments made in 2023-24, have been included in the salary figures in the table above.																
Pension benefits figures have not been updated, as increases to pay scales were agreed after the pension information relating to 2022-23 had been provided by the NHS Pensions Agency.																
<u>Notes</u>																
1 - Greg Dix chose not to be covered by the NHS pension arrangements from January 2023.																
2 - Gethin Hughes was not covered by the NHS Pension arrangements during 2022-23.																
3 - Nicola Milligan is a paid, full time employee of the organisation and receives no additional remuneration as an Independent Member.																
4 - For the officers detailed below, their salary banding and the total banding figures exclude the following amounts in respect of their chosen salary sacrifice deductions:																
<table><tr><td>Hywel Daniel</td><td>£8,257.08</td></tr><tr><td>Greg Dix</td><td>£8,698.08</td></tr><tr><td>Georgina Galletly</td><td>£9,567.36</td></tr><tr><td>Dom Hurford</td><td>£6,790.32</td></tr><tr><td>Stuart Morris</td><td>£8,912.64</td></tr></table>							Hywel Daniel	£8,257.08	Greg Dix	£8,698.08	Georgina Galletly	£9,567.36	Dom Hurford	£6,790.32	Stuart Morris	£8,912.64
Hywel Daniel	£8,257.08															
Greg Dix	£8,698.08															
Georgina Galletly	£9,567.36															
Dom Hurford	£6,790.32															
Stuart Morris	£8,912.64															

Pension Benefits 2023-24	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 2024	Lump sum at pensionable age related to accrued pension at 31 March 2024	Cash Equivalent Transfer Value at 31 March 2024	Cash Equivalent Transfer Value at 31 March 2023	Real increase in Cash Equivalent Transfer Value	Employer's contribution to partnership pension account
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
<u>Cwm Taf Morgannwg University Local Health Board</u>								
<u>Executive Directors</u>								
Paul Mears	0	32.5-35	50-55	130-135	1152	898	133	0
<i>Chief Executive (Note 1)</i>								
Sally May	0	32.5-35	70-75	200-205	1761	1456	134	0
<i>Director of Finance (Note 1)</i>								
Dom Hurford	0	30-32.5	35-40	95-100	780	563	144	0
<i>Medical Director (Note 1)</i>								
Greg Dix 1995	0	32.5-35	40-45	115-120	976	773	109	0
<i>Nurse Director (Note 2)</i>								
Linda Prosser	0	0	50-55	130-135	95	41	30	0
<i>Director of Strategy & Transformation (Note 3)</i>								
Hywel Daniel	0	20-22.5	35-40	90-95	678	500	108	0
<i>Director for People (Note 1)</i>								
Philip Daniels	27.5-30	0	25-30	0	409	0	369	0
<i>Interim Director of Public Health to 12th November 2023 (Note 4)</i>								
<i>Director of Public Health from 13th November 2023 (Note 4)</i>								
Lauren Edwards	0	22.5-25	25-30	70-75	543	366	123	0
<i>Director of Therapies and Health Sciences (Note 5)</i>								
Gethin Hughes	40-42.5	117.5-120	40-45	115-120	885	0	872	0
<i>Chief Operating Officer (Note 6)</i>								
<u>Directors</u>								
Stuart Morris	0	22.5-25	30-35	90-95	721	522	131	0
<i>Director of Digital (Note 1)</i>								
Gareth Watts	0-2.5	0	0-5	0	15	0	3	0
<i>Director of Corporate Governance/ Board Secretary to 6th September 2023 (Note 7)</i>								
Simon Blackburn	15-17.5	45-47.5	20-25	60-65	493	0	359	0
<i>Director of Communications, Engagement and Fundraising from 3rd July 2023 (Note 8)</i>								
Notes:								
1 - Paul Mears, Sally May, Dom Hurford, Hywel Daniel and Stuart Morris transferred from the 1995 pension scheme to the 2015 pension scheme on the 1st April 2015.								
2 - Greg Dix was a member of the 1995 pension scheme up to 2018-19. He joined the 2015 pension scheme on 1st July 2020 and terminated membership on 31st December 2022 and re-joined on 1st July 2023.								
3 - Linda Prosser is over the Normal Retirement Age for the 1995 scheme and therefore a CETV is not applicable. She re-joined the 2015 pension scheme on 1st April 2022.								
4 - Philip Daniels was a member of the 2018 and 2015 schemes. He commenced membership with the 2015 scheme on 1 st October 2022.								
5 - Lauren Edwards transferred from the 1995 pension scheme to the 2015 pension scheme on the 1st November 2021.								
6 - Gethin Hughes commenced contributions covered by the NHS Pension arrangements in August 2023.								
7 - Gareth Watts commenced membership to the 2015 scheme on 6 th September 2023.								
8 - Simon Blackburn was a member of the 1995 and 2015 schemes. He commenced membership of the 2015 scheme on 1 st November 2022.								

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 capitalised 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 figures include the value of any pension benefits in another scheme or arrangement which the member has transferred to the NHS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.								
Real Increase in CETV								
This reflects the increase in CETV that is funded by the employer. It does not include 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. The above shows the CETVs of senior staff at the start and end of the reporting year, together with the real increase during that period. The real increase is the increase due to additional benefit accrual (i.e., as a result of salary changes and service) that is funded by the employer. It will be smaller than the difference between the start and end CETVs because it does not include any increase in the value of the pension due to inflation or due to the contributions paid by the employee or the value of any benefits transferred from another pension scheme. Nor does it include any increases (or decreases) because of any changes during the year in the actuarial factors used to calculate CETVs.								

Pension Benefits 2022-23	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 2023	Lump sum at pensionable age related to accrued pension at 31 March 2023	Cash Equivalent Transfer Value at 31 March 2023	Cash Equivalent Transfer Value at 31 March 2022	Real increase in Cash Equivalent Transfer Value	Employer’s contribution to partnership pension account
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
<u>Cwm Taf Morgannwg University Local Health Board</u>								
<u>Executive Directors</u>								
Paul Mears 1995 Pension Scheme	0	0	25-30	85-90	615	586	10	0
Paul Mears 2015 Pension Scheme	2.5-5	0	20-25	0	283	220	28	0
Chief Executive (Note 1)								
Sally May 1995 Pension Scheme	0	0	50-55	150-155	1131	1085	12	0
Sally May 2015 Pension Scheme	2.5-5	0	20-25	0	325	265	29	0
Director of Finance (Note 1)								
Dom Hurford 1995 Pension Scheme	0-2.5	2.5-5	20-25	60-65	375	334	31	0
Dom Hurford 2015 Pension Scheme	0-2.5	0	15-20	0	187	152	15	0
Interim Medical Director to 1st May 2022 (Note 1)								
Medical Director from 2nd May 2022								
Greg Dix 1995 Pension Scheme	0	0	25-30	75-80	525	520	0	0
Greg Dix 2015 Pension Scheme	2.5-5	0	15-20	0	248	189	40	0
Director of Nursing, Midwifery and Patient Care (Note 2)								
Deputy Chief Executive Officer from 1st March 2023								
Linda Prosser 1995 Pension Scheme	0-2.5	2.5-5	40-45	130-135	n/a	n/a	n/a	0
Linda Prosser 2015 Pension Scheme	2.5-5	0	0-5	0	41	0	21	

<i>Director of Strategy & Transformation (Note 3)</i>								
Hywel Daniel 1995 Pension Scheme	0	0	20-25	65-70	355	352	0	0
Hywel Daniel 2015 Pension Scheme	2.5-5	0	15-20	0	145	115	9	0
<i>Director of People (Note 1)</i>								
Kelechi Nnoaham 2008 Pension Scheme	0	0	10-15	0	152	164	0	0
Kelechi Nnoaham 2015 Pension Scheme	0-2.5	0	20-25	0	247	212	10	0
<i>Director of Public Health to 30th November 2022 (Note 4)</i>								
Lauren Edwards 1995 Pension Scheme	2.5-5	10-12.5	10-15	40-45	244	169	70	0
Lauren Edwards 2015 Pension Scheme	0-2.5	0	10-15	0	122	94	8	0
<i>Director of Therapies and Health Sciences (Note 5)</i>								
Gareth Robinson 1995 Pension Scheme	0	0-2.5	0-5	10-15	82	77	0	0
Gareth Robinson 2015 Pension Scheme	0-2.5	0	0-5	0	50	45	0	0
<i>Interim Chief Operating Officer to 25th April 2022 (Note 6)</i>								
Gethin Hughes	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
<i>Chief Operating Officer from 19th April 2022 (Note 7)</i>								
<u>Directors</u>								
Mrs G Galletly 1995 Pension Scheme	0	0	15-20	55-60	378	397	0	0
Mrs G Galletly 2015 Pension Scheme	0-2.5	0	10-15	0	165	133	8	0
<i>Director of Corporate Governance/ Board Secretary to 13th November 2022 (Note 1)</i>								
Stuart Morris 1995 Pension Scheme	0-2.5	5-7.5	20-25	60-65	381	329	42	0
Stuart Morris 2015 Pension Scheme	0-2.5	0	10-15	0	141	111	12	0
<i>Director of Digital (Note 1)</i>								
Notes:								
1 - Paul Mears, Sally May, Dom Hurford, Hywel Daniel, Georgina Galletly and Stuart Morris transferred from the 1995 pension scheme to the 2015 pension scheme on the 1st April 2015.								
2 - Greg Dix was a member of the 1995 pension scheme up to 2018-19. He re-joined the 2015 pension scheme on 1st July 2020 and terminated membership on 31st December 2022.								
3 - Linda Prosser is over the Normal Retirement Age for the 1995 scheme and therefore a CETV is not applicable. She re-joined the 2015 pension scheme on 1st April 2022.								
4 - Kelechi Nnoaham transferred from the 2008 pension scheme to the 2015 pension scheme on 1st April 2015								
5 - Lauren Edwards transferred from the 1995 pension scheme to the 2015 pension scheme on the 1st November 2021.								
6 - Gareth Robinson was a member of the 1995 pension scheme up to 2008-09 and joined the 2015 pension scheme during 2020-21								
7 - Gethin Hughes was not covered by the NHS Pension arrangements during 2022-23.								
Pension related figures above have not been updated with any agreed increase salaries relating to 2022-23, as increases to pay scales were agreed after the pension information relating to 2022-23 had been provided by the NHS Pensions Agency.								
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 capitalised 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 figures include the value of any pension benefits in another scheme or arrangement which the member has transferred to the NHS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.								
Real Increase in CETV								

This reflects the increase in CETV that is funded by the employer. It does not include 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. The above shows the CETVs of senior staff at the start and end of the reporting year, together with the real increase during that period. The real increase is the increase due to additional benefit accrual (i.e., as a result of salary changes and service) that is funded by the employer. It will be smaller than the difference between the start and end CETVs because it does not include any increase in the value of the pension due to inflation or due to the contributions paid by the employee or the value of any benefits transferred from another pension scheme. Nor does it include any increases (or decreases) because of any changes during the year in the actuarial factors used to calculate CETVs.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 figures.

Reporting of other Compensation Schemes – Exit Packages

In accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS) and redundancy legislation some costs were paid. Where CTMUHB agreed the voluntary early release of staff, the organisation met these costs rather than the NHS Pensions Scheme. The NHS Pension Scheme did meet the cost of ill-health retirements, which are not included in the tables provided. No staff received an exit payment during 2023-2024.

Expenditure on Consultancy Fees (Audited)

	2023-2024	2022-2023
Expenditure on Hospital and Community Health Services	£'000	£'000
	CT activities	CT activities
Consultancy Services	136	759

Tax Assurance for Off-Payroll Engagements

Table 1: Highly paid Off-payroll worker engagements as at 31 March 2024, earning £245 per day or greater	
Number of existing engagements as of 31 March 2024	17
Of which, the number that have existed:	
for less than one year at time of reporting.	2
for between one and two years at time of reporting.	2
for between two and three years at time of reporting.	1
for between three and four years at time of reporting.	1
for four or more years at time of reporting.	11
Table 2: All highly paid off-payroll workers engaged at any point during the year ended 31 March 2024, earning £245 per day or greater	
Number of temporary off-payroll workers engaged during the year ended 31 March 2024	39
Of which...	
Number not subject to off-payroll legislation	0
Number subject to off-payroll legislation and determined as in-scope of IR35	30
Number subject to off-payroll legislation and determined as out-of-scope of IR35	9
Number of engagements reassessed for compliance or assurance purposes during the year.	0
Of which: Number of engagements that saw a change to IR35 status following review.	0
Table 3; For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024	
Number of off-payroll engagements of board members, and /or, senior officials with significant financial responsibility, during the financial year.	0
Total number of individuals on payroll and off-payroll 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.	12

Fair Pay Disclosures – Remuneration Relationship (Audited)

	2023-2024	2023-2024	2023-2024		2022-2023	2022-2023	2022-2023
	£000	£000	£000		£000	£000	£000
Total pay and benefits	Chief Executive	Employee	Ratio		Chief Executive	Employee	Ratio
25th percentile pay ratio	221	26	8.4		211	24	8.8
Median pay	221	35	6.3		211	33	6.4
75th percentile pay ratio	221	47	4.7		211	43	4.9
Salary component of total pay and benefits							
25th percentile pay ratio	221	26			211	24	
Median pay	221	35			211	33	
75th percentile pay ratio	221	47			211	42	
Total pay and benefits	Highest Paid Director	Employee	Ratio		Highest Paid Director	Employee	Ratio
25th percentile pay ratio	221	26	8.4		211	24	8.8
Median pay	221	35	6.3		211	33	6.4
75th percentile pay ratio	221	47	4.7		211	43	4.9
Salary component of total pay and benefits							
25th percentile pay ratio	221	26			211	24	
Median pay	221	35			211	33	
75th percentile pay ratio	221	47			211	43	

In 2023-2024, 27 (2022-2023, 32) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £3k to £415k (2022-2023, £3k to £320k).

The all staff range includes directors (including the highest paid director) and excludes pension benefits of all employees.

Percentage Changes	2022-2023	2021-2022
	to	to
	2023-2024	2022-2023
% Change from previous financial year in respect of Chief Executive	%	%
Salary and allowances	5	1
Performance pay and bonuses	5	1
% Change from previous financial year in respect of highest paid director		
Salary and allowances	5	-1
Performance pay and bonuses	5	-1
Average % Change from previous financial year in respect of employees takes as a whole		
Salary and allowances	5	4
Performance pay and bonuses	5	3

Reporting of other compensation schemes – exit packages (Audited)

	2023-2024	2023-2024	2023-2024	2023-2024	2022-2023
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	1	1	0	1
£10,000 to £25,000	0	1	1	0	1
£25,000 to £50,000	0	2	2	0	3
£50,000 to £100,000	0	0	0	0	1
£100,000 to £150,000	0	0	0	0	1
£150,000 to £200,000	0	0	0	0	1
more than £200,000	0	1	1	0	0
Total	0	5	5	0	8

	2023-2024	2023-2024	2023-2024	2023-2024	2022-2023
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
	£	£	£	£	£
less than £10,000	0	9,026	9,026	0	4,016
£10,000 to £25,000	0	22,265	22,265	0	11,019
£25,000 to £50,000	0	65,000	65,000	0	127,751
£50,000 to £100,000	0	0	0	0	97,364
£100,000 to £150,000	0	0	0	0	129,287
£150,000 to £200,000	0	0	0	0	150,308
more than £200,000	0	443,022	443,022	0	0
Total	0	539,313	539,313	0	519,745

Exit costs paid in year of departure	Total paid in year	Total paid in year
	2023-2024	2022-2023
	£	£
Exit costs paid in year	504,313	519,745

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS). Where CTMUHB has agreed early retirements, the additional costs are met by the CTMUHB 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.

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. Please see the AGW’s qualified regularity opinion which is set out from page 171.

Compliance with Cost Allocation and Charging

CTMUHB can confirm that it has complied with cost allocation and charging requirements as set out in HM Treasury’s ‘Managing Public Money’ guidance.

Going Concern Basis

CTMUHB’s accounts are prepared on a going concern basis as the continued provision of CTMUHB’s services in the future are anticipated, as evidenced by the inclusion of financial provisions for these services in published Welsh Government documents. There are no known events or conditions that might cast significant doubt on this assessment.

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 (Audited)

Detailed below are the remote contingent liabilities as at 31st March 2024:

	2023-2024	2022-2023
Contingent Liabilities	£'000	£'000
Guarantees	0	0
Indemnities	298	187
Letters of Comfort	0	0
Total	298	187

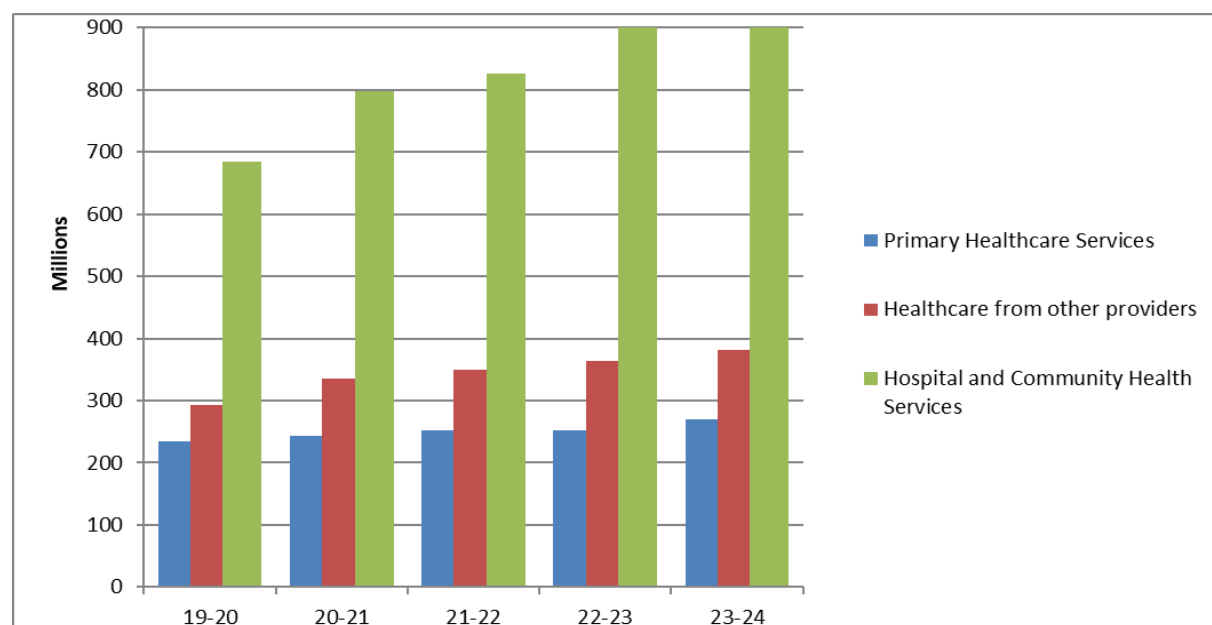
Miscellaneous Income (Audited)

Detailed below is the miscellaneous income as at 31st March 2024:

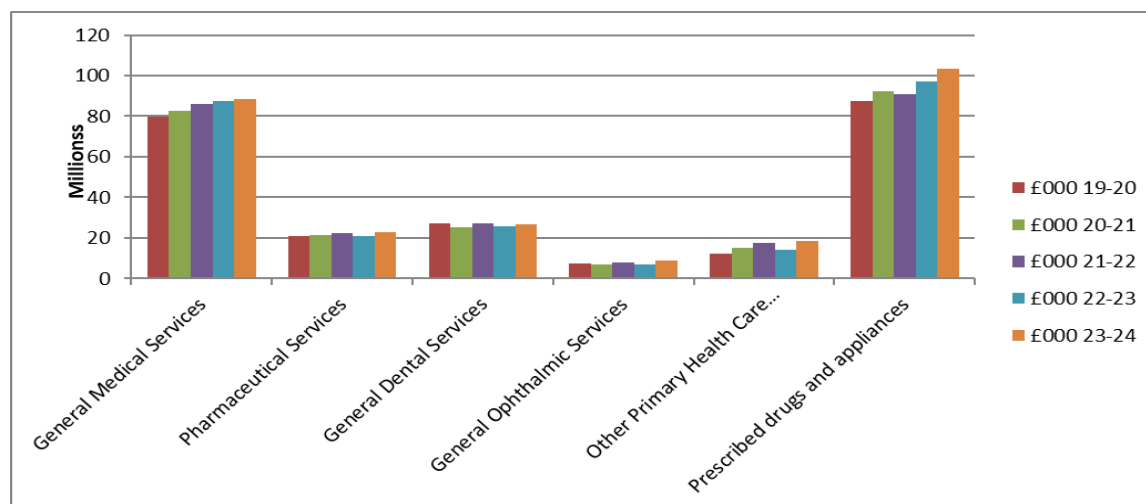
	2023-2024	2022-2023
	£'000	£'000
Total	163,360	155,074

Long Term Expenditure Trends

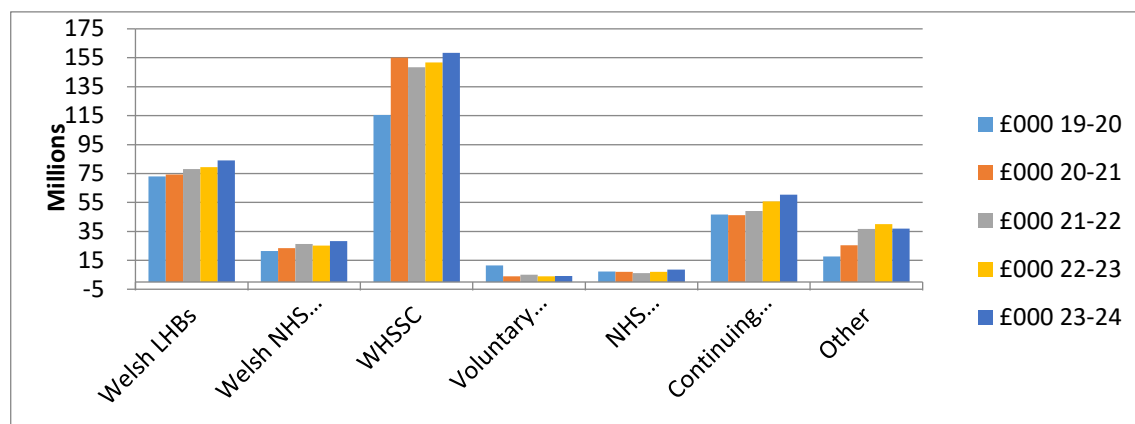
Operating Expenses	£000	£000	£000	£000	£000		%	%	%	%	%
	19-20	20-21	21-22	22-23	23-24		19-20	20-21	21-22	22-23	23-24
Primary Healthcare Services	234,802	243,573	251,779	252,376	268,077		19.37	17.70	17.64	16.60	17.23
Healthcare from other providers	292,814	335,415	349,708	363,049	380,837		24.16	24.38	24.51	23.88	24.47
Hospital and Community Health Services	684,350	797,071	825,533	904,637	907,395		56.47	57.92	57.85	59.51	58.30
Total	1,211,966	1,376,059	1,427,020	1,520,062	1,556,309		100.00	100.00	100.00	100.00	100.00



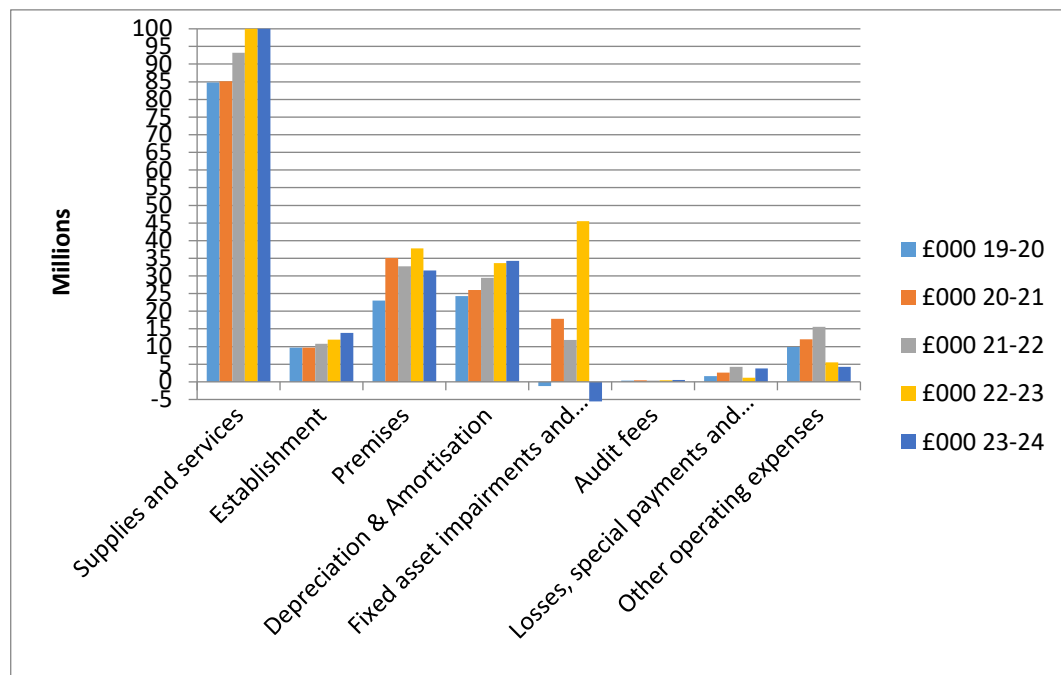
Expenditure on Primary Healthcare Services	£000	£000	£000	£000	£000		%	%	%	%	%
	19-20	20-21	21-22	22-23	23-24		19-20	20-21	21-22	22-23	23-24
General Medical Services	79,585	82,559	86,136	87,403	90,866		33.89	33.90	34.21	34.63	33.90
Pharmaceutical Services	21,081	21,196	22,194	21,072	23,069		8.98	8.70	8.81	8.35	8.61
General Dental Services	27,248	25,470	27,011	25,612	27,886		11.60	10.46	10.73	10.15	10.40
General Ophthalmic Services	7,211	7,101	8,001	6,826	8,519		3.07	2.92	3.18	2.70	3.18
Other Primary Health Care expenditure	12,231	14,984	17,435	14,289	17,249		5.21	6.15	6.92	5.66	6.43
Prescribed drugs and appliances	87,446	92,263	91,002	97,174	100,488		37.24	37.88	36.14	38.50	37.48
Total	234,802	243,573	251,779	252,376	268,077		100.00	100.00	100.00	100.00	100.00



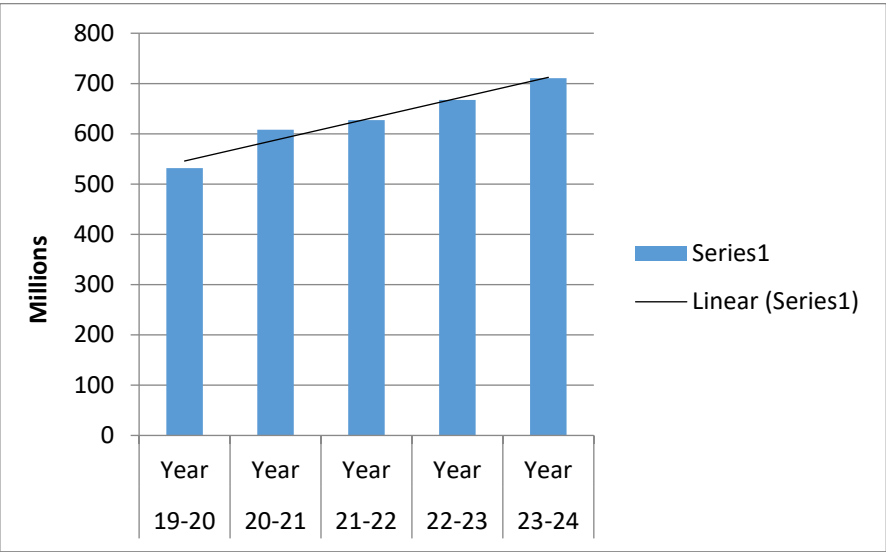
Expenditure on Healthcare from other providers	£000	£000	£000	£000	£000		%	%	%	%	%
	19-20	20-21	21-22	22-23	23-24		19-20	20-21	21-22	22-23	23-24
Welsh LHBs	72,875	74,359	77,989	79,324	84,095		24.89	22.17	22.30	21.85	22.08
Welsh NHS Trusts	21,462	23,392	26,305	25,133	28,180		7.33	6.97	7.52	6.92	7.40
WHSSC	115,411	155,190	148,438	151,733	158,430		39.41	46.27	42.45	41.79	41.60
Voluntary organisations	11,481	3,920	4,975	3,989	4,214		3.92	1.17	1.42	1.10	1.11
NHS Funded Nursing Care	7,269	7,022	6,246	6,961	8,583		2.48	2.09	1.79	1.92	2.25
Continuing Care	46,653	46,093	49,163	55,820	60,415		15.93	13.74	14.06	15.38	15.86
Other	17,663	25,440	36,592	40,089	36,920		6.03	7.58	10.46	11.04	9.69
Total	292,814	335,415	349,708	363,049	380,837		100.00	100.00	100.00	100.00	100.00



Expenditure on Hospital and Community Health Services	£000	£000	£000	£000	£000		%	%	%	%	%
	19-20	20-21	21-22	22-23	23-24		19-20	20-21	21-22	22-23	23-24
Supplies and services	84,783	85,152	93,191	101,352	116,357		55.61	45.10	47.05	42.70	59.07
Establishment	9,718	9,700	10,766	11,934	13,824		6.37	5.14	5.44	5.03	7.02
Premises	22,985	35,044	32,685	37,803	31,553		15.08	18.56	16.50	15.93	16.02
Depreciation & Amortisation	24,322	25,978	29,428	33,626	34,271		15.95	13.76	14.86	14.17	17.40
Fixed asset impairments and reversals	-1,189	17,840	11,826	45,528	-7,555		-0.78	9.45	5.97	19.18	-3.84
Audit fees	350	459	378	403	512		0.23	0.24	0.19	0.17	0.26
Losses, special payments and irrecoverable debts	1,586	2,602	4,221	1,184	3,821		1.04	1.38	2.13	0.50	1.94
Other operating expenses	9,898	12,023	15,581	5,549	4,206		6.49	6.37	7.87	2.34	2.14
Total	152,453	188,798	198,076	237,379	196,989		100.00	100.00	100.00	100.00	100.00



Expenditure on Hospital and Community Health Services - Staff Costs	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
	Year	Year	Year	Year	Year
Pay Costs	531,897	608,273	627,457	667,258	710,397



Performance against resource Limits (Audited)

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
	£'000	£'000	£'000	£'000	£'000
Net operating costs for the year	1,066,986	1,234,585	1,278,862	1,365,069	1,393,256
Less general ophthalmic services expenditure and other non-cash limited expenditure	(672)	93	(66)	(107)	325
Less revenue consequences of bringing PFI schemes onto SoFP	(122)	(126)	(131)	(198)	(177)
Less any non-funded revenue consequences of IFRS 16					(2)
Total operating expenses	1,066,192	1,234,552	1,278,665	1,364,764	1,393,402
Revenue Resource Allocation	1,067,075	1,234,640	1,278,837	1,340,283	1,393,511
Under /(over) spend against Allocation	883	88	172	(24,481)	109

CTMUHB has not met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2021-2022 to 2023-2024.

CTMUHB did not receive strategic cash only support in 2023-2024.

Capital Resource Performance (Audited)

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
	£'000	£'000	£'000	£'000	£'000
Gross capital expenditure	40,244	53,772	79,967	74,915	79,725
Add: Losses on disposal of donated assets	0	0	0	0	0
Less NBV of property, plant and equipment and intangible assets disposed	(5)	(80)	(717)	(227)	(252)
Less capital grants received	(49)	(1,264)	(13)	(1,592)	(22)
Less donations received	(1,862)	(197)	(83)	(114)	(43)
Charge against Capital Resource Allocation	38,328	52,231	79,154	72,982	79,408
Capital Resource Allocation	38,352	52,278	79,196	73,025	79,442
(Over) / Underspend against Capital Resource Allocation	24	47	42	43	34

CTMUHB has met its financial duty to break-even against its Capital Resource Limit over the 3 years 2021-2022 to 2023-2024.

Signature

Paul Mears,
Chief Executive & Accountable Officer
Date: 11th July 2024

Senedd Cymru/Welsh Parliament Accountability and Audit Report

The Certificate of the Auditor General for Wales to the Senedd

Opinion on financial statements

I certify that I have audited the financial statements of Cwm Taf Morgannwg University Health Board for the year ended 31 March 2024 under Section 61 of the Public Audit (Wales) Act 2004.

These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Cash Flow Statement and Statement of Changes in Taxpayers' Equity and related notes, including a summary of material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the state of affairs of Cwm Taf Morgannwg University Health Board as at 31 March 2024 and of its net operating costs for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

Opinion on regularity

In my opinion, except for the matter described in the Basis for Qualified Regularity Opinion section of my report, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for Qualified Opinion on regularity

I have qualified my opinion on the regularity of the Cwm Taf Morgannwg University Health Board's financial statements because the Health Board has breached its resource limit by spending £24.200 million over the amount that it was authorised to spend in the three-year period 2021-22 to 2023-2024. This spend constitutes irregular expenditure.

Further detail is set out in my Report on page 176.

Basis for Opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of

Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my certificate.

My staff and I are independent of the Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for Cwm Taf Morgannwg University Health Board is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Chief Executive is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

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 parts of the Accountability Report subject to audit have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers' directions; and;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with Welsh Ministers' guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the Health Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

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

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements and the audited part of the Accountability Report are not in agreement with the accounting records and returns;
- information specified by HM Treasury or Welsh Ministers regarding remuneration and other transactions is not disclosed;
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made or parts of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of Directors and the Chief Executive for the financial statements

As explained more fully in the Statements of Directors' and Chief Executive's Responsibilities set out on pages 101 and 102, the Directors and the Chief Executive are responsible for:

- maintaining adequate accounting records
- the preparation of financial statements and annual report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the annual report and financial statements as a whole are fair, balanced and understandable;
- ensuring the regularity of financial transactions;

- internal controls 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; and
- assessing the Health 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 the Directors and Chief Executive anticipate that the services provided by the Health Board will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the National Health Service (Wales) Act 2006.

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 a certificate that includes my opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

My procedures included the following:

- enquiring of management, the Head of Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Health Board's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals;
- obtaining an understanding of Health Board's framework of authority as well as other legal and regulatory frameworks that the Health Board operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Health Board; and
- obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit and Risk Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Health Board controls, and the nature, timing and extent of the audit procedures performed.

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

Other auditor's responsibilities

I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

Please see my Report on page 176.

Adrian Crompton
Auditor General for Wales
12 July 2024

1 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

Report of the Auditor General to the Senedd

Introduction

Under the Public Audit Wales Act 2004, I am responsible for auditing, certifying and reporting on Cwm Taf Morgannwg University Health Board's financial statements. I am reporting on these financial statements for the year ended 31 March 2024 to draw attention to two key matters for my audit. These are the failure against the first financial duty and consequential qualification of my 'regularity' opinion; and the failure of the second financial duty. I have not qualified my 'true and fair' opinion in respect of any of these matters.

Financial duties

Local Health Boards (LHBs) are required to meet two statutory financial duties – known as the first and second financial duties.

For 2023-24, Cwm Taf Morgannwg University Health Board failed to meet both the first and the second financial duties.

Failure of the first financial duty

The **first financial duty** gives additional flexibility to LHBs by allowing them to balance their income with their expenditure over a three-year rolling period. The three-year period being measured under this duty this year is 2021-2022 to 2023-2024.

As shown in Note 2.1 to the Financial Statements, Cwm Taf Morgannwg University Health Board did not manage its revenue expenditure within its resource allocation over this three-year period, exceeding its cumulative revenue resource limit of £4,012 million by £24.200 million.

Where an LHB does not balance its books over a rolling three-year period, any expenditure over the resource allocation (i.e. spending limit) for those three years exceeds the LHB's authority to spend and is therefore 'irregular'. In such circumstances, I am required to qualify my 'regularity opinion' irrespective of the value of the excess spend.

Failure of the second financial duty

The **second financial duty** requires LHBs to prepare and have approved by the Welsh Ministers a rolling three-year integrated medium-term plan. This duty is an essential foundation to the delivery of sustainable quality health services. An LHB will be deemed to have met this duty for 2023-24 if it submitted a 2023-2024 to 2025-2026 plan approved by its Board to the Welsh Ministers, who were required to review and consider approval of the plan.

As shown in Note 2.3 to the Financial Statements, Cwm Taf Morgannwg University Health Board did not meet its second financial duty to have an approved three-year integrated medium-term plan in place for the period 2023-2024 to 2025-2026.

Adrian Crompton
Auditor General for Wales
12 July 2024

Chapter 3 – Financial Statements and Accounts

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 2020-21. The annual financial duty has been revoked and the statutory breakeven duty has reverted to a three year duty, with the first assessment of this duty in 2016-17.

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

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

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

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.

The key statements therefore have a separate column for Cwm Taf Morgannwg University Health Board activities only with the total column representing the consolidated position. In line with normal consolidation practices, any transactions between Cwm Taf Morgannwg University Health Board, WHSSC and EASC will have been eliminated within the consolidated column.

Statement of Comprehensive Net Expenditure
for the year ended 31 March 2024

	Note	2023-24 £000 Cwm Taf HB Activities	2023-24 £000 Cwm Taf HB Activities	2022-23 £000 Cwm Taf HB Activities	2022-23 £000 Cwm Taf HB Activities
Expenditure on Primary Healthcare Services	3.1	268,077	268,077	252,376	252,376
Expenditure on healthcare from other providers	3.2	380,837	1,307,734	363,049	1,235,868
Expenditure on Hospital and Community Health Services	3.3	907,395	916,123	904,637	913,685
		1,556,309	2,491,934	1,520,062	2,401,929
Less: Miscellaneous Income	4	(163,360)	(1,098,985)	(155,074)	(1,036,941)
LHB net operating costs before interest and other gains and losses		1,392,949	1,392,949	1,364,988	1,364,988
Investment Revenue	5	(2)	(2)	0	0
Other (Gains) / Losses	6	(44)	(44)	(76)	(76)
Finance costs	7	353	353	157	157
Net operating costs for the financial year		1,393,256	1,393,256	1,365,069	1,365,069

See note 2 on page 26 for details of performance against Revenue and Capital allocations.

The notes on pages 8 to 76 form part of these accounts

Other Comprehensive Net Expenditure

	2023-24 £000	2022-23 £000
Net (gain) / loss on revaluation of property, plant and equipment	(17,856)	(35,733)
Net (gain) / loss on revaluation of right of use assets	0	0
Net (gain) / loss on revaluation of intangibles	0	0
(Gain) / loss on other reserves	0	0
Net (gain)/ loss on revaluation of PPE & Intangible assets held for sale	0	0
Net (gain)/loss on revaluation of financial assets held for sale	0	0
Impairment and reversals	0	0
Transfers between reserves	0	0
Transfers (to) / from other bodies within the Resource Accounting Bounda	0	0
Reclassification adjustment on disposal of available for sale financial asse	0	0
Other comprehensive net expenditure for the year	(17,856)	(35,733)
Total comprehensive net expenditure for the year	1,375,400	1,329,336

The notes on pages 8 to 76 form part of these accounts

Statement of Financial Position as at 31 March 2024

		31 March 2024 £000	31 March 2024 £000	31 March 2023 £000	31 March 2023 £000
	Notes	Cwm Taf HB Activities	Cwm Taf HB Activities	Cwm Taf HB Activities	Cwm Taf HB Activities
Non-current assets					
Property, plant and equipment	11	706,648	706,648	635,857	635,857
Right of Use Assets	11.3	23,805	23,805	23,000	23,000
Intangible assets	12	2,092	2,092	2,833	2,833
Trade and other receivables	15	67,191	67,191	47,608	47,608
Other financial assets	16	0	0	0	0
Total non-current assets		799,736	799,736	709,298	709,298
Current assets					
Inventories	14	7,367	7,367	7,017	7,017
Trade and other receivables	15	77,735	100,493	74,622	92,102
Other financial assets	16	0	0	0	0
Cash and cash equivalents	17	1,485	16,505	1,348	19,256
		86,587	124,365	82,987	118,375
Non-current assets classified as "Held for Sale"	11	0	0	245	245
Total current assets		86,587	124,365	83,232	118,620
Total assets		886,323	924,101	792,530	827,918
Current liabilities					
Trade and other payables	18	(159,923)	(209,498)	(169,055)	(215,925)
Other financial liabilities	19	0	0	0	0
Provisions	20	(33,748)	(33,793)	(27,320)	(27,680)
Total current liabilities		(193,671)	(243,291)	(196,375)	(243,605)
Net current assets/ (liabilities)		(107,084)	(118,926)	(113,143)	(124,985)
Non-current liabilities					
Trade and other payables	18	(20,213)	(20,213)	(20,069)	(20,069)
Other financial liabilities	19	0	0	0	0
Provisions	20	(68,994)	(68,994)	(52,164)	(52,164)
Total non-current liabilities		(89,207)	(89,207)	(72,233)	(72,233)
Total assets employed		603,445	591,603	523,922	512,080
Financed by :					
Taxpayers' equity					
General Fund		493,861	482,019	428,850	417,008
Revaluation reserve		109,584	109,584	95,072	95,072
Total taxpayers' equity		603,445	591,603	523,922	512,080

The financial statements on pages 2 to 7 were approved by the Board on xx/xx/24 and signed on its behalf by:

Chief Executive and Accountable Officer

Date: 11/07/2024

The notes on pages 8 to 76 form part of these accounts

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2024

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Changes in taxpayers' equity for 2023-24			
Balance as at 31 March 2023	417,008	95,072	512,080
NHS Wales Transfer	0	0	0
RoU Asset Transitioning Adjustment	0	0	0
Impact of IFRS 16 on PPP/PFI Liability	(388)	0	(388)
Balance at 1 April 2023	416,620	95,072	511,692
Net operating cost for the year	(1,393,256)		(1,393,256)
Net gain/(loss) on revaluation of property, plant and equipment	0	17,856	17,856
Net gain/(loss) on revaluation of right of use assets	0	0	0
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	3,344	(3,344)	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	(5)	0	(5)
Total recognised income and expense for 2023-24	(1,389,917)	14,512	(1,375,405)
Net Welsh Government funding	1,426,485		1,426,485
Notional Welsh Government Funding	28,831		28,831
Balance at 31 March 2024	482,019	109,584	591,603

Notional Welsh Government funding line includes the 6.3% staff employer pension and Pensions Annual Allowance Charge Compensation Scheme (PAACCS) costs paid centrally by Welsh Government.

Notional Welsh Government funding split:

Notional 6.3% staff employer pension £28,823k

Pensions Annual Allowance Charge Compensation Scheme (PAACCS) £8k

The notes on pages 8 to 76 form part of these accounts

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2023

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Changes in taxpayers' equity for 2022-23			
Balance at 31 March 2022	415,321	62,533	477,854
NHS Wales Transfer	0	0	0
RoU Asset Transitioning Adjustment	715	0	715
Balance at 1 April 2022	416,036	62,533	478,569
Net operating cost for the year	(1,365,069)		(1,365,069)
Net gain/(loss) on revaluation of property, plant and equipment	0	35,733	35,733
Net gain/(loss) on revaluation of right of use assets			
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	3,194	(3,194)	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	0	0	0
Total recognised income and expense for 2022-23	(1,361,875)	32,539	(1,329,336)
Net Welsh Government funding	1,336,781		1,336,781
Notional Welsh Government Funding	26,066		26,066
Balance at 31 March 2023	417,008	95,072	512,080

Notional Welsh Government funding line includes the 6.3% staff employer pension and Pensions Annual Allowance Charge Compensation Scheme (PAACCS) costs paid centrally by Welsh Government.

Notional Welsh Government funding split:

Notional 6.3% staff employer pension £26,058k

Pensions Annual Allowance Charge Compensation Scheme (PAACCS) £8k

Statement of Cash Flows for year ended 31 March 2024

	2023-24	2023-24	2022-23	2022-23
	£000	£000	£000	£000
	Cwm Taf		Cwm Taf	
Notes	HB Activities		HB Activities	
Cash Flows from operating activities				
Net operating cost for the financial year	(1,393,256)	(1,393,256)	(1,365,069)	(1,365,069)
Movements in Working Capital	27 (32,566)	(35,139)	(1,118)	(20,320)
Other cash flow adjustments	28 86,341	86,061	117,846	117,846
Provisions utilised	20 (7,653)	(7,688)	(11,540)	(11,540)
Net cash outflow from operating activities	(1,347,134)	(1,350,022)	(1,259,881)	(1,279,083)
Cash Flows from investing activities				
Purchase of property, plant and equipment	(76,450)	(76,450)	(73,597)	(73,597)
Proceeds from disposal of property, plant and equipment	296	296	298	298
Purchase of intangible assets	0	0	(4)	(4)
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	0	0
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	(76,154)	(76,154)	(73,303)	(73,303)
Net cash inflow/(outflow) before financing	(1,423,288)	(1,426,176)	(1,333,184)	(1,352,386)
Cash Flows from financing activities				
Welsh Government funding (including capital)	1,426,485	1,426,485	1,336,790	1,336,790
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	0	0	0	0
Capital element of payments in respect of on-SoFP PFI	(177)	(177)	(168)	(168)
Capital Element of payments in respect of Right of Use Assets	(2,883)	(2,883)	(2,528)	(2,528)
Cash transferred (to)/ from other NHS bodies	0	0	0	0
Net financing	1,423,425	1,423,425	1,334,094	1,334,094
Net increase/(decrease) in cash and cash equivalents	137	(2,751)	910	(18,292)
Cash and cash equivalents (and bank overdrafts) at 1 April	1,348	19,256	438	37,548
Cash and cash equivalents (and bank overdrafts) at 31 March	1,485	16,505	1,348	19,256

The notes on pages 8 to 76 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 2023-24 Manual for Accounts. The accounting policies contained in that manual follow the 2023-24 Financial Reporting Manual (FReM), in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, 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 from 2019-20 where employers in the Scheme would continue to pay 14.38% employer contributions under their normal monthly payment process, in Wales the additional 6.3% being funded by Welsh Government directly to the Pension Scheme administrator, the NHS Business Services Authority (BSA the NHS Pensions Agency).

However, NHS Wales' organisations are required to account for **their staff** employer contributions of 20.68% in full and on a gross basis, in their annual accounts. Payments made on their behalf by Welsh Government are accounted for on a notional basis. For detailed information see 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 2022-23 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

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration.

IFRS 16 leases is effective across public sector from 1 April 2022. The transition to IFRS 16 has been completed in accordance with paragraph C5 (b) of the Standard, applying IFRS 16 requirements retrospectively recognising the cumulative effects at the date of initial application.

In the transition to IFRS 16 a number of elections and practical expedients offered in the standard have been employed. These are as follows: The entity has applied the practical expedient offered in the standard per paragraph C3 to apply IFRS 16 to contracts or arrangements previously identified as containing a lease under the previous leasing standards IAS 17 leases and IFRIC 4 determining whether an arrangement contains a lease and not to those that were identified as not containing a lease under previous leasing standards.

On initial application the Health Board has measured the right of use assets for leases previously classified as operating leases per IFRS 16 C8 (b)(ii), at an amount equal to the lease liability adjusted for accrued or prepaid lease payments.

No adjustments have been made for operating leases in which the underlying asset is of low value per paragraph C9 (a) of the standard.

The transitional provisions have not been applied to operating leases whose terms end within 12 months of the date of initial application has been employed per paragraph C10 (c) of IFRS 16.

Hindsight is used to determine the lease term when contracts or arrangements contain options to extend or terminate the lease in accordance with C10 (e) of IFRS 16.

List any other transition expedients employed by the entity at its discretion.

Due to transitional provisions employed the requirements for identifying a lease within paragraphs 9 to 11 of IFRS 16 are not employed for leases in existence at the initial date of application. Leases entered into on or after the 1st April 2023 will be assessed under the requirements of IFRS 16.

There are further expedients or election that have been employed by [the entity] in applying IFRS 16. These include:

- the measurement requirements under IFRS 16 are not applied to leases with a term of 12 months or less under paragraph 5 (a) of IFRS 16
- the measurement requirements under IFRS 16 are not applied to leases where the underlying asset is of a low value which are identified as those assets of a value of less than £5,000, excluding any irrecoverable VAT, under paragraph 5 (b) of IFRS 16

The entity will not apply IFRS 16 to any new leases of intangible assets applying the treatment described in section 1.14 instead.

List any other expedients employed by the entity (such as low value 5(b) or 15 on componentisation HM Treasury have adapted the public sector approach to IFRS 16 which impacts on the identification and measurement of leasing arrangements that will be accounted for under IFRS 16

The entity is required to apply IFRS 16 to lease like arrangements entered into with other public sector entities that are in substance akin to an enforceable contract, that in their formal legal form may not be enforceable. Prior to accounting for such arrangements under IFRS 16 [the entity] has assessed that in all other respects these arrangements meet the definition of a lease under the standard.

The entity is required to apply IFRS 16 to lease like arrangements entered into in which consideration exchanged is nil or nominal, therefore significantly below market value. These arrangements are described as peppercorn leases. Such arrangements are again required to meet the definition of a lease in every other respect prior to inclusion in the scope of IFRS 16. The accounting for peppercorn arrangements aligns to that identified for donated assets. Peppercorn leases are different in substance to arrangements in which consideration is below market value but not significantly below market value.

The nature of the accounting policy change for the lessee is more significant than for the lessor under IFRS 16. IFRS 16 introduces a singular lessee approach to measurement and classification in which lessees recognise a right of use asset.

For the lessor leases remain classified as finance leases when substantially all the risks and rewards incidental to ownership of an underlying asset are transferred to the lessee. When this transfer does not occur, leases are classified as operating leases.

1.11.1 The entity as lessee

At the commencement date for the leasing arrangement a lessee shall recognise a right of use asset and corresponding lease liability. The entity employs a revaluation model for the subsequent measurement of its right of use assets unless cost is considered to be an appropriate proxy for current value in existing use or fair value in line with the accounting policy for owned assets. Where consideration exchanged is identified as below market value, cost is not considered to be an appropriate proxy to value the right of use asset.

Irrecoverable VAT is expensed in the period to which it relates and therefore not included in the measurement of the lease liability and consequently the value of the right of use asset.

The incremental borrowing rate of 0.95% has been applied to the lease liabilities recognised at the date of initial application of IFRS 16.

Where changes in future lease payments result from a change in an index or rate or rent review, the lease liabilities are remeasured using an unchanged discount rate.

Where there is a change in a lease term or an option to purchase the underlying asset [the entity] applies a revised rate to the remaining lease liability.

Where existing leases are modified the Health Board must determine whether the arrangement constitutes a separate lease and apply the standard accordingly.

Lease payments are recognised as an expense on a straight-line or another systematic basis over the lease term, where the lease term is in substance 12 months or less, or is elected as a lease containing low value underlying asset by the Health Board.

1.11.2 The entity as lessor (where relevant)

A lessor shall classify each of its leases as an operating or finance lease. A lease is classified as finance lease when the lease substantially transfers all the risks and rewards incidental to ownership of an underlying asset. Where substantially all the risks and rewards are not transferred, a lease is classified as an operating lease.

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

Income from operating leases is recognised on a straight-line or another systematic 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 as an expense on a straight-line basis over the lease term.

Where the Health Board is an intermediate lessor, being a lessor and a lessee regarding the same underlying asset, classification of the sublease is required to be made by the intermediate lessor considering the term of the arrangement and the nature of the right of use asset arising from the head lease.

On transition the Health Board has reassessed the classification of all of its continuing subleasing arrangements to include peppercorn leases.

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 both 2023-24 and 2022-23. 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 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.

Significant estimations are made in relation to the accruals/creditors for the bonus payments and the annual leave accrual.

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.

Estimates are also made for contracted primary care services. These estimates are based on the latest payment levels. Changes associated with these liabilities are adjusted in the following reporting period.

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	Remote 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, 35.78% of the defence fee costs are accounted for as provision and the remaining 64.22% 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 0.25%.

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

1.25 Discount Rates

Where discount is applied, a disclosure detailing the impact of the discounting on liabilities to be included for the relevant notes. The disclosure should include where possible undiscounted values to demonstrate the impact. An explanation of the source of the discount rate or how the discount rate has been determined to be included.

1.26 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'.

1.26.1. Services received

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

1.26.2. 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.

1.26.3. PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised.

Prior Year Treatment

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.

1.26.4 Impact of IFRS 16 on on-balance sheet PFI/PPP Schemes As from 1st April 2023.

On-balance sheet PPP arrangements should be based on IFRS 16 accounting principles from 2023/24.

When measuring the liability for on-balance sheet PPP contracts containing capital payments linked to a price index IFRS 16 requires that 'a lessee shall remeasure the lease liability where there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments. The lessee shall remeasure the lease liability to reflect those revised lease payments only when there is a change in the cash flows.

Initial remeasurement -the future PPP liability will need to be remeasured at 1 April 2023 to include the actual indexation-linked changes to payments for the capital/infrastructure element which have taken effect in the cash flows since the PPP agreement commenced. This should use a cumulative catch-up approach, where the cumulative effect is recognised as an adjustment to the opening balance of retained earnings.

Subsequent measurement - The PPP liability will continue to require remeasurements whenever cash payments change in response to indexation movements as set out in the individual PPP contract. The double entry for the subsequent liability remeasurement should be Debit Finance Cost, Credit PPP liability.

The liability does not include estimated future indexation linked increases.

1.26.5. 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.

1.26.6. 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.

1.26.7. 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.

1.27. Contingencies

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

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

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

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

1.28. Absorption accounting

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

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.

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

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

IFRS14 Regulatory Deferral Accounts

Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable.

IFRS 17 Insurance Contracts, Application required for accounting periods beginning on or after 1 January 2023, Standard is not yet adopted by the FReM which is expected to be from April 2025: early adoption is not permitted.

1.30. Accounting standards issued that have been adopted early

During 2023-24 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

1.31. Charities

Following Treasury's agreement to apply IAS 27 to NHS Charities from 1 April 2013, the 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' note.

2. Financial Duties Performance

The National Health Service Finance (Wales) Act 2014 came into effect from 1 April 2014. The Act amended the financial duties of Local Health Boards under section 175 of the National Health Service (Wales) Act 2006. From 1 April 2014 section 175 of the National Health Service (Wales) Act places two financial duties on Local Health Boards:

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

The first assessment of performance against the 3 year statutory duty under section 175 (1) was at the end of 2016-17, being the first 3 year period of assessment.

Welsh Health Circular WHC/2016/054 "Statutory and Financial Duties of Local Health Boards and NHS Trusts" clarifies the statutory financial duties of NHS Wales bodies effective from 2016-17.

2.1 Revenue Resource Performance

	Annual financial performance			
	2021-22 £000	2022-23 £000	2023-24 £000	Total £000
Net operating costs for the year	1,278,862	1,365,069	1,393,256	4,037,187
Less general ophthalmic services expenditure and other non-cash limited expenditure	(66)	(107)	325	152
Less unfunded revenue consequences of bringing PFI schemes onto SoFP	(131)	(198)	(177)	(506)
Less any non funded revenue consequences of IFRS 16	0	0	(2)	(2)
Total operating expenses	1,278,665	1,364,764	1,393,402	4,036,831
Revenue Resource Allocation	1,278,837	1,340,283	1,393,511	4,012,631
Under /(over) spend against Allocation	172	(24,481)	109	(24,200)

Cwm Taf LHB has not met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2021-22 to 2023-24.

The health board did not receive strategic cash-only support in 2023-24.

2.2 Capital Resource Performance

	2021-22 £000	2022-23 £000	2023-24 £000	Total £000
Gross capital expenditure	79,967	74,915	79,725	234,607
Add: Losses on disposal of donated assets	0	0	0	0
Less NBV of property, plant and equipment, right of use and intangible assets	(717)	(227)	(252)	(1,196)
Less capital grants received	(13)	(1,592)	(22)	(1,627)
Less donations received	(83)	(114)	(43)	(240)
Less IFRS16 Peppercorn income	0	0	0	0
Less initial recognition of RoU Asset Dilapidations	0	0	0	0
Charge against Capital Resource Allocation	79,154	72,982	79,408	231,544
Capital Resource Allocation	79,196	73,025	79,442	231,663
(Over) / Underspend against Capital Resource Allocation	42	43	34	119

Cwm Taf LHB has met its financial duty to break-even against its Capital Resource Limit over the 3 years 2021-22 to 2023-24.

2.3 Duty to prepare a 3 year integrated plan

The NHS Wales Planning Framework for the period 2023-2026 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 2023-2026 in accordance with NHS Wales Planning Framework.

However the Health Board for the start of 2023/24 were unable deliver a balanced plan and therefore WG did not approve the plan, therefore the LHB failed to meet the statutory duty.

The Minister for Health and Social Services extant approval

Status
Date

Not Approved

The LHB has not therefore met its statutory duty to have an approved financial plan.

2.4. Creditor payment

The LHB is required to pay 95% of the number of non-NHS bills within 30 days of receipt of goods or a valid invoice (whichever is the later). The Health Board has achieved the following results:

	2023-24	2022-23
Total number of non-NHS bills paid	271,690	295,688
Total number of non-NHS bills paid within target	263,332	282,189
Percentage of non-NHS bills paid within target	96.9%	95.4%

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	2023-24 Total £000	2022-23 £000
General Medical Services	90,866		90,866	87,403
Pharmaceutical Services	29,726	(6,657)	23,069	21,072
General Dental Services	27,886		27,886	25,612
General Ophthalmic Services	2,187	6,332	8,519	6,826
Other Primary Health Care expenditure	17,249		17,249	14,289
Prescribed drugs and appliances	100,488		100,488	97,174
Total	268,402	(325)	268,077	252,376

3.2 Expenditure on healthcare from other providers

	2023-24 £000	2023-24 £000	2022-23 £000	2022-23 £000
CT activities			CT activities	
Goods and services from other NHS Wales Health Boards	84,095	651,663	79,324	608,352
Goods and services from other NHS Wales Trusts	28,180	331,884	25,133	308,676
Goods and services from Special Health Authorities	4,367	4,533	3,516	3,647
Goods and services from other non Welsh NHS bodies	2,489	179,933	1,466	177,355
Goods and services from WHSSC / EASC	158,430	0	151,733	0
Local Authorities	18,388	18,388	20,959	20,959
Voluntary organisations	4,214	6,985	3,989	6,216
NHS Funded Nursing Care	8,583	8,583	6,961	6,961
Continuing Care	60,415	60,300	55,820	55,798
Private providers	11,676	45,465	14,148	47,904
Specific projects funded by the Welsh Government	0	0	0	0
Other	0	0	0	0
Total	380,837	1,307,734	363,049	1,235,868

Included within CT activities figures above is the following Welsh Government funding relating to WHSSC activities.

	2023-24 £000	2022-23 £000
Goods and Services from WHSSC/EASC	13,257	13,920

3.3 Expenditure on Hospital and Community Health Services

	2023-24 £000	2023-24 £000	2022-23 £000	2022-23 £000
CT activities			CT activities	
Directors' costs	2,631	2,631	2,328	2,328
Operational Staff costs	676,186	684,135	635,306	642,709
Non operational collaborative bank staff costs	0	0	0	0
Single lead employer Staff Trainee Cost	31,589	31,589	29,614	29,614
Collaborative Bank Staff Cost	0	0	10	10
Supplies and services - clinical	106,036	106,036	90,758	90,758
Supplies and services - general	10,321	10,321	10,594	10,586
Consultancy Services	136	272	759	1,364
Establishment	13,824	13,962	11,934	11,949
Transport	1,568	1,568	1,666	1,666
Premises	31,553	31,789	37,803	38,516
External Contractors	0	0	68	68
Depreciation	30,595	30,595	30,186	30,186
Depreciation RoU Asset	2,929	2,929	2,673	2,673
Amortisation	747	747	767	767
Fixed asset impairments and reversals (Property, plant & equipment)	(7,555)	(7,555)	45,528	45,528
Fixed asset impairments and reversals (RoU Assets)	0	0	0	0
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	512	571	403	462
Other auditors' remuneration	0	0	0	0
Losses, special payments and irrecoverable debts	3,821	3,856	1,184	1,444
Research and Development	0	0	0	0
Expense related to short-term leases	153	329	123	123
Expense related to low-value asset leases (excluding short-term leases)	287	287	249	249
Other operating expenses	2,062	2,061	2,684	2,685
Total	907,395	916,123	904,637	913,685

3.4 Losses, special payments and irrecoverable debts:
charges to operating expenses

	2023-24 £'000	2022-23 £'000
Increase/(decrease) in provision for future payments:		
Clinical negligence;		
Secondary care	30,762	16,773
Primary care	575	0
Redress Secondary Care	329	629
Redress Primary Care	0	0
Personal injury	694	(994)
All other losses and special payments	807	796
Defence legal fees and other administrative costs	1,087	892
Gross increase/(decrease) in provision for future payments	34,254	18,096
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	775	206
Less: income received/due from Welsh Risk Pool	(31,173)	(16,858)
Total	3,856	1,444
	2023-24 £	2022-23 £
Permanent injury included within personal injury £:	61,955	(1,626,511)

4. Miscellaneous Income

	2023-24 £000	2023-24 £000	2022-23 £000	2022-23 £000
	CT activities		CT activities	
Local Health Boards	74,303	1,020,268	78,121	970,583
Welsh Health Specialised Services Committee (WHSSC)/Emergency Ambulance Services Committee (EASC)	12,268	0	12,811	0
NHS trusts	11,187	11,454	10,583	11,384
Welsh Special Health Authorities	1,395	1,395	1,406	1,417
Foundation Trusts	0	0	0	0
Other NHS England bodies	1,268	1,268	957	957
Other NHS Bodies	0	0	0	0
Local authorities	14,702	14,702	12,289	12,289
Welsh Government	2,712	2,739	1,680	1,680
Welsh Government Hosted bodies	0	0	0	0
Non NHS:				
Prescription charge income	0	0	0	0
Dental fee income	3,344	3,344	3,824	3,824
Private patient income	573	573	391	391
Overseas patients (non-reciprocal)	0	0	0	0
Injury Costs Recovery (ICR) Scheme	1,106	1,106	1,450	1,450
Other income from activities	814	2,627	555	2,142
Patient transport services	0	0	0	0
Education, training and research	20,432	20,432	18,096	18,096
Charitable and other contributions to expenditure	0	0	481	481
Receipt of NWSSP Covid centrally purchased assets	0	0	0	0
Receipt of Covid centrally purchased assets from other organisations	0	0	0	0
Receipt of donated assets	43	43	114	114
Receipt of Government granted assets	22	22	0	0
Right of Use Grant (Peppercorn Lease)	0	0	1,592	1,592
Non-patient care income generation schemes	640	640	555	555
NHS Wales Shared Services Partnership (NWSSP)	0	0	0	0
Deferred income released to revenue	0	0	0	0
Right of Use Asset Sub-leasing rental income	0	0	0	0
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	503	503	652	652
Accommodation and catering charges	6,548	6,548	3,452	3,452
Mortuary fees	541	541	568	568
Staff payments for use of cars	175	175	210	210
Business Unit	0	0	0	0
Scheme Pays Reimbursement Notional	0	0	0	0
Other	10,784	10,605	5,287	5,104
Total	163,360	1,098,985	155,074	1,036,941

Injury Cost Recovery (ICR) Scheme income is subject to a provision for impairment re personal injury claims

	2023-24 %	2022-23 %
To reflect expected rates of collection ICR income is subject to a provision for impairment of:	23.76	23.76

5. Investment Revenue

	2023-24	2022-23
	£000	£000
Rental revenue :		
PFI Finance lease income		
planned	0	0
contingent	0	0
Other finance lease revenue	0	0
Interest revenue :		
Bank accounts	2	0
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	0	0
Total	2	0

6. Other gains and losses

	2023-24	2022-23
	£000	£000
Gain/(loss) on disposal of property, plant and equipment	26	73
Gain/(loss) on disposal other than by sale of right of use assets	0	0
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of assets held for sale	18	3
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	44	76

7. Finance costs

	2023-24	2022-23
	£000	£000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	0	0
Interest on obligations under Right of Use Leases	256	209
Interest on obligations under PFI contracts;		
main finance cost	25	30
contingent finance cost	0	0
Impact of IFRS 16 on PPP/PFI contracts	14	0
Interest on late payment of commercial debt	0	0
Other interest expense	0	0
Total interest expense	295	239
Provisions unwinding of discount	56	(82)
Other finance costs	2	0
Total	353	157

8. Future charges to Statement of Comprehensive Net Expenditure (SoCNE)

LHB as lessee

As at 31st March 2024 the LHB had 48 operating leases agreements. 46 Vehicle Leases and 2 equipment leases.

	2023-24	2023-24	2023-24	2022-23
	Low Value & Short Term	Other	Total	Total
Payments recognised as an expense				
	£000	£000	£000	£000
Minimum lease payments	153	287	440	632
Contingent rents	0	0	0	0
Sub-lease payments	0	0	0	0
Total	153	287	440	632
Total future minimum lease payments				
Payable	£000	£000	£000	£000
Not later than one year	41	84	125	178
Between one and five years	13	39	52	107
After 5 years	0	0	0	0
Total	54	123	177	285

LHB as lessor

	2023-24	2022-23
Rental revenue	£000	£000
Rent	2,800	450
Contingent rents	0	0
Total revenue rental	2,800	450
Total future minimum lease payments		
Receivable	£000	£000
Not later than one year	138	146
Between one and five years	480	480
After 5 years	585	705
Total	1,203	1,331

9. Employee benefits and staff numbers

9.1 Employee costs	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2022-23
	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	513,959	579	34,232	25,446	12	14,338	588,566	556,441
Social security costs	57,115	18	0	3,037	1	0	60,171	55,910
Employer contributions to NHS Pension Scheme	94,928	21	0	3,461	0	0	98,410	89,306
Other pension costs	336	0	0	0	0	0	336	287
Other employment benefits	0	0	0	0	0	0	0	0
Termination benefits	504	0	0	0	0	0	504	369
Total	666,842	618	34,232	31,944	13	14,338	747,987	702,313

Charged to capital	1,729	1,518
Charged to revenue	746,258	700,795
	747,987	702,313

Net movement in accrued employee benefits (untaken staff leave)	282	10,405

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.

9.2 Average number of employees

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2022-23
	Number	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	2,248	8	15	0	0	1	2,272	2,249
Medical and dental	758	0	33	412	0	125	1,328	1,286
Nursing, midwifery registered	3,632	1	383	0	1	0	4,017	4,012
Professional, Scientific, and technical staff	359	1	0	0	0	0	360	352
Additional Clinical Services	2,161	0	130	0	0	0	2,291	2,322
Allied Health Professions	733	1	3	0	0	16	753	739
Healthcare Scientists	197	0	1	0	0	5	203	204
Estates and Ancillary	1,065	0	47	0	0	0	1,112	1,111
Students	29	0	0	0	0	0	29	57
Total	11,182	11	612	412	1	147	12,365	12,332

9.3. Retirements due to ill-health

	2023-24	2022-23
Number	25	17
Estimated additional pension costs £	2,344,077	1,139,770

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

	2023-24	2023-24	2023-24	2023-24	2022-23
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	1	1	0	1
£10,000 to £25,000	0	1	1	0	1
£25,000 to £50,000	0	2	2	0	3
£50,000 to £100,000	0	0	0	0	1
£100,000 to £150,000	0	0	0	0	1
£150,000 to £200,000	0	0	0	0	1
more than £200,000	0	1	1	0	0
Total	0	5	5	0	8

	2023-24	2023-24	2023-24	2023-24	2022-23
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
	£	£	£	£	£
less than £10,000	0	9,026	9,026	0	4,016
£10,000 to £25,000	0	22,265	22,265	0	11,019
£25,000 to £50,000	0	65,000	65,000	0	127,751
£50,000 to £100,000	0	0	0	0	97,364
£100,000 to £150,000	0	0	0	0	129,287
£150,000 to £200,000	0	0	0	0	150,308
more than £200,000	0	443,022	443,022	0	0
Total	0	539,313	539,313	0	519,745

Exit costs paid in year of departure

	2023-24	Total paid in year
	£	2022-23
	£	£
Exit costs paid in year	504,313	519,745
Total	504,313	519,745

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.

9.6 Fair Pay disclosures

9.6.1 Remuneration Relationship

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director /employee in their organisation and the 25th percentile, median and 75th percentile remuneration of the organisation's workforce.

	2023-24 £000 Chief Executive	2023-24 £000 Employee	2023-24 £000 Ratio	2022-23 £000 Chief Executive	2022-23 £000 Employee	2022-23 £000 Ratio
Total pay and benefits						
25th percentile pay ratio	221	26	8.4	211	24	8.8
Median pay	221	35	6.3	211	33	6.4
75th percentile pay ratio	221	47	4.7	211	43	4.9
Salary component of total pay and benefits						
25th percentile pay ratio	221	26		211	24	
Median pay	221	35		211	33	
75th percentile pay ratio	221	47		211	42	
	Highest Paid Director	Employee	Ratio	Highest Paid Director	Employee	Ratio
Total pay and benefits						
25th percentile pay ratio	221	26	8.4	211	24	8.8
Median pay	221	35	6.3	211	33	6.4
75th percentile pay ratio	221	47	4.7	211	43	4.9
Salary component of total pay and benefits						
25th percentile pay ratio	221	26		211	24	
Median pay	221	35		211	33	
75th percentile pay ratio	221	47		211	43	

In 2023-24, 27 (2022-23, 32) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £3k to £415k (2022-23, £3k to £320k).

The all staff range includes directors (including the highest paid director) and excludes pension benefits of all employees.

9.6.2 Percentage Changes

	2022-23 to 2023-24 %	2021-22 to 2022-23 %
% Change from previous financial year in respect of Chief Executive		
Salary and allowances	5	1
Performance pay and bonuses	5	1
% Change from previous financial year in respect of highest paid director		
Salary and allowances	5	-1
Performance pay and bonuses	5	-1
Average % Change from previous financial year in respect of employees taken as a whole		
Salary and allowances	5	4
Performance pay and bonuses	5	3

9.7 PENSION COSTS

Past and present employees are covered by the provisions of the 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 the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. 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 2024, is based on valuation data as 31 March 2023, updated to 31 March 2024 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 Statement by the Actuary, which forms part of the annual NHS Pension Scheme Annual Report and 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 2020. The results of this valuation set the employer contribution rate payable from 1 April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

c) National Employment Savings Trust (NEST)

NEST is a workplace pension scheme, which was set up by legislation and is treated as a trust-based scheme. The Trustee responsible for running the scheme is NEST Corporation. It's a non-departmental public body (NDPB) that operates at arm's length from government and is accountable to Parliament through the Department for Work and Pensions (DWP).

NEST Corporation has agreed a loan with the Department for Work and Pensions (DWP). This has paid for the scheme to be set up and will cover expected shortfalls in scheme costs during the earlier years while membership is growing.

NEST Corporation aims for the scheme to become self-financing while providing consistently low charges to members.

Using qualifying earnings to calculate contributions, currently the legal minimum level of contributions is 8% of a jobholder's qualifying earnings, for employers whose legal duties have started. The employer must pay at least 3% of this.

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £6,240 and £50,270 for the 2023-24 tax year (2022-23 £6,240 and £50,270).

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.

	2023-24	2023-24	2022-23	2022-23
	Number	£000	Number	£000
NHS				
Total bills paid	6,911	1,217,265	6,776	1,153,856
Total bills paid within target	5,808	1,194,516	5,809	1,135,955
Percentage of bills paid within target	84.0%	98.1%	85.7%	98.4%
Non-NHS				
Total bills paid	271,690	620,699	295,688	677,398
Total bills paid within target	263,332	593,675	282,189	639,735
Percentage of bills paid within target	96.9%	95.6%	95.4%	94.4%
Total				
Total bills paid	278,601	1,837,964	302,464	1,831,254
Total bills paid within target	269,140	1,788,191	287,998	1,775,690
Percentage of bills paid within target	96.6%	97.3%	95.2%	97.0%

10.2 The Late Payment of Commercial Debts (Interest) Act 1998

	2023-24	2022-23
	£	£
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

2023-24	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 at 31 March bf	36,527	545,359	8,061	54,322	98,601	296	29,383	2,794	775,343
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Prepayments	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
Cost or valuation at 1 April 2023	36,527	545,359	8,061	54,322	98,601	296	29,383	2,794	775,343
Indexation	(149)	18,686	225	0	0	0	0	0	18,762
Additions									
- purchased	0	4,721	0	57,463	6,614	0	6,845	278	75,921
- donated	0	5	0	0	29	0	9	0	43
- government granted	0	0	0	0	0	0	22	0	22
Transfer from/into other NHS bodies	0	0	0	0	(13)	0	0	0	(13)
Reclassifications	0	4,175	0	(4,175)	49	0	(49)	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	11,380	226	0	0	0	0	0	11,606
Impairments	(980)	(3,611)	0	0	0	0	0	0	(4,591)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(4,347)	(17)	(435)	0	(4,799)
At 31 March 2024	35,398	580,715	8,512	107,610	100,933	279	35,775	3,072	872,294
Depreciation at 31 March bf	0	56,264	714	1	64,434	274	16,489	1,310	139,486
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
Depreciation at 1 April 2023	0	56,264	714	1	64,434	274	16,489	1,310	139,486
Indexation	0	885	21	0	0	0	0	0	906
Transfer from/into other NHS bodies	0	0	0	0	(8)	0	0	0	(8)
Reclassifications	0	0	0	0	49	0	(49)	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	(541)	0	0	0	0	0	0	(541)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(4,340)	(17)	(435)	0	(4,792)
Provided during the year	0	16,868	314	0	8,305	8	4,813	287	30,595
At 31 March 2024	0	73,476	1,049	1	68,440	265	20,818	1,597	165,646
Net book value at 1 April 2023	36,527	489,095	7,347	54,321	34,167	22	12,894	1,484	635,857
Net book value at 31 March 2024	35,398	507,239	7,463	107,609	32,493	14	14,957	1,475	706,648
Net book value at 31 March 2024 comprises :									
Purchased	35,397	499,923	7,464	107,609	31,649	14	14,854	1,428	698,338
Donated	0	7,316	0	0	224	0	78	48	7,666
Government Granted	0	0	0	0	620	0	25	0	645
At 31 March 2023	35,397	507,239	7,464	107,609	32,493	14	14,957	1,476	706,649
Asset financing :									
Owned	34,927	505,767	4,951	107,609	32,493	14	14,957	1,475	702,193
On-SoFP MIMS Funded PPP contracts	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts	470	1,472	2,513	0	0	0	0	0	4,455
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2024	35,397	507,239	7,464	107,609	32,493	14	14,957	1,475	706,648

The net book value of land, buildings and dwellings at 31 March 2024 comprises :

	£000
Freehold	545,645
Long Leasehold	4,455
Short Leasehold	0
	550,100

Valuers 'material uncertainty, in valuation. The disclosure relates to the materiality in the valuation report not the underlying account materiality.

0

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards. 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.

In 2023-24 indexation has been applied to the land and buildings based on indices received from the Valuation Office Agency. No indexation has been applied to equipment.

11.1 Property, plant and equipment

2022-23	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 at 31 March bf	38,176	543,278	6,957	64,026	106,571	313	38,823	6,115	804,259
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Prepayments	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
Cost or valuation at 1 April 2022	38,176	543,278	6,957	64,026	106,571	313	38,823	6,115	804,259
Indexation	(185)	16,225	105	0	0	0	0	0	16,145
Additions									
- purchased	0	6,942	0	58,590	3,842	0	2,711	239	72,324
- donated	0	0	0	0	111	0	0	3	114
- 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	354	67,940	0	(68,294)	0	0	0	0	0
Revaluations	234	(42,245)	(742)	0	0	0	0	0	(42,753)
Reversal of impairments	427	8,957	1,810	0	0	0	0	0	11,194
Impairments	(2,479)	(55,738)	(69)	0	0	0	0	0	(58,286)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(11,923)	(17)	(12,151)	(3,563)	(27,654)
At 31 March 2023	36,527	545,359	8,061	54,322	98,601	296	29,383	2,794	775,343
Depreciation at 31 March bf	0	102,867	1,329	11	68,049	283	23,761	4,543	200,843
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
Depreciation at 1 April 2022	0	102,867	1,329	11	68,049	283	23,761	4,543	200,843
Indexation	0	61	1	0	0	0	0	0	62
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	7	(7)	0	0	0	0	0	0	0
Revaluations	(7)	(61,426)	(961)	(10)	0	0	0	0	(62,404)
Reversal of impairments	0	(1,361)	0	0	0	0	0	0	(1,361)
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	(11,923)	(17)	(12,151)	(3,546)	(27,637)
Provided during the year	0	16,333	345	0	8,308	8	4,879	313	30,186
At 31 March 2023	0	56,264	714	1	64,434	274	16,489	1,310	139,486
Net book value at 1 April 2022	38,176	440,411	5,628	64,015	38,522	30	15,062	1,572	603,416
Net book value at 31 March 2023	36,527	489,095	7,347	54,321	34,167	22	12,894	1,484	635,857
Net book value at 31 March 2023 comprises :									
Purchased	36,527	465,879	23,467	54,321	33,101	22	12,775	1,428	627,520
Donated	0	7,096	0	0	251	0	111	56	7,514
Government Granted	0	0	0	0	815	0	8	0	823
At 31 March 2023	36,527	472,975	23,467	54,321	34,167	22	12,894	1,484	635,857
Asset financing :									
Owned	36,042	471,490	21,024	54,321	34,167	22	12,894	1,484	631,444
On-SoFP MIMS Funded PPP contracts	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts	485	1,485	2,443	0	0	0	0	0	4,413
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2023	36,527	472,975	23,467	54,321	34,167	22	12,894	1,484	635,857

The net book value of land, buildings and dwellings at 31 March 2023 comprises :

	£000
Freehold	528,556
Long Leasehold	4,413
Short Leasehold	0
	<u>532,969</u>

Valuers 'material uncertainty, in valuation. The disclosure relates to the materiality in the valuation report not the underlying account materiality.

0

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards. LHB s are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

11. Property, plant and equipment (continued)

Disclosures:

i) Donated and Granted Assets

Cwm Taf Morgannwg LHB has received the following donated and granted assets during the year:

Palliative care garden fence - YCC	£5k
Patient monitor for childrens ward - POWH	£12k
Breast Retractor System - RGH	£17k
Laptops for placement students	£23k
ICT equipment for spread and scale of AI	£6k
Granted laptop for substance misuse team	£1k
Total	£65k

ii) Valuations

The LHBs land and Buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation was prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards.

Indexation has been applied to the land and buildings in year based on indices received from the Valuation Office Agency . No indexation has been applied to equipment.

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 2023-24 the following impairments arose:

	£'000
The impairments as a result of bringing assets into use:	
RGH Electrical Infrastructure upgrade program	3,025
DEL impairment of POWH decant scheme initially designed by ABMU Health Board	45
Impairment of land due to indexation	1129
Reversal of impairments	(11,605)
Total impairments	(7,406)

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

The clinic at Llwyn yr Eos in Church Village was sold in August 2023. There are no further assets held for sale at this time.

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 2023	71	174	0	0	0	245
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	(71)	(174)	0	0	0	(245)
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 2024	0	0	0	0	0	0
Balance brought forward 1 April 2022	134	321	0	0	0	455
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	(63)	(147)	0	0	0	(210)
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 2023	71	174	0	0	0	245

11.3 Right of Use Assets

	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
2023-24									
Cost or valuation at 31 March	1,986	20,042	510	0	1,973	237	926	0	25,674
Lease prepayments in relation to RoU Assets	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases from PPE Note	0	0	0	0	0	0	0	0	0
Operating Leases Transitioning	0	0	0	0	0	0	0	0	0
Cost or valuation at 1 April	1,986	20,042	510	0	1,973	237	926	0	25,674
Additions	0	95	29	0	3,394	136	79	0	3,733
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0	0	0
Reclassifications	0	-84	84	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	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	0	0	0	0	0
At 31 March	1,986	20,053	623	0	5,367	373	1,005	0	29,407
Depreciation at 31 March	18	1,673	107	0	490	154	232	0	2,674
Transfer of Finance Leases from PPE Note	0	0	0	0	0	0	0	0	0
Operating Leases Transitioning	0	0	0	0	0	0	0	0	0
Depreciation at 1 April	18	1,673	107	0	490	154	232	0	2,674
Recognition	0	0	0	0	0	0	0	0	0
Transfers from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	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	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	0	0	0	0	0
Provided during the year	19	1,703	130	0	751	98	227	0	2,928
At 31 March	37	3,376	237	0	1,241	252	459	0	5,602
Net book value at 1 April	1,968	18,369	403	0	1,483	83	694	0	23,000
Net book value at 31 March	1,949	16,677	386	0	4,126	121	546	0	23,805
	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
RoU Asset Total Value Split by Lessor									
NHS Wales Peppercorn Leases	0	0	0	0	0	0	0	0	0
NHS Wales Market Value Leases	0	0	0	0	0	0	0	0	0
Other Public Sector Peppercorn Leases	343	0	186	0	0	0	0	0	529
Other Public Sector Market Value Leases	12	0	0	0	0	0	0	0	12
Private Sector Peppercorn Leases	0	0	0	0	0	0	0	0	0
Private Sector Market Value Leases	1,594	16,677	200	0	4,126	121	546	0	23,264
Total	1,949	16,677	386	0	4,126	121	546	0	23,805

11.3 Right of Use Assets

	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
2022-23									
Cost or valuation at 31 March	0	0	0	0	0	0	0	0	0
Lease prepayments in relation to RoU Assets	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases from PPE Note	0	0	0	0	0	0	0	0	0
Operating Leases Transitioning	391	19,819	368	0	1,473	225	926	0	23,202
Cost or valuation at 1 April	391	19,819	368	0	1,473	225	926	0	23,202
Additions	1,595	223	142	0	500	12	0	0	2,472
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	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	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	0	0	0	0	0
At 31 March	1,986	20,042	510	0	1,973	237	926	0	25,674
Depreciation at 31 March	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases from PPE Note	0	0	0	0	0	0	0	0	0
Operating Leases Transitioning	0	0	0	0	0	0	0	0	0
Depreciation at 1 April	0	0	0	0	0	0	0	0	0
Recognition	0	0	0	0	0	0	0	0	0
Transfers from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	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	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	0	0	0	0	0
Provided during the year	18	1,673	107	0	490	154	232	0	2,674
At 31 March	18	1,673	107	0	490	154	232	0	2,674
Net book value at 1 April	391	19,819	368	0	1,473	225	926	0	23,202
Net book value at 31 March	1,968	18,369	403	0	1,483	83	694	0	23,000
	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
RoU Asset Total Value Split by Lessor									
NHS Wales Peppercorn Leases	0	0	0	0	0	0	0	0	0
NHS Wales Market Value Leases	0	0	0	0	0	0	0	0	0
Other Public Sector Peppercorn Leases	351	0	271	0	0	0	0	0	622
Other Public Sector Market Value Leases	22	0	0	0	0	0	0	0	22
Private Sector Peppercorn Leases	1,595	0	0	0	0	0	0	0	1,595
Private Sector Market Value Leases	0	18,369	132	0	1,483	83	694	0	20,761
Total	1,968	18,369	403	0	1,483	83	694	0	23,000

11.3 Right of Use Assets continued
Quantitative disclosures

	2023-24	2023-24	2023-24	2023-24	2022-23
	LAND	BUILDINGS	OTHER	TOTAL	
	£000	£000	£000	£000	£000
Maturity analysis					
Contractual undiscounted cash flows relating to lease liabilities					
Less than 1 year	11	1,832	842	2,685	2,592
2-5 years	0	6,687	2,873	9,560	8,258
> 5 years	2	9,576	1,540	11,118	11,399
Less finance charges allocated to future periods	-3	-1,139	-535	-1,677	-1,411
Total	10	16,956	4,720	21,686	20,838
Lease Liabilities (net of irrecoverable VAT)				2023-24	2022-23
Current				2,406	2,401
Non-Current				19,280	18,437
Total				21,686	20,838
Amounts Recognised in Statement of Comprehensive Net Expenditure				2023-24	2022-23
Depreciation				2,929	2,673
Impairment				0	0
Variable lease payments not included in lease liabilities - Interest expense				256	210
Sub-leasing income				0	0
Expense related to short-term leases				329	123
Expense related to low-value asset leases (excluding short-term leases)				287	249
Amounts Recognised in Statement of Cashflows (net of irrecoverable VAT)					
Interest expense				-256	-210
Repayments of principal on leases				-2,883	-2,528
Total				-3139	-2,738

12. Intangible non-current assets

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure (internally generated)	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 31 March bf	4,272	0	1,807	0	0	0	6,079
NHS Wales Transfers	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU	0	0	0	0	0	0	0
Cost or valuation at 1 April 2023	4,272	0	1,807	0	0	0	6,079
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	6	0	0	0	0	0	6
Additions- internally generated	0	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Gross cost at 31 March 2024	4,278	0	1,807	0	0	0	6,085
Amortisation at 31 March bf	1,731	0	1,515	0	0	0	3,246
NHS Wales Transfers	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU	0	0	0	0	0	0	0
Amortisation at 1 April 2023	1,731	0	1,515	0	0	0	3,246
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	718	0	29	0	0	0	747
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 2024	2,449	0	1,544	0	0	0	3,993
Net book value at 1 April 2023	2,541	0	292	0	0	0	2,833
Net book value at 31 March 2024	1,829	0	263	0	0	0	2,092
At 31 March 2024							
Purchased	1,811	0	260	0	0	0	2,071
Donated	15	0	3	0	0	0	18
Government Granted	3	0	0	0	0	0	3
Internally generated	0	0	0	0	0	0	0
Total at 31 March 2024	1,829	0	263	0	0	0	2,092

12. Intangible non-current assets

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure (internally generated)	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 31 March bf	4391	0	2552	0	0	0	6943
NHS Wales Transfers	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0
Cost or valuation at 1 April 2022	4,391	0	2,552	0	0	0	6,943
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	4	0	0	0	0	0	4
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	(123)	0	(745)	0	0	0	(868)
Gross cost at 31 March 2023	4,272	0	1,807	0	0	0	6,079
Amortisation at 31 March bf	1,116	0	2,231	0	0	0	3,347
NHS Wales Transfers	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0
Amortisation at 1 April 2022	1,116	0	2,231	0	0	0	3,347
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	738	0	29	0	0	0	767
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	(123)	0	(745)	0	0	0	(868)
Amortisation at 31 March 2023	1,731	0	1,515	0	0	0	3,246
Net book value at 1 April 2022	3,275	0	321	0	0	0	3,596
Net book value at 31 March 2023	2,541	0	292	0	0	0	2,833
At 31 March 2023							
Purchased	2,505	0	289	0	0	0	2,794
Donated	27	0	3	0	0	0	30
Government Granted	9	0	0	0	0	0	9
Internally generated	0	0	0	0	0	0	0
Total at 31 March 2023	2,541	0	292	0	0	0	2,833

Additional disclosures re Intangible Assets**Disclosures:****i) Donated Assets**

CTM University LHB has not received any donated intangible assets during the year.

ii) Recognition

Intangible assets acquired separately are initially recognised at fair value. The amount recognised for internally-generated intangible assets is the sum of the expenditure incurred to date when the criteria for recognising internally generated assets has been met (see accounting policy 1.7 for criteria).

iii) Asset Lives

The useful economic life of Intangible non-current assets are assigned on an individual asset basis. Software is generally assigned a 5 year UEL and the UEL of internally generated software is based on the professional judgement of LHB professionals and Finance staff.

iv) Additions during the period

Additions in 23/24 were for software

v) Disposals during the period

There were no disposals of intangible assets in the period

13 . Impairments

	2023-24	2023-24	2023-24	2022-23	2022-23	2022-23
	Property, plant & equipment £000	Right of Use Assets £000	Intangible assets £000	Property, plant & equipment £000	Right of Use Assets £000	Intangible assets £000
Impairments arising from :						
Loss or damage from normal operations	0	0	0	0	0	0
Abandonment in the course of construction	45	0	0	0	0	0
Over specification of assets (Gold Plating)	0	0	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0	0	0
Unforeseen obsolescence	0	0	0	0	0	0
Changes in market price	0	0	0	0	0	0
Others (specify)	4,155	0	0	61,488	0	0
Reversal of Impairments	(11,606)	0	0	(12,555)	0	0
Total of all impairments	(7,406)	0	0	48,933	0	0
Analysis of impairments charged to reserves in year :						
Charged to the Statement of Comprehensive Net Expenditure	(7,555)	0	0	45,528	0	0
Impairments as a result of revaluation/indexation						
Charged to Revaluation Reserve	149	0	0	3,405	0	0
Impairments as a result of a loss of economic value or service potential Charged to Revaluation Reserve	0	0	0	0	0	0
	(7,406)	0	0	48,933	0	0

Please see detail of impairments in note 11 - Property, Plant & Equipment

14.1 Inventories

	31 March 2024 £000	31 March 2023 £000
Drugs	3,450	3,296
Consumables	3,729	3,520
Energy	188	201
Work in progress	0	0
Other	0	0
Total	7,367	7,017
Of which held at realisable value	0	0

14.2 Inventories recognised in expenses

	31 March 2024 £000	31 March 2023 £000
Inventories recognised as an expense in the period	5	64
Write-down of inventories (including losses)	0	0
Reversal of write-downs that reduced the expense	0	0
Total	5	64

15. Trade and other Receivables

Current	31 March 2024 £000	31 March 2024 £000	31 March 2023 £000	31 March 2023 £000
	CT activities		CT activities	
Welsh Government	3,408	3,408	1,497	1,497
WHSSC / EASC	508	0	1,283	0
Welsh Health Boards	3,562	25,158	4,377	17,766
Welsh NHS Trusts	3,988	4,733	4,423	5,129
Welsh Special Health Authorities	993	993	619	630
Non - Welsh Trusts	270	1,024	278	3,314
Other NHS	0	0	0	0
2019-20 Scheme Pays - Welsh Government Reimbursement	4	4	14	14
Welsh Risk Pool Claim reimbursement;				
NHS Wales Secondary Health Sector	38,436	38,436	35,612	35,612
NHS Wales Primary Sector FLS Reimbursement	623	623	5	5
NHS Wales Redress	748	748	886	886
Other	0	0	0	0
Local Authorities	8,886	8,886	13,501	13,501
Capital receivables - Tangible	0	0	3	3
Capital receivables - Intangible	0	0	0	0
Other receivables	10,794	10,804	7,891	9,334
Provision for irrecoverable debts	(3,716)	(3,716)	(2,922)	(2,922)
NHS Pension Prepayments	0	0	0	0
NEST Pension Repayments	0	0	0	0
Other prepayments	9,107	9,268	6,641	6,819
Other accrued income	124	124	514	514
Sub total	77,735	100,493	74,622	92,102
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
Welsh Special Health Authorities	0	0	0	0
Non - Welsh Trusts	0	0	0	0
Other NHS	0	0	0	0
2019-20 Scheme Pays - Welsh Government Reimbursement	543	543	484	484
Welsh Risk Pool Claim reimbursement;				
NHS Wales Secondary Health Sector	66,648	66,648	47,110	47,110
NHS Wales Primary Sector FLS Reimbursement	0	0	0	0
NHS Wales Redress	0	0	0	0
Other	0	0	0	0
Local Authorities	0	0	0	0
Capital receivables - Tangible	0	0	0	0
Capital receivables - Intangible	0	0	0	0
Other receivables	0	0	0	0
Provision for irrecoverable debts	0	0	0	0
NHS Pension Prepayments	0	0	0	0
NEST Pension Repayments	0	0	0	0
Other prepayments	0	0	14	14
Other accrued income	0	0	0	0
Sub total	67,191	67,191	47,608	47,608
Total	144,926	167,684	122,230	139,710

15. Trade and other Receivables

	31 March 2024 £000	31 March 2024 £000	31 March 2023 £000	31 March 2023 £000
	CT activities		CT activities	
Receivables past their due date but not impaired				
By up to three months	2,633	2,633	2,894	2,900
By three to six months	385	387	1,094	1,095
By more than six months	877	883	1,037	1,041
	<u>3,895</u>	<u>3,903</u>	<u>5,025</u>	<u>5,036</u>

Expected Credit Losses (ECL) / Provision for impairment of receivables

Balance at 1 April	(2,922)	(2,922)	(2,733)	(2,733)
Transfer from other NHS Wales body	0	0	0	0
Amount written off during the year	3	0	4	4
Amount recovered during the year	0	0	0	0
(Increase) / decrease in receivables impaired	(797)	0	(193)	(193)
Bad debts recovered during year	0	0	0	0
Balance at 31 March	<u>(3,716)</u>	<u>(2,922)</u>	<u>(2,922)</u>	<u>(2,922)</u>

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	1,414	0	2,538	2,538
Total	<u>1,414</u>	<u>0</u>	<u>2,538</u>	<u>2,538</u>

16. Other Financial Assets

	Current		Non-current	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	£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				
Right of Use Asset Finance Sublease	0	0	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

RoU Sub-leasing income Recognised in Statement of Comprehensive Net Expenditure

	2023-24	2022-23
RoU Sub-leasing income	0	0

17. Cash and cash equivalents

	2023-24	2023-24	2022-23	2022-23
	£000	£000	£000	£000
CT activities			CT activities	
Balance at 1 April	1,348	19,256	438	37,548
Net change in cash and cash equivalent balances	137	(2,751)	910	(18,292)
Balance at 31 March	1,485	16,505	1,348	19,256
 Made up of:				
Cash held at GBS	1,339	16,359	1,301	19,209
Commercial banks	94	94	20	20
Cash in hand	52	52	27	27
Cash Total	1,485	16,505	1,348	19,256
Current Investments	0	0	0	0
Cash and cash equivalents as in Statement of Financial Position	1,485	16,505	1,348	19,256
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	1,485	16,505	1,348	19,256

In response to the IAS 7 requirement for additional disclosure, the changes in liabilities arising from financing activities are;

Lease Liabilities (ROUA) £nil
Lease Liabilities (short-term and low value leases) £nil
PFI liabilities £173k

The movement relates to cash, no comparative information is required by IAS 7 in 2023-24.

18. Trade and other payables

Current	31 March 2024 £000	31 March 2024 £000	31 March 2023 £000	31 March 2023 £000
	CT activities		CT activities	
Welsh Government	61	61	0	0
WHSSC / EASC	4,082	0	3,271	0
Welsh Health Boards	5,900	24,985	5,076	16,260
Welsh NHS Trusts	3,073	3,987	148	(1,539)
Welsh Special Health Authorities	1,315	1,315	83	84
Other NHS	1,669	25,694	1,713	31,005
Taxation and social security payable / refunds	0	82	0	93
Refunds of taxation by HMRC	0	0	0	0
VAT payable to HMRC	0	0	0	0
Other taxes payable to HMRC	497	497	5,232	5,232
NI contributions payable to HMRC	530	614	7,876	7,967
Non-NHS payables revenue	15,070	20,024	8,699	11,981
Local Authorities	14,762	14,762	15,983	15,983
Capital Creditors-Tangible	7,410	7,410	7,130	7,130
Capital Creditors- Intangible	12	12	0	0
Overdraft	0	0	0	0
Rentals due under operating leases	0	0	0	0
RoU Lease Liability	2,406	2,406	2,401	2,401
Obligations under finance leases, HP contracts			0	0
Imputed finance lease element of on SoFP PFI contracts	179	179	173	173
Impact of IFRS 16 on SoFP PFI contracts	82	82	0	0
Pensions: staff	9,420	9,420	8,750	8,750
Non NHS Accruals	85,831	90,342	82,518	90,400
Deferred Income:				
Deferred Income brought forward	2,057	2,057	1,000	1,000
Deferred Income Additions	1,567	1,567	1,965	1,965
Transfer to / from current/non current deferred income	0	0	0	0
Released to SoCNE	(1,743)	(1,743)	(908)	(908)
Other creditors	5,743	5,743	17,945	17,945
PFI assets –deferred credits	0	0	0	0
Payments on account	0	2	0	3
Total	159,923	209,498	169,055	215,925
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
Welsh Special Health Authorities	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	829	829
Capital Creditors- Intangible	0	0	0	0
Overdraft	0	0	0	0
Rentals due under operating leases	0	0	0	0
RoU Lease Liability	19,280	19,280	18,437	18,437
Obligations under finance leases, HP contracts			0	0
Imputed finance lease element of on SoFP PFI contracts	624	624	803	803
Impact of IFRS 16 on SoFP PFI contracts	309	309	0	0
Pensions: staff	0	0	0	0
Non NHS Accruals	0	0	0	0
Deferred Income :				
Deferred Income brought forward	0	0	0	0
Deferred Income Additions	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
Sub Total	20,213	20,213	20,069	20,069
Total	180,136	229,711	189,124	235,994

It is intended to pay all invoices within the 30 day period directed by the Welsh Government.

19. Other financial liabilities

Financial liabilities	Current		Non-current	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	£000	£000	£000	£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

2023-24	At 1 April 2023	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 2024
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current									
Clinical negligence:-									
Secondary care	23,417	(774)	(4,030)	9,805	12,850	(2,583)	(10,682)	0	28,003
Primary care	0	0	0	0	575	0	0	0	575
Redress Secondary care	336	0	(177)	0	375	(154)	(45)	0	335
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	525	0	(47)	655	588	(778)	28	0	971
All other losses and special payments	0	0	0	0	807	(807)	0	0	0
Defence legal fees and other administration	1,486	0	0	324	1,317	(735)	(504)	0	1,888
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	36			26	240	(279)	0	0	23
2019-20 Scheme Pays - Reimbursement	0			8	4	(8)	0	0	4
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	1,880		0	0	719	(153)	(452)		1,994
Total	27,680	(774)	(4,254)	10,818	17,475	(5,497)	(11,655)	0	33,793
Non Current									
Clinical negligence:-									
Secondary care	46,257	0	0	(9,805)	31,485	(2,006)	(2,118)	0	63,813
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	4,018	0	0	(655)	78	(20)	0	69	3,490
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	1,352	0	0	(324)	382	(165)	(108)		1,137
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	38			(26)	(2)	0	0	1	11
2019-20 Scheme Pays - Reimbursement	499			(8)	52	0	0	0	543
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
Total	52,164	0	0	(10,818)	31,995	(2,191)	(2,226)	70	68,994
TOTAL									
Clinical negligence:-									
Secondary care	69,674	(774)	(4,030)	0	44,335	(4,589)	(12,800)	0	91,816
Primary care	0	0	0	0	575	0	0	0	575
Redress Secondary care	336	0	(177)	0	375	(154)	(45)	0	335
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	4,543	0	(47)	0	666	(798)	28	69	4,461
All other losses and special payments	0	0	0	0	807	(807)	0	0	0
Defence legal fees and other administration	2,838	0	0	0	1,699	(900)	(612)	0	3,025
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	74			0	238	(279)	0	1	34
2019-20 Scheme Pays - Reimbursement	499			0	56	(8)	0	0	547
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	1,880		0	0	719	(153)	(452)	0	1,994
Total	79,844	(774)	(4,254)	0	49,470	(7,688)	(13,881)	70	102,787

Expected timing of cash flows:

	In year to 31 March 2025	Between 1 April 2025 31 March 2029	Thereafter	Total
	£000	£000	£000	£000
Clinical negligence:-				
Secondary care	28,003	63,813	0	91,816
Primary care	575	0	0	575
Redress Secondary care	335	0	0	335
Redress Primary care	0	0	0	0
Personal injury	971	1,244	2,246	4,461
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	1,888	1,137	0	3,025
Pensions relating to former directors	0	0	0	0
Pensions relating to other staff	23	11	0	34
2019-20 Scheme Pays - Reimbursement	4	33	510	547
Restructuring	0	0	0	0
RoU Asset Dilapidations CAME	0	0	0	0
Other Capital Provisions	0	0	0	0
Other	1,994	0	0	1,994
Total	33,793	66,238	2,756	102,787

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 personal 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 £325k for Continuing Healthcare retrospective claims.

The Health Board estimates that it will receive £93,703k 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)

2022-23	At 1 April 2022	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 2023
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current									
Clinical negligence:-									
Secondary care	21,016	0	(4,336)	10,294	18,026	(5,221)	(16,362)	0	23,417
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	205	0	(170)	0	836	(330)	(205)	0	336
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	783	0	(65)	352	512	(746)	(311)	0	525
All other losses and special payments	1,750	0	0	0	1,712	(2,546)	(916)	0	0
Defence legal fees and other administration	1,625	0	0	(5)	1,690	(722)	(1,102)		1,486
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	97			1	213	(275)	0	0	36
2019-20 Scheme Pays - Reimbursement	9			0	0	(9)	0	0	0
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	1,927		0	0	1,223	(811)	(459)		1,880
Total	27,412	0	(4,571)	10,642	24,212	(10,660)	(19,355)	0	27,680
Non Current									
Clinical negligence:-									
Secondary care	41,670	0	0	(10,294)	16,881	(226)	(1,774)	0	46,257
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	5,791	0	0	(352)	(1,162)	(145)	(33)	(81)	4,018
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	1,117	0	0	5	482	(74)	(178)		1,352
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	43			(1)	(2)	0	0	(2)	38
2019-20 Scheme Pays - Reimbursement	934			0	0	(435)	0	0	499
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
Total	49,555	0	0	(10,642)	16,199	(880)	(1,985)	(83)	52,164
TOTAL									
Clinical negligence:-									
Secondary care	62,686	0	(4,336)	0	34,907	(5,447)	(18,136)	0	69,674
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	205	0	(170)	0	836	(330)	(205)	0	336
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	6,574	0	(65)	0	(650)	(891)	(344)	(81)	4,543
All other losses and special payments	1,750	0	0	0	1,712	(2,546)	(916)	0	0
Defence legal fees and other administration	2,742	0	0	0	2,172	(796)	(1,280)		2,838
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	140			0	211	(275)	0	(2)	74
2019-20 Scheme Pays - Reimbursement	943			0	0	(444)	0	0	499
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	1,927		0	0	1,223	(811)	(459)		1,880
Total	76,967	0	(4,571)	0	40,411	(11,540)	(21,340)	(83)	79,844

21. Contingencies

21.1 Contingent liabilities

	2023-24 £000	2022-23 £000
Provisions have not been made in these accounts for the following amounts :		
Legal claims for alleged medical or employer negligence;		
Secondary Care	259,795	274,210
Primary Care	1,621	648
Secondary Care Redress	1,722	1,239
Primary Care Redress	0	0
Doubtful debts	0	0
Equal Pay costs	0	0
Defence costs	2,726	2,811
Continuing Health Care costs	476	241
Other	25	0
Total value of disputed claims	266,365	279,149
Amounts (recoverable) in the event of claims being successful	(263,198)	(275,170)
Net contingent liability	3,167	3,979

Other litigation claims could arise in the future due to known incidents. The expenditure which may arise from such claims cannot be determined and no provision has been made for them.

Liability for Permanent Injury Benefit under the NHS Injury Benefit Scheme lies with the employer. Individual claims to the NHS Pensions Agency could arise due to known incidents.

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 contingent liability reflects claims that have been received by the LHB at the 31st March 2023.

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 £0.325m provision made for probable continuing care costs relating to 32 claims received;

Note 21.1 sets out the £0.476m contingent liability for possible continuing care costs relating to 29 claim received.

21.2 Remote Contingent liabilities

	2023-24	2022-23
	£000	£000
Please disclose the values of the following categories of remote contingent liabilities :		
Guarantees	0	0
Indemnities	298	187
Letters of Comfort	0	0
Total	298	187

21.3 Contingent assets

	2023-24	2022-23
	£000	£000
No contingent assets	0	0
	0	0
	0	0
Total	0	0

22. Capital commitments

Contracted capital commitments at 31 March

The disclosure of future capital commitments not already disclosed as liabilities in the accounts.

	2023-24	2022-23
	£000	£000
Property, plant and equipment	79,105	107,544
Right of Use Assets	0	0
Intangible assets	0	0
Total	79,105	107,544

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, the payments in this note are prepared on a cash basis.

Gross loss to the Exchequer

23.1 Number of cases and associated amounts paid out during the financial year

	Amounts paid out during period to 31 March 2024	
	Number	£
Clinical negligence	172	9,288,747
Personal injury	63	883,347
All other losses and special payments	299	790,607
Total	534	10,962,701

23.2 Analysis of number of cases and associated amounts paid out during the financial year

Case Type		In year claims in excess of £300,000		Cumulative amount
Cases in excess of £300,000:		Number	£	£
10RYLMN0014	Clinical Negligence	1	1,461,500.00	1,504,516.00
20RYLMN0129	Clinical Negligence	1	975,429.96	1,145,000.00
13RYLMN0096	Clinical Negligence	1	700,000.00	2,250,000.00
12RYLMN0037	Clinical Negligence	1	475,000.00	5,750,000.00
24RYLEM0004	Employment Matter	1	443,022.00	443,022.00
20RYLMN0033	Clinical Negligence	1	413,643.31	413,643.31
12RYLMN0004	Clinical Negligence	1	400,300.00	3,335,822.65
20RYLMN0109	Clinical Negligence	1	330,583.99	340,583.99
20RYLMN0116	Clinical Negligence	1	323,611.80	403,800.00
		No of cases £		£
Sub-total		9	5,523,091	15,586,388
All other cases paid in year		525	5,439,610	14,057,539
Total cases paid in year		534	10,962,701	29,643,927

23.3 Analysis of number of cases and associated amounts where no payments were made in financial year

	Number	£
Cumulative amount up to £300k	123	4,342,287
Cumulative amount greater than £300k	13	11,989,482
Total	136	16,331,769

24. Right of Use leases obligations

24.1 Obligations (as lessee)

Amounts payable under right of use asset :

	LAND	BUILDINGS	OTHER	TOTAL
2023-24	31 March	31 March	31 March	31 March
	2024	2024	2024	2024
	£000	£000	£000	£000
Minimum lease payments				
Within one year	11	1,832	842	2,685
Between one and five years	0	6,687	2,873	9,560
After five years	2	9,576	1,540	11,118
Less finance charges allocated to future periods	(3)	(1,139)	(535)	(1,677)
Minimum lease payments	10	16,956	4,720	21,686
Included in:				
Current borrowings	10	1,674	721	2,405
Non-current borrowings	3	15,278	4,000	19,281
	13	16,952	4,721	21,686
Present value of minimum lease payments				
Within one year	10	1,674	721	2,405
Between one and five years	0	6,221	2,558	8,779
After five years	3	9,056	1,442	10,501
Present value of minimum lease payments	13	16,951	4,721	21,685
Included in:				
Current borrowings	10	1,674	721	2,405
Non-current borrowings	3	15,278	4,000	19,281
	13	16,952	4,721	21,686

Amounts payable under right of use asset :

	LAND	BUILDINGS	OTHER	TOTAL
2022-23	31 March	31 March	31 March	31 March
	2023	2023	2023	2023
	£000	£000	£000	£000
Minimum lease payments				
Within one year	11	1,872	709	2,592
Between one and five years	11	7,005	1,242	8,258
After five years	49	10,971	379	11,399
Less finance charges allocated to future periods	(47)	(1,306)	(58)	(1,411)
Minimum lease payments	24	18,542	2,272	20,838
Included in:				
Current borrowings	11	1,700	691	2,402
Non-current borrowings	13	18,542	1,581	20,136
	24	20,242	2,272	22,538
Present value of minimum lease payments				
Within one year	11	1,700	691	2,402
Between one and five years	10	6,479	1,206	7,695
After five years	3	10,363	375	10,741
Present value of minimum lease payments	24	18,542	2,272	20,838
Included in:				
Current borrowings	11	1,700	691	2,402
Non-current borrowings	13	16,842	1,581	18,436
	24	18,542	2,272	20,838

24.2 Right of Use Assets lease receivables (as lessor)

Amounts receivable under right of use assets leases:	2023-24	2022-23
	31 March	31 March
	2024	2023
	£000	£000
Gross Investment in leases		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	0	0
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	0	0
Present value of minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Present value of minimum lease payments	0	0
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	0	0

25. Private Finance Initiative contracts**25.1 PFI schemes off-Statement of Financial Position**

The LHB has no PFI Schemes off-statement of financial position.

Commitments under off-SoFP PFI contracts	Off-SoFP PFI contracts	Off-SoFP PFI contracts
	31 March 2024 £000	31 March 2023 £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	2,983
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	1,472
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 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 2024 £000	On SoFP PFI Imputed interest 31 March 2024 £000	On SoFP PFI Service charges 31 March 2024 £000
Total payments due within one year	261	31	675
Total payments due between 1 and 5 years	933	45	2,451
Total payments due thereafter	0	0	0
Total future payments in relation to PFI contracts	1,194	76	3,126

	On SoFP PFI Capital element 31 March 2023 £000	On SoFP PFI Imputed interest 31 March 2023 £000	On SoFP PFI Service charges 31 March 2023 £000
Total payments due within one year	173	25	536
Total payments due between 1 and 5 years	749	45	2,143
Total payments due thereafter	54	1	659
Total future payments in relation to PFI contracts	976	71	3,338

	31 March 2024 £000
Total present value of obligations for on-SoFP PFI contracts	4,395

25.3 Charges to expenditure

	2023-24	2022-23
	£000	£000
Service charges for On Statement of Financial Position PFI contracts (excl interest costs)	675	536
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	675	536

The LHB is committed to the following annual charges

	31 March 2024	31 March 2023
	£000	£000
PFI scheme expiry date:		
Not later than one year	0	0
Later than one year, not later than five years	675	0
Later than five years	0	536
Total	675	536

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

	On / Off- statement of financial position
PFI Contract	
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

	2023-24 £000	2023-24 £000	2022-23 £000	2022-23 £000
	CT activities		CT activities	
(Increase)/decrease in inventories	(350)	(350)	(161)	(161)
(Increase)/decrease in trade and other receivables - non-current	(19,583)	(19,583)	(4,392)	(4,392)
(Increase)/decrease in trade and other receivables - current	(3,113)	(8,391)	16,949	13,203
Increase/(decrease) in trade and other payables - non-current	144	144	19,093	19,093
Increase/(decrease) in trade and other payables - current	(9,132)	(6,427)	(13,214)	(28,670)
Total	(32,034)	(34,607)	18,275	(927)
Adjustment for accrual movements in fixed assets - creditors	537	537	(19,568)	(19,568)
Adjustment for accrual movements in fixed assets - debtors	(3)	(3)	3	3
Adjustment for accrual movements in right of use assets - creditors	(848)	(848)	0	0
Adjustment for accrual movements in right of use assets - debtors	0	0	0	0
Other adjustments	(218)	(218)	172	172
	(32,566)	(35,139)	(1,118)	(20,320)

28. Other cash flow adjustments

	2023-24 £000	2023-24 £000	2022-23 £000	2022-23 £000
	CT activities		CT activities	
Depreciation	33,524	33,524	30,186	30,186
Amortisation	747	747	767	767
(Gains)/Loss on Disposal	(44)	(44)	(76)	(76)
Impairments and reversals	(7,555)	(7,555)	45,528	45,528
Release of PFI deferred credits	0	0	0	0
NWSSP Covid assets issued debited to expenditure but non-cash	0	0	0	0
Covid assets received credited to revenue but non-cash	0	0	0	0
Donated assets received credited to revenue but non-cash	(43)	(43)	(114)	(114)
Government Grant assets received credited to revenue but non-cash	(22)	(22)	0	0
Right of Use Grant (Peppercorn Lease) credited to revenue but non cash	0	0	(1,592)	(1,592)
Non-cash movements in right of use assets	0	0	0	0
Non-cash movements in provisions	30,911	30,631	14,417	14,417
Other movements	28,823	28,823	28,730	28,730
Total	86,341	86,061	117,846	117,846

29. Events after the Reporting Period

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on xx xx xxxx; post the date the financial statements were certified by the Auditor General for Wales.

Medical Pay Awards

NHS Wales bodies were notified on 28th June 2024 of the revised pay arrangements for employees covered by medical and dental terms and conditions of service in Wales, which will be funded by Welsh Government. The arrangements are confirmed in the following pay letters:

- Pay Letter M&D(W) 04/24 applying to junior doctors. This confirms an overall 12.4% pay award backdated to 1 April 2023 and includes the 5% pay award already implemented and recognised in the accounts for 2023-24.
- Pay Letter M&D(W) 02/24 confirms the reform of the consultant (amended Welsh contract) pay scale from 1 January 2024.
- Pay Letter M&D(W) 03/24 confirms the pay scales applicable from 1 January 2024 for medical and dental consultants employed on national terms and conditions on the 2021 Specialty and Specialist contracts and the closed 2008 Associate Specialist contract in Wales.

The additional 7.4% for junior doctors, and the increases for consultants and specialists have not been recognised in the 2023-24 financial statements because the obligating event was the publication of the pay circular issued on 28 June 2024. These costs will be accounted for in the 2024-25 Annual Accounts.

NHS Wales Joint Commissioning Committee

From 1st April 2024 the Joint Committees of WHSSC and EASC ceased to exist. In their place is a new commissioning committee of LHBSs to be known as the NHS Wales Joint Commissioning Committee.

The NWJCC was established in response to the findings of an independent review commissioned by Welsh Government into the national commissioning arrangements undertaken by the Emergency Ambulance Services Committee and the Welsh Health Specialised Services Committee .

From 1st April 2024, the NWJCC replaces EASC and WHSSC and will assume responsibility for the services previously commissioned by these committees, together with the commissioning of NHS 111 Wales services, and the Sexual Assault Referral Centres for Wales.

This new committee was created under Welsh Government Directive, Welsh Statutory Instruments 2024 No 135 (W.29) National Health Service Wales. The National Health Service Joint Commissioning Committee (Wales) Regulations 2024, Welsh Subordinate Legislation WG24-06 National Health Service Wales ; The National Health Service Joint Commissioning Committee (Wales) Directions 2024, makes provision for the establishment of the JCC and revokes the previous WHSSC and EASC Directions.

All assets and liabilities of WHSSC and EASC transferred on 1st April 2024.

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:

	2023-24 Expenditure Including Capital £000	2023-24 Income Including Capital £000	2023-24 Creditors Including Capital £000	2023-24 Debtors Including Capital £000
Welsh Assembly Government	65	1,433,168	61	3,408
WHSSC (see below)	158,885	12,506	4,082	508
NHS Trusts				
Public Health Wales	1,947	4,613	512	713
Velindre	69,376	11,777	2,310	3,269
Welsh Ambulance Services	698	56	251	6
Local Health Boards				
Aneurin Bevan	2,657	22,114	1,088	1,704
Betsi Cadwaladr	156	302	42	51
Cardiff & Vale	42,550	18,341	2,653	239
Hywel Dda	608	991	28	156
Powys	11	6,337	9	1,014
Swansea Bay	41,338	27,393	2,081	398
Special Health Authority				
HEIW	85	15,693	24	724
DHCW	6,293	1,396	1,290	270
TOTAL	324,669	1,554,687	14,431	12,460

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:

	Expenditure	Income	Creditors	Debtors
Bridgend County Borough Council	8,822	1,583	3,899	(577)
Rhondda Cynon Taf County Borough Council	17,067	23,563	9,422	5,381
Merthyr Tydfil County Borough Council	2,111	2,134	1,428	826

The LHB has also received revenue payments from Cwm Taf Morgannwg NHS Charitable Funds totalling £0.485m (£0.481m in 2022-23) and capital contributions totalling £0.034m (£0.111m in 2022-23). 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
Jayne Sadgrove	Vice Chair (to 31.08.23)	Senior Professional Fellow, Cardiff University
Kath Palmer	Vice Chair	Natural Resources Wales – Board member and Chair of Audit, Risk and Assurance committee. Interim CEO Cynon Taf Community Housing Group. Cwm Taf Care and Repair is a subsidiary of Cynon Taf Community Housing Group
Dilys Jouvenat	Independent Member	Chair of Rhondda Cynon Taff Citizens Advice Trustee of Interlink
Mel Jehu	Independent Member	Trustee Rhondda Cynon Taff Citizens Advice Trustee, Safer Merthyr Tydfil.
Carolyn Donoghue	Independent Member	Independent Member - Merthyr Tydfil County Borough Council Standards Committee Chair - Welsh Wound Innovation Centre Independent Governor University West of England Senior Professional Fellow - Cardiff University Appointed as Independent Member on the Welsh Health Specialised Services Committee
Lynda Thomas	Independent Member	Trustee of Age UK
Geraint Hopkins	Independent Member	Elected Member, Rhondda Cynon Taf County Borough Council
Greg Dix	Executive Nurse Director	Board Director - Welsh Wound Innovation Centre Visiting Professor, University of South Wales
Linda Prosser	Executive Director of Strategy & Transformation Interim Executive Director of Public Health	Son - Chief Operating Officer Salisbury NHS Foundation Trust Board Member / Welsh Chair - Faculty of Public Health
Philip Daniels	Associate Member	Statutory Director of Social Services in Merthyr Tydfil County Borough Council
Lisa Curtis Jones	Associate Member	
Anne Morris	Associate Member (SRG)	Deputy Chief Executive - Interlink RCT
Sharon Richards	Associate Member	Chief Officer of Voluntary Action Merthyr Tydfil

Total value of transactions with these related parties:

	Expenditure to related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Age UK	329	2	0	2
Cardiff University	296	170	(3)	75
Cwm Taf Care & Repair	354	0	59	0
Faculty of Public Health	11	0	0	0
Interlink RCT	591	0	36	0
Natural Resources Wales	2	0	0	0
Rhondda Cynon Taf Citizens Advice	13	0	0	0
Safer Merthyr Tydfil	109	0	0	0
Salisbury NHS Foundation Trust	49	0	0	0
University Of South Wales	195	213	59	123
University West of England	8	0	0	0
Welsh Wound Innovation Centre	85	0	0	4

30. Related Party Transactions (continued)

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 2023/2024, 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 2023/2024 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 Ambulance Service are included as providers only, as both are merely associate members of the Committees and do not have voting rights.

	Income £000's	Expenditure £000's	Running costs £000's	Debtor £000's	Creditor £000's
Cardiff and Vale UHB	177,278	355,165	56	5,148	8,642
Aneurin Bevan UHB	208,689	13,904	45	4,681	2,911
Betsi Cadwaladr UHB	243,093	51,636		6,362	1,936
Swansea Bay UHB	134,543	143,521	25	2,473	5,087
Cwm Taf Morgannwg UHB	158,885	11,924	581	4,083	508
Hywel Dda UHB	129,259	3,289	102	2,316	362
Powys Teaching HB	52,787	54	57	615	147
Public Health Wales NHS Trust	0	232	0	0	82
Velindre NHS Trust	217	59,884	0	217	785
Welsh Ambulance Services NHS Trust	50	243,588	0	528	47
	1,104,801	883,197	866	0	26,423
					20,507

Members of the Joint Committees for 2023-2024

LHB Chief Executives have voting rights on the committee while Trust Chief Executives are associate members only

During 2023/2024 WHSSC and EASC have entered into material transactions with the organisations represented as listed above

			HB/Trust Related Party	Other Declared Related Party Organisation	Relationship Declared	Value of Transactions in 2023-2024
Nicola Prygodzicz	Member WHSSC & EASC		Chief Executive Aneurin Bevan UHB			
Hayley Thomas	Member WHSSC & EASC	From May 2023	Interim Chief Executive Powys Teaching HB			
		From February 2024	Chief Executive Powys Teaching HB			
Carol Shillabeer	Member WHSSC & EASC	Until May 2023	Chief Executive Powys Teaching HB			
		From May 2023	Interim Chief Executive Betsi Cadwaladr UHB			
		from February 2024	Chief Executive Betsi Cadwaladr UHB			
Paul Mears	Member WHSSC & EASC		Chief Executive Cwm Taf Morgannwg UHB			
Steve Moore	Member WHSSC & EASC	Until end January 2024	Chief Executive Hywel Dda UHB			
Philip Kloer	Member WHSSC & EASC	From February 2024	Interim Chief Executive Hywel Dda UHB			
Mark Hackett	Member WHSSC & EASC	Until 31 August 2023	Interim Chief Executive Swansea Bay UHB	Robert Jones & Agnes Hunt Orthopaedic Hospital NHS Foundation Trust	Spouse is a Non Executive Director	£767k including £138k outstanding on March 31st 2024
Richard Evans	Member WHSSC & EASC	From September 2023	Interim Chief Executive Swansea Bay UHB			
Suzanne Rankin	Member WHSSC & EASC		Chief Executive Cardiff and Vale UHB	Cardiff University	University Council, Lay Member	£3.648m including £605k outstanding on March 31st 2024

The following are Associate Members of the Joint Committees and therefore have no voting rights.

Tracey Cooper	Associate Member WHSSC & EASC	Chief Executive Public Health Wales NHS Trust,
Steve Ham	Associate Member WHSSC & EASC	Chief Executive Velindre NHS Trust
Jason Killens	Associate Member EASC	Chief Executive, Welsh Ambulance Services University NHS Trust

The following are officers with voting rights on the Joint Committee WHSSC

Sian Lewis	Managing Director WHSSC		No declared related party interests
Stuart Davies	Director of Finance WHSSC & EASC	Until July 2023	No declared related party interests
James Leaves	Acting Director of Finance WHSSC & EASC	From August 2023 to October 2023	No declared related party interests
Stacey Taylor	Director of Finance WHSSC & EASC	From October 2023	No declared related party interests
Iolo Doull	Medical Director WHSSC		

EASC

Stephen Harthy	Chief Ambulance Services Commissioner		No declared related party interests

30. Related Party Transactions (continued)

Welsh Health Specialised Services and Emergency Ambulance Services

The following are officers with no voting rights on the Joint Committee but are regular attendees who may present recommendation papers.

WHSSC

Carole Bell	Nurse Director WHSSC		No declared related party interests
Nicola Johnson	Director of Planning & Performance WHSSC		No declared related party interests
Jacqueline Maunder-Evans	Committee Secretary WHSSC		No declared related party interests

EASC

Stuart Davies	Director of Finance WHSSC & EASC	Until July 2023	No declared related party interests
James Leaves	Acting Director of Finance WHSSC & EASC	From August 2023 to October 2023	No declared related party interests
Stacey Taylor	Director of Finance WHSSC & EASC	From October 2023	No declared related party interests
Gwenan Roberts	Committee Secretary EASC		No declared related party interests

WHSSC Independent Members With a Declared Interest

Kate Eden	Chair WHSSC		Chair, Public Health Wales NHS Trust
Ceri Phillips	Independent Member WHSSC and Vice Chair	Until June 2023	Independent Board Member, Cardiff and Vale UHB
Chantal Patel	Independent Member WHSSC	From September 2023	Independent Board Member, Hywel Dda University Health Board
Steve Spill	Independent Member WHSSC and Audit Lead		Independent Board Member, Swansea Bay University Health Board
Carolyn Donoghue	Independent Member WHSSC	From July 2023	Independent Board Member, Cwm Taf Morgannwg UHB

EASC Independent Members With a Declared Interest

Chris Turner	Chair EASC		No related party transactions

31. Third Party assets

The LHB held £19,002 cash at bank and in hand at 31 March 2024 (31st March 2023, £9,493) which relates to monies held by the LHB on behalf of patients. Cash held in patient Investment Accounts amounted to £nil at 31st March 2024 (31st March 2023, £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	2023-24 £'000	2022-23 £'000
	Estimated	Draft
Rhondda Cynon Taf County Borough Council	1,210	1,110
Merthyr Tydfil County Borough Council	188	138
Bridgend County Borough Council	815	851
Cwm Taf Morgannwg University Local Health Board	1,018	911
 Total Partners Funding	 3,231	 3,010
I.C.F Funding	37	34
Other Income Received	177	85
 Total Funding	 3,445	 3,129
Expenditure	3,433	3,154
 Provision of community equipment services within Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Boroughs.		
Pooled Budget surplus carried forward	12	(25)

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	2023-24 £'000	2022-23 £'000
	Estimated	
Rhondda Cynon Taf County Borough Council	30,825	29,081
Merthyr Tydfil County Borough Council	6,398	5,697
Cwm Taf Morgannwg University Local Health Board	16,381	13,670
Bridgend County Borough Council	16,381	12,044
Total Partners Funding	69,985	60,492
Other Income Received	197	53
Balance carried forward	60	13
Total Funding (a)	70,242	60,558
Expenditure (b)	69,991	60,498
Objective - paying care fees to homes for the provision of residential & nursing care within the Rhondda Cynon Taf and Merthyr Tydfil County Boroughs.		
Net underspend/(overspend) (a) - (b)	251	60

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 2023 – 31 March 2024

	2023-24 £'000	2022-23 £'000
Funding		
Bridgend County Borough Council	£2,611	£2,474
Cwm Taf Morgannwg University Local Health Board	£2,917	£2,802
Total Funding	£5,528	£5,276
Expenditure		
Provision of Community Support Service & reablement	£5,528	£5,276
Net under/Over spend	Nil	Nil

RIF Funding of £707,000 has been received in respect of the pooled budget. This has been excluded from the figures above.

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 2023-24

	Healthcare activities	WHSSC	EASC	Inter-segment transactions	Cwm Taf LHB Total
	£000	£000	£000	£000	£000
Expenditure on primary healthcare services	268,077	0	0	0	268,077
Expenditure on healthcare from other providers	380,837	844,726	252,916	(170,470)	1,308,009
Expenditure on hospital and community health services	907,395	6,041	3,233	(546)	916,123
	1,556,309	850,767	256,149	(171,016)	2,492,209
Less: Miscellaneous Income	(163,360)	(850,767)	(256,149)	171,016	(1,099,260)
LHB net operating costs before interest and other gains and losses	1,392,949	0	0	0	1,392,949
Investment Income	(2)	0	0	0	(2)
Other (Gains) / Losses	(44)	0	0	0	(44)
Finance costs	353	0	0	0	353
Net operating costs for the financial year	1,393,256	0	0	0	1,393,256

Net Assets 2023-24

	£000	£000	£000	£000	£000
Total non-current assets	796,522	0	0	0	796,522
Total current assets	89,801	40,461	1,907	(4,590)	127,579
Total current liabilities	(196,885)	(52,303)	(1,907)	4,590	(246,505)
Total non-current liabilities	(85,993)	0	0	0	(85,993)
Total assets employed	603,445	(11,842)	0	0	591,603
Total taxpayers' equity	603,445	(11,842)	0	0	591,603

Operating Costs 2022-23

	Healthcare activities	WHSSC	EASC	Inter-segment transactions	Cwm Taf LHB Total
	£'000	£'000	£'000	£'000	£'000
Expenditure on primary healthcare services	252,376	0	0	0	252,376
Expenditure on healthcare from other providers	363,049	798,382	238,987	(164,550)	1,235,868
Expenditure on hospital and community health services	904,637	5,983	3,567	(502)	913,685
	1,520,062	804,365	242,554	(165,052)	2,401,929
Less: Miscellaneous Income	(155,074)	(804,365)	(242,554)	165,052	(1,036,941)
LHB net operating costs before interest and other gains and losses	1,364,988	0	0	0	1,364,988
Investment Income	0	0	0	0	0
Other (Gains) / Losses	(76)	0	0	0	(76)
Finance costs	157	0	0	0	157
Net operating costs for the financial year	1,365,069	0	0	0	1,365,069

Net Assets 2022-23

	£'000	£'000	£'000	£'000	£'000
Total non-current assets	709,298	0	0	0	709,298
Total current assets	83,232	38,263	1,679	(4,554)	118,620
Total current liabilities	(196,375)	(50,105)	(1,679)	4,554	(243,605)
Total non-current liabilities	(72,233)	0	0	0	(72,233)
Total assets employed	523,922	(11,842)	0	0	512,080
Total taxpayers' equity	523,922	(11,842)	0	0	512,080

34. Other Information

34.1. 6.3% Staff Employer Pension Contributions - Notional Element

The value of notional transactions is based on estimated costs for the twelve month period 1 April 2023 to 31 March 2024. This has been calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions between April 2023 and February 2024 alongside Health Board/Trust/SHA data for March 2023.

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

	2023-24 £000	2022-23 £000
Statement of Comprehensive Net Expenditure for the year ended 31 March 2024		
Expenditure on Primary Healthcare Services	802	764
Expenditure on Hospital and Community Health Services	28,021	25,293
 Statement of Changes in Taxpayers' Equity for the year ended 31 March 2024		
Net operating cost for the year	28,823	26,057
Notional Welsh Government Funding	28,823	26,057
 Statement of Cash Flows for year ended 31 March 2024		
Net operating cost for the financial year	28,823	26,057
Other cash flow adjustments	28,823	26,057
 2.1 Revenue Resource Performance		
Revenue Resource Allocation	28,823	26,057
 3. Analysis of gross operating costs		
3.1 Expenditure on Primary Healthcare Services		
General Medical Services	39	34
General Dental Services	42	89
Other Primary Health Care expenditure	721	641
3.3 Expenditure on Hospital and Community Health Services		
Directors' costs	117	70
Staff costs	27,904	25,223
 9.1 Employee costs		
Permanent Staff		
Employer contributions to NHS Pension Scheme	28,823	26,057
Charged to capital	0	0
Charged to revenue	0	0
 18. Trade and other payables		
Current		
Pensions: staff	0	0
 28. Other cash flow adjustments		
Other movements	28,823	26,057

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

Thank you for reading CTMUHB's Annual Report 2023-2024

If you require a printed version of the Annual Report or in alternative formats/languages please contact us using the details below:



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GIG
CYMRU
NHS
WALES

Pwyllgor Gwasanaethau Iechyd
Arbenigol Cymru (PGIAC)
Welsh Health Specialised
Services Committee (WHSSC)

Annual Governance Statement 2023-2024

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ANNUAL GOVERNANCE STATEMENT 2023-2024

1.0 SCOPE OF RESPONSIBILITY

In accordance with the Welsh Health Specialised Services Committee (Wales) Directions 2009 (2009/35) and 2014 (2014/9 (w.9)) (the Directions), the Local Health Boards (LHBs) established a joint committee known as the Welsh Health Specialised Services Committee (the Joint Committee or WHSSC), which commenced on 1 April 2010, for the purpose of jointly exercising its Delegated Functions and providing the Relevant Services.

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

WHSSC's aim is to ensure that there is:

"On behalf of Health Boards, to ensure equitable access to safe, effective, and sustainable specialised services for the people of Wales."

In order to achieve this aim, WHSSC works closely with each of the Local Health Boards (LHBs) (in both their commissioner and provider roles) as well as with Welsh NHS Trusts, providers in NHS England and the independent sector.

The commissioning of specialised services is informed through the application of the Prudent Healthcare Principles and the 'Quadruple Aim' identified in the [Parliamentary Review of Health and Social Care in Wales, published in 2018](#).

WHSSC is committed to supporting achievement of the objectives outlined in [A healthier Wales](#) to ensure that people stay healthy for as long as possible, and to supporting achievement of the ambitious objectives outlined in Welsh Government's ["Health and Social Care in Wales COVID-19: Looking Forward"](#) guidance and adopt a realistic approach to supporting building back our health and care system in Wales, in a way that places fairness and equity at its heart.

The Welsh Health Specialised Services Committee (Wales) Regulations 2009 (SI 2009 No 3097) (the Regulations) make provision for the constitution of the Joint Committee including its procedures and administrative arrangements.

The Joint Committee is a statutory committee established under sections 12 (1) (b) and (3), 13(2) (c), (3) (c) and (4) (c) and 203(9) and (10) of the National Health Service (Wales) Act 2006. The LHBs are required to jointly exercise the Relevant Services.

Cwm Taf Morgannwg University Health Board (CTMUHB) is the identified host organisation. It provides administrative support for the running of WHSSC and has established the Welsh Health Specialised Services Team (WHSST) as per Direction 3(4), Regulation 3(1) (d) and the interpretation sections of both the Directions and the Regulations and the Joint Committee Standing Orders: Statutory Framework and Joint Committee Framework.

The Joint Committee is accountable for Governance, Risk Management and Internal Control. As Managing Director for Specialised and Tertiary Services Commissioning, NHS Wales, I have responsibility for maintaining appropriate governance structures and procedures as well as a sound system of internal control that supports the achievement of the Joint Committee's policies, aims and objectives whilst safeguarding the public funds for which I am personally responsible; and to report the adequacy of these arrangements to the Chief Executive of CTMUHB in accordance with the responsibilities assigned by the Accountable Officer of NHS Wales. Under the terms of the establishment arrangements, CTMUHB is deemed to be held harmless and have no additional financial liabilities beyond its own population.

WHSSC does not have a statutory duty to produce an Annual Governance Statement (AGS) but does so, as a matter of good governance, to provide assurance to the LHBs and, in particular, to CTMUHB, as its host organisation, in relation to its governance and accountability arrangements.

This report outlines the different ways the organisation has had to work both internally and with partners in response to the unprecedented financial pressures in planning and providing services. The financial context within NHS Wales at the current time presents significant challenge and risk to the commissioning and further development of Specialist Services provision within Wales.

This report explains arrangements for ensuring standards of governance are maintained, risks are identified and mitigated and that assurance has been sought and provided.

2.0 OUR GOVERNANCE FRAMEWORK

In accordance with the WHSSC Regulations 2009, each Local Health Board (LHB) in Wales must agree Standing Orders (SOs) for the regulation of the Joint Committee proceedings and business. These Joint Committee standing orders form a schedule to each LHB's own standing orders, and have effect as if incorporated within them. Together with the adoption of the Scheme of Decisions Reserved to the Joint Committee; the Scheme of Delegations to Officers and Others; and the Standing Financial Instructions (SFIs), they provide the regulatory framework for the business conduct of the Joint Committee.

These documents, together with the Memorandum of Agreement setting out the governance arrangements for the seven LHBs and a Hosting Agreement between the Joint Committee and Cwm Taf Morgannwg University Health Board (as the Host LHB), form the basis upon which the Joint Committee's Governance and Accountability Framework is developed.

To ensure effective governance and to comply with the provisions of the WHSSC Standing Orders (SOs) it is important that the SOs and Standing Financial Instructions (SFIs) are kept up to date to comply with the need for:

- The Joint Committee to take appropriate action to assure itself that all matters delegated are effectively carried out, and that
- The framework of delegation to be kept under active review and, where appropriate, revised to take account of organisational developments, review findings or other changes.

- **Financial Limits and Reporting**

On [10 January 2023](#) the Joint Committee approved that the increased financial delegation limits, introduced in March 2020 to enable effective financial governance as a consequence of the COVID-19 pandemic, could be adopted as new permanent limits. In addition, they approved the updated process for the current SFI requirement for Joint Committee "approval" of non-contract cases above defined limits for annual and anticipated lifetime cost, to be replaced by an assurance report to the Joint Committee. This report will notify the Committee of all approvals above the defined limit and the Chairs action required to meet the need for timely approval. During 2023-2024 reports were presented to the in-committee Joint Committee meetings on 18 July 2023 and 21 November 2023. Given the low volumes of high cost cases it is necessary to take the report in-committee to ensure appropriate levels of confidentiality.

- **Updated Governance and Accountability Framework**

The governance and accountability framework was last updated in 2023-2024 and approved by the Joint Committee on [19 September 2023](#). The updated documents were issued to the seven HBs for approval and inclusion as schedule 4.1 within their respective HB SOs. There were only minor changes and included:

- a) reflecting the provisions of the Health and Social Care (Quality and Engagement) Act 2020 specifically the introduction of the duty of quality and duty of candour; and
- b) Changes linked to the establishment of Llais and the dissolution of the Community Health Councils and the Board of Community Health Councils.

A copy of the 2023 WHSSC Joint Committee Governance and Accountability Framework is available at:

<https://whssc.nhs.wales/publications/governance>

2.1 The Joint Committee

The Joint Committee was established in accordance with the Directions and Regulations to enable the seven LHBs in NHS Wales to make collective decisions

on the review, planning, procurement and performance monitoring of agreed specialised and tertiary services (Relevant Services) and in accordance with their defined delegated functions.

Whilst the Joint Committee acts on behalf of the seven LHBs in undertaking its functions, the responsibility of individual LHBs for their residents remains. They are therefore accountable to citizens and other stakeholders for the provision of specialised and tertiary services.

The membership of the Joint Committee consists of 15 voting members and 3 Associate members. The voting members include the Chair (appointed by the Minister for Health and Social Services), the Vice Chair (appointed by the Joint Committee from existing non-officer members of the seven LHBs), two other non-officer members (appointed by the Joint Committee from existing non-officer members of the seven LHBs), the LHB Chief Executives and WHSSC Officers.

Decisions taken at Joint Committee meetings are subject to a two-thirds majority of voting members present. Deputies, who must be LHB Executive Directors, may be nominated by LHB Chief Executives; they formally count towards the quorum and have voting rights.

The Joint Committee is supported by the Committee Secretary, who acts as the guardian of good governance within the Joint Committee. Committee Secretary, Jacqueline Evans, started at WHSSC on 1 June 2021.

The Joint Committee papers and confirmed minutes can be viewed on the link below:

<https://whssc.nhs.wales/joint-committee/committee-meetings-and-papers/>

2.1.1 Appointments

As at 1 April 2023, the WHSSC Independent Members (IM) consisted of Steve Spill from SBUHB (Audit/Finance Lead IM), Professor Ceri Phillips from C&VUHB (Chair of WHSSC QPSC) and Chantal Patel (Generalist) from HDdUHB.

Professor Ceri Phillips resigned from WHSSC effective from 30 June 2023.

A recruitment exercise commenced in May 2023 to appoint a new WHSSC IM in accordance with the IM appointment process agreed by the Joint Committee on [18 January 2022](#). The vacancy was advertised through the HB Chairs and the HB Board Secretaries, with eligibility confined to existing HB IMs.

Carolyn Donoghue, CTMUHB, was appointed as the new WHSSC IM for a 2-year period with effect from 1 July 2023. In addition, Carolyn Donoghue agreed to take on the Chair role for the WHSSC Quality & Patient Safety Committee (QPSC) and Chaired her first meeting on 23 October 2023 after observing the August 2023 meeting. Kate Eden, Chair of WHSSC, acted as QPSC Chair for the August 2023 meeting.

Chantal Patel who has been an IM with WHSSC since 1 December 2022, was appointed on 19 September 2023 to the unremunerated role of Vice Chair for the Joint Committee, in accordance with the WHSSC Standing Orders (SOs) which states:

1.4.3 The appointment process for the Vice Chair and the two other Independent Members shall be determined by the Joint Committee, subject to the approval of each LHB Board and any directions made by the Welsh Ministers.

2.1.2 Individual Patient Funding Request (IPFR) Chair

On 12 July 2022, the Joint Committee approved the appointment of Jim Hehir, Independent Member for CTMUHB as the interim Chair of the Individual Patient Funding Request (IPFR) Panel for an initial 6-month period on an unremunerated interim basis until January 2023.

The Joint Committee agreed to extend the interim chair arrangement until 30 September 2023 to enable sufficient time to be given to reviewing the feedback from the engagement process and to reviewing the person specification for the substantive Chair role. Jim Hehir formally stepped down as the interim Chair on 30 September when his tenure as independent member of CTMUHB ended.

Dr Richard Hain, Chair of the Cardiff and Vale UHB (CAVUHB) IPFR Panel and CAVUHB representative on the WHSSC IPFR Panel, acted as interim Chair for 2 meetings in October 2023 and Dr Ruth Alcolado, Deputy IPFR Chair, also assisted with the consideration of urgent virtual email Chair Action decisions pending the substantive appointment of the IPFR Chair.

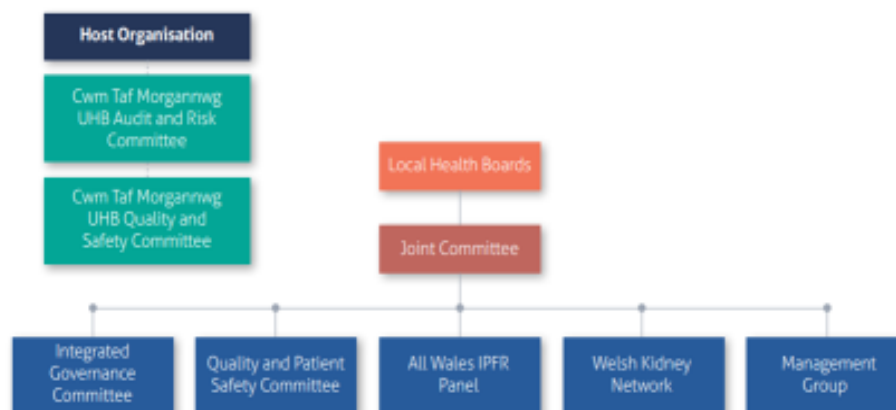
A recruitment process was undertaken in September 2023 and Mrs Elizabeth Abderrahim was appointed as the substantive Chair to the WHSSC Individual Patient Funding Request (IPFR) Panel from 1 November 2023.

2.2 Joint Sub-Committees and Advisory Groups

In accordance with WHSSC Standing Order 3, the Joint Committee, where directed by the LHBs jointly or the Welsh Ministers, must appoint joint sub-committees of the Joint Committee either to undertake specific functions on the Joint Committee's behalf or to provide advice and assurance to others (whether directly to the Joint Committee, or on behalf of the Joint Committee to each LHB Board and/or its other committees).

The Joint Committee governance structure is outlined below:

WHSSC – Current Governance Structure



2.2.1 Sub-Committees

The Joint Committee has established [five joint sub-committees](#) in the discharge of its functions:

- All Wales Individual Patient Funding Request (IPFR) Panel (WHSSC),
- Integrated Governance Committee (IGC),
- Management Group (MG),
- Quality & Patient Safety Committee (QPSC); and
- Welsh Kidney Network (WKN)

The **All Wales Individual Patient Funding Request (IPFR) Panel (WHSSC)** is constituted to act as a Sub Committee of the Joint Committee, and hold delegated Joint Committee authority to consider and make decisions on requests to fund NHS healthcare for patients who fall outside the range of services and treatments that a Health Board has agreed to routinely provide. The terms of reference for the WHSSC IPFR panel are outlined in the "All NHS Wales Policy Making Decisions on Individual Patient Funding Requests (IPFR)".

Changes to the All Wales Policy and WHSSC Terms of Reference

In November 2020, a report was presented to the JC of WHSSC recommending changes to the ToR of the Panel. The changes were not approved because concerns were raised outside the JC to the CEOs regarding the authority of the JC to amend the WHSSC ToRs. The authority of the JC was confirmed in the letter of 28 July 2022 received from the Chief Pharmaceutical Officer, Welsh Government (WG).

Following a Judicial Review in December 2021, WHSSC engaged a KC Barrister to advise on Policy changes and an independent Barrister to observe and advise on the WHSSC Panel processes.

On the 8 November 2022, the JC approved the methodology for an engagement process on the IPFR panel ToR and the specific and limited review of the All Wales IPFR Policy, as specified by WHSSC, which would be led by WHSSC.

The stakeholder engagement process took place between 10 and 22 December 2022. The consultation documentation was issued to a broad range of stakeholders including the WHSSC IPFR panel, the All Wales Toxicology and Therapeutics Quality Assurance Group (AWTTC QAG), the NHS Wales IPFR Policy Implementation Group (PIG), Medical Directors and Board Secretaries of each of the HBs, WG and Velindre University NHS Trust (VUNT). Additionally, a stakeholder engagement workshop was held on the 2 December 2022 in Cardiff and a number of engagement briefings were held.

Feedback was received from all HBs, the AWTTC, and individual IPFR Panel members. The feedback from HBs and the AWTTC was co-ordinated by the IPFR Policy Implementation Group (PIG) and as such, the comments received were consistent across all HBs.

The output from this process were the revised ToRs for the Panel which were approved at the [14 March 2023](#) JC and a revised Policy which was due to be presented to the [18 July 2023](#) JC meeting of WHSSC for support prior to submission to the HBs for approval, however the report was deferred. As the Policy had not been approved, a decision was taken to defer the implementation of the updated WHSSC Terms of Reference pending the approval of the All Wales IPFR Policy.

An updated report was presented to the [21 November 2023](#) Joint Committee meeting and the All Wales IPFR Policy with some minor updates to the WHSSC ToR were supported. These were then taken forward by the Boards of the seven HBs for approval. Confirmation that the HBs had approved the updated Policy was received by February 2024. Welsh Government are in the process of liaising with stakeholders across Government regarding the Policy changes. A date will be agreed to implement the Policy across NHS Wales once a formal response is received from Welsh Government, but this is unlikely to be before the end of March 2024.

IPFR Meetings

All Wales IPFR Panel meetings are scheduled to be held twice monthly. When quoracy could not be achieved, Chair's Action Panel meetings (strengthened by including the attendance of two WHSSC Clinical Directors and a lay member representative) continued to operate. The longstanding issues related to the terms of reference (ToR) of the All Wales IPFR Panel and achieving quoracy during 2023-2024 continued to present challenges. Some meetings did not go ahead as non-attendance was only confirmed minutes before the meeting was due to start. A number of full IPFR panel meetings were stood down due to quoracy issues and this became problematic again during the beginning of 2024. Every effort was made to ensure the meetings were quorate and the importance of HB attendance has been raised at JC meetings.

In anticipation of the implementation of the revised Terms of Reference steps have been taken to ensure that the membership of the Panel is established as soon as possible. This has included writing to the Medical Directors of each of the Health Boards inviting them to confirm the identity of their representative – under the revised Terms of Reference the Health Boards should be represented by the Chair of the Health Board's own IPFR Panel or, if not the Chair, a nominated clinical deputy. We are awaiting confirmation.

It is anticipated that adoption of the new ToR will significantly reduce the occasions on which the Panel is not quorate and in preparation for the roll out of the updated All Wales IPFR Policy and WHSSC ToR a letter was sent to Medical Directors and IPFR Chairs on 9 February 2024 seeking confirmation of their Health Board representative under the new WHSSC Terms of Reference.

IPFR governance was identified as a risk on the WHSSC Corporate Risk and Assurance Framework (CRAF) on 20 October 2021 and was escalated from 16 to 20 following the judgment handed down in the Judicial Review case in December 2021. The risk score has remained at 20 since then and will be reviewed once the all Wales IPFR Policy and the new WHSSC ToR are implemented.

The very long time line associated with the process to address the issues identified in the WHSSC ToR and All Wales IPFR Policy, illustrates the very significant complexities in taking forward this change. This is despite it being highlighted as one of the highest corporate risks within WHSSC for over a period of 2 years and is symptomatic of the lack of clarity around the governance arrangements within the arena of IPFR Policy.

WHSSC will cease to exist on 31 March 2024 and the new JCC will be established on the 1 April 2024. It is proposed that the existing arrangements remain unchanged, for Q1, other than the reporting line to the new JCC and that the Terms of Reference are amended to reflect this. The existing independent chair arrangements will also continue during this time.

The Panel is established through the All Wales IPFR Policy and any changes cannot be made in isolation of this Welsh Government policy; it may be that Welsh Government wish to review this arrangement more generally in due course

The **Integrated Governance Committee (IGC)** scrutinises evidence and information brought before it in relation to activities and potential risks that impact on the services provided and provides assurance to the Joint Committee that effective governance and scrutiny arrangements are in place across the organisation. For example, the IGC plays a key role in developing the approach for the annual Committee Effectiveness exercise and oversees the Declaration of Interest process.

During 2023-2024, the IGC continued to monitor and track progress against the recommendations outlined in the Audit Wales report on Committee governance arrangements at WHSSC, on behalf of the Joint Committee.

They IGC received regular updates on the Corporate Risk and Assurance Framework (CRAF), and they provided scrutiny of the CRAF before it was presented to the Joint Committee for approval, the WHSSC Quality & Patient Safety Committee and the CTMUHB Audit & Risk Committee (ARC) for assurance. The IGC also received quarterly updates on the Delivery of the Integrated Commissioning Plan throughout 2023-2024.

The Welsh Kidney Network (WKN) Governance Plan was presented to the IGC at its April, June and October 2023 meetings. The monitoring of this action plan was a key focus for the IGC during 2023 and the action plan has now been signed off as completed.

The **Management Group (MG)** is the specialised services commissioning operational body responsible for the implementation of the Specialised Services Strategy. The group underpins the commissioning of specialised services to ensure equitable access to safe, effective, sustainable and acceptable services for the people of Wales.

During 2023-2024, the Group held a workshop focused on the Specialised Services Commissioning Strategy. Following approval of the Strategy in early 2023, the Success Measures were developed with MG input.

In addition MG received a presentation on CVUHB Shaping Our Future Wellbeing Strategy and this led to a Clinical Strategies Workshop.

The 2023-2024 Integrated Commissioning Plan was signed off with a number of identified savings and a condition that WHSSC and Health Board staff make a 1% additional pathway saving (approximately £7m). An efficiency and recommissioning Board was established to take forward this piece of work. In addition, financial savings targets with financial improvement options were requested by the Minister for Health and Social Services for NHS Wales. To respond to this request three tranches of savings were running concurrently throughout 2023-2024.

To support the Integrated Commissioning Process for 2024-2025 an early draft plan was presented to the October 2023 MG and November 2023 JC meetings. Due to the austere financial context within which the plan was developed, there was a heavy emphasis upon value, recommissioning and efficiency. A triangulated risk assessment was undertaken with the Management Group to prioritise uncommitted schemes from previous plans alongside the results of the CIAG prioritisation process for 2024-2025 which ensured that informed choices were made by the JC in the final Plan.

An updated ICP with a range of financial scenarios was presented to MG in January 2024 following discussion at the December 2023 ICP workshop with JC members. A financial summary with a composite scenario was presented in response to these discussion at MG on 25 January 2024 and JC on 30 January 2024. These discussions were helpful and enabled WHSSC to present an updated ICP to the Joint Committee on 30 January 2024. Further work was requested and further financial scenarios were presented to the Management Group on 22 February 2024. A further ICP Plan was presented to an Extraordinary JC meeting for approval on 27 February 2024. The ICP was not approved at this Extraordinary JC meeting and was presented back to the JC meeting on 19 March 2024 and was approved.

WHSSC will cease to exist on 31 March 2024 and the new JCC will be established on 1 April 2024. It is anticipated the existing arrangement for the MG will continue for Q1.

The **Quality & Patient Safety Committee (QPSC)** provides assurance to the Joint Committee in relation to the arrangements for safeguarding and improving the quality and safety of specialised services within the remit of the Joint Committee.

The quality of care and experience that patients and their families receive in specialised services is no different and the role of the commissioner is to ensure that quality is central to the way that services are commissioned. Quality is everyone's business and the organisation strives to ensure that the quality and patient centred services are at the heart of commissioning.

An overarching goal of WHSSC is to improve outcomes for people, whoever they are and wherever they live, by providing them with access to high-quality specialised services. To achieve this aspiration of having a quality-led commissioned service, we need to operate within an effective quality management system. The WHSSC Quality Framework first developed in July 2014 was re-launched as the Commissioning Assurance Framework (CAF), and was endorsed by the WHSSC Quality & Patient Safety Committee on 10 August 2021 and approved by the Joint Committee on the 7 September 2021. The framework provides the assurance to Health Boards and the public that WHSSC commissions high quality clinical care and there are robust processes in place to monitor services. It also provides the foundation on which to build the mechanisms required to meet the Act and highlights the key principles and arrangements that need to be in place to be assured of high quality services at all times.

During 2023-2024, a successful development day took place on 23 October 2023. The development day provided demonstrations on Patient Incident Safety Framework (PISRF) and how this is being implemented in NHS England. A key focus of the development day was the updated Escalation Trajectory and an overview and update on the Duty of Quality.

One of the fundamental principles underpinning quality is to develop open and transparent relationships with providers, to engage and involve the clinical teams and work in partnership with stakeholders when planning and commissioning services. Where concerns regarding the quality of services are identified and remedial action is required escalation processes are initiated and acted upon in a timely manner

WHSSC will cease to exist on 31 March 2024 and the new JCC will be established on 1 April 2024. As the operating arrangements will be different across each of the constituent parts of the new JCC it has been proposed that in Q1 2024-2025 the remit of the QPS Sub-Committee includes the former business of WHSSC and is expanded to include mental health commissioning.

It is proposed that the non-officer membership will be made up of the current WHSSC sub-Committee members (i.e. seven Independent Members who are also members of the Health Board Quality and Safety Committees) for Q1, with one or two JCC lay members also joining the Sub-Committee.

The **Welsh Kidney Network (WKN)** is a vehicle through which specialised renal services are planned and developed on an all Wales basis in an efficient, economical and integrated manner and provides a single decision-making framework with a clear remit, responsibility and accountability.

A governance review was undertaken by Steven Combe, Independent Governance Advisor, as a way of identifying any potential governance issues that the WKN needed to address the governance review was undertaken over the summer 2022 and an Action Plan was developed and approved by the WKN Board on 6 October 2022.

The recommendations from the Independent Governance Review were presented to the Joint Committee on the [17 January 2023](#) for assurance and an action plan was developed, agreed and monitored through the WKN Board. The delivery of the action plan has been regularly scrutinised by the Integrated Governance Committee (IGC).

It is important to note that since the WKN was established in 2009, it has matured and widened its scope of activity. In addition, there have been significant changes to the governance environment within the NHS in Wales.

The future strategic direction of the WKN was considered further during 2023 and from these discussions the WKN planned to:

- Increase its focus on strategy and planning,
- Increase involvement in prioritisation, linking much closer to the development of the WHSSC Integrated Commissioning Plan ensuring a focus on what matters to patients and staff,

- Identify opportunities for WKN commissioning of chronic disease kidney services currently delivered by the secondary care nephrology teams for consideration by the Joint Committee of WHSSC; and
- Be the source of advice and guidance, in particular for CKD prevention and management of acute kidney injury to health boards and WG when capacity allows.

In September 2023 as part of the internal audit programme, an audit was undertaken on the WKN. The aim of the review was:

- to consider the governance arrangements in place for the Welsh Kidney Network following the independent governance review undertaken in 2022 and
- to provide assurance that there are robust and effective risk management arrangements in place that strengthen and contribute to the overall governance framework.

The audit received substantial assurance with the comment in the audit report that

"The Network has robust governance arrangements in place which complement the wider WHSSC governance framework. The Network has made good progress with the implementation of the recommendations of the independent governance review".

Following 1 April 2024, it is proposed that the existing arrangements continue unchanged, for Q1, other than the reporting line to the new JCC and that the TORs are amended to reflect this. The existing independent chair arrangements will also continue during this time.

In addition, WHSSC hosts the delivery teams for the Traumatic Stress Wales (**TSW**), and the teams for the All Wales Positron Emission Tomography (**PET**) Capital Programme and the Molecular Radiotherapy (**MRT**) Strategy Development Programme.

TSW is an all Wales quality improvement initiative which aims to improve the health and wellbeing of people of all ages affected by traumatic events. It aims to raise trauma-informed awareness and practice across Wales and has a particular focus on those at risk of developing or with post-traumatic stress disorder or complex post-traumatic stress disorder.

The PET Capital Programme is a £25M capital investment programme funded by WG. It was originally intended to be a five year programme funded in two phases. This first phase ends in July 2024. The programme consists of the replacement of the fixed site scanner in PETIC (a Cardiff University owned facility on the University Hospital Wales site), procurement of two fixed site scanners, one in SBUHB and one in Betsi Cadwaladr University Health Board (**BCUHB**), to replace

their existing mobile scanners, refurbishment of the PETIC production facility and a fourth fixed site scanner to be situated at a site yet to be agreed. In addition a number of cross cutting developments related to workforce, PET radiopharmaceutical horizon scanning, data and report standardisation, electronic referrals and vetting; in addition to benefit measures such as patient and staff satisfaction, sat within this programme. The majority of these cross cutting developments are reaching final stages.

The MRT Strategy Development Programme is a WG funded programme to develop a strategy for the future implementation of the new MRT treatments across Wales. The programme is funded until July 2024 and the final document will be presented to WG in June 2024. The programme is on track. The programme manager left post in early March 2024, therefore the PET Capital Programme team will see the work to completion. There are no current programme issues or significant risks.

WHSSC also commissions three Operational Delivery Networks (**ODN/s**):

Major Trauma: The South Wales Trauma Network was launched in September 2020 following approval of a Programme Business Case by all six affected health boards. WHSSC commissions the Network from SBUHB as the designated host provider under the approved Service Specification. There is a quarterly Clinical and Operational Board run by the Network; assurance on delivery is currently provided to the Joint Committee via the quarterly WHSSC-led Delivery Assurance Group.

Spinal: The South Wales Spinal Network launched in 2023 following agreement to establish an ODN for spinal surgery by the NHS Wales Collaborative Executive Group in April 2021. WHSSC commissions the Network from SBUHB as the designated host provider under the approved Service Specification. There will be a quarterly Clinical and Operational Board run by the Network; assurance on delivery will be provided to the Joint Committee via the quarterly WHSSC-led Delivery Assurance Group.

Neonatal: The Joint Committee has also agreed to establish a Neonatal Transport ODN following concerns raised by WHSSC about the governance of service delivery. The establishment of the Neonatal Transport ODN is currently under review in the context of wider financial and service issues.

2.3 Joint Committee and Joint Sub-Committees Meetings

It is acknowledged that since the COVID-19 pandemic, there have continued to be limitations on Boards and Committees being able to physically meet where this is not necessary and can be achieved by other means. In accordance with the Public Bodies (Admissions to Meetings) Act 1960 the Joint Committee is required to meet in public.

As a result of the public health risk linked to the pandemic when there were limitations on public gatherings and it was not therefore possible to allow the public to attend meetings of the Joint Committee, virtual meetings were introduced to ensure business was conducted in as open and transparent manner.

Further to the Committee effectiveness exercise for 2022-2023 undertaken in April 2023, the feedback from individual members indicated that the majority of members preferred to continue with the virtual meeting arrangements adopted during the COVID-19 pandemic and the recovery phase but with occasional face to face meetings. Therefore, the majority of Joint Committee and sub-committee meetings continued to be held virtually during 2023-2024 and face to face meetings were considered for any key decision making requirements as deemed appropriate by the Chair. Arrangements were in place to ensure that the decision logs were maintained and reported to each meeting appropriately. One face to face meeting was arranged for the meeting that took place on 19 September 2023. All WHSSC Officers, WHSSC IMs and two Health Board Chief Executives and a nominated executive deputy attended in person.

Virtual meetings and electronic communication have remained the key to the Joint Committee's functionality as we adapt our working practices following the COVID-19 pandemic.

To ensure business is conducted in as open and transparent a manner as possible, the following actions were taken:

- Joint Committee papers were routinely published and made available on the WHSSC website two weeks prior to meetings, so far as possible,
- Written briefings of the key components of meetings were published as soon as possible after meetings.

The website (which gives our official notice of Joint Committee meetings) includes a statement inviting anybody wishing to attend a Public meeting to contact the organisation in advance to determine suitable arrangements. No requests to observe a Joint Committee meeting from a member of the public was received during 2023-2024, although there are regularly observers from Health Boards who request to attend and these are warmly welcomed.

The membership of the Joint Committee and member's attendance is presented at **Appendix 1**. A table outlining the dates of Joint Committee meetings held during 2023-2024, is presented at **Appendix 2**.

2.4 JCC Sub-Committee Structure 1 April 2024 onwards

To ensure business continuity and to support the transition it has been proposed to continue with existing sub-Committees/Groups during Q1 with variations to membership/remit as detailed above. This will allow for a robust review of the function and membership of all forums during Q1 to inform the new Sub-Committee arrangements which will be taken forward from Q2.

2.5 Committees of the Host Organisation

2.5.1 Audit & Risk Committee

[The Audit & Risk Committee of Cwm Taf Morgannwg University Health Board \(CTMUHB\)](#), as host organisation, advises and assures the Joint Committee on whether effective arrangements are in place, through the design and operation of the Joint Committee's assurance framework. This supports members in their decision taking and in discharging their accountabilities for securing the achievement of the Joint Committee's Delegated Functions.

Relevant officers from WHSSC attend Part B CTMUHB Audit & Risk Committee meetings for agenda items concerned with WHSSC business. In addition, Steve Spill from SBUHB is the WHSSC designated IM Audit/Finance Lead and also attends Part B meetings. An assurance report following each Part B meeting is submitted to the Joint Committee outlining the business discussions for assurance.

From 1 April 2024 The new JCC will continue to utilise the CTMUHB Audit and Risk Assurance Hosted Bodies Committee with the remit of taking assurance that the JCC is discharging its accountabilities with regard to financial stewardship, risk etc. It is likely there will also be the need to hold a CTMUHB Audit and Risk Assurance Meeting specific to the JCC and its business as required.

Interim arrangements are being considered to ensure continuity of non-officer attendance at the CTMUHB Audit and Risk Committee during Q1 with a view to agreeing the appropriate Lay Member attendance from Q2.

2.5.2 CTMUHB Quality & Safety Committee

[The Quality & Safety Committee of CTMUHB](#), as host organisation, advises and assures the Joint Committee on the provision of workplace health & safety within WHSSC.

Relevant officers from WHSSC attend the CTMUHB, Safeguarding Committee when appropriate.

2.6 Standards of Behaviour

The Welsh Government's *Citizen-Centred Governance Principles* apply to all public bodies in Wales. These principles integrate all aspects of governance and embody the values and standards of behaviour expected at all levels of public services in Wales.

"Public service values and associated behaviours are and must be at the heart of the NHS in Wales"

The Joint Committee is strongly committed to WHSSC being value-driven, rooted in the Nolan principles and high standards of public life and behaviour, including openness, customer service standards, diversity and engaged leadership.

The Joint Committee expects all Members and employees to practice high standards of corporate and personal conduct, based on the recognition that the needs of service users must come first.

The “Seven Principles of Public Life” or the “Nolan Principles” form the basis of the Standards of Behaviour requirements for WHSSC employees and Independent Members.

The WHSSC Standards of Behaviour Policy, incorporating Declarations of Interest, Gifts, Hospitality and Sponsorship, aims to ensure that arrangements are in place to support employees to act in a manner that upholds the Standards of Behaviour Framework. In addition, it sets out specific arrangements for the appropriate declarations of interests and acceptance / refusal and record of offers of Gifts, Hospitality or Sponsorship. The Policy also aims to capture public acceptability of behaviours of those working in the public sector so that WHSSC can be seen to have exemplary practice in this regard.

The WHSSC Standards of Behaviour Policy was approved on 13 January 2021 and a copy of this policy can be found on the WHSSC website.

<https://whssc.nhs.wales/publications/corporate-policies-and-procedures/>

In accordance with the WHSSC Standards of Behaviour Framework Policy and Standing Orders WHSSC issued requests for annual Declarations of Interest returns for the 2023 -2024 financial year on 23 March 2023. For 2022-2023, the DOI form was updated to align the Health Board processes and our DOI process has been strengthened to include cross-referencing information with the Companies House register and any other related declaration processes.

The register of interests is available on request or through the WHSSC publication scheme on the WHSSC website:

<https://whssc.nhs.wales/publications/governance>

3.0 THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

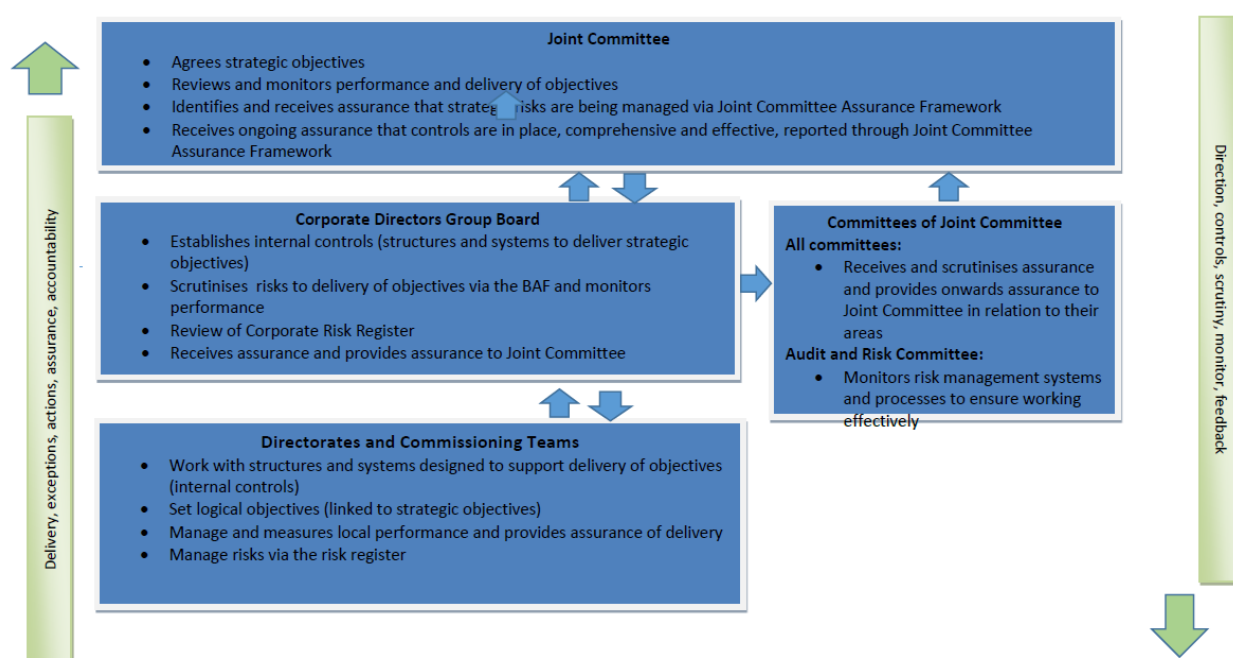
The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control was in place for the year ended 31 March 2024 and up to the date of approval of the annual accounts.

4.0 CAPACITY TO HANDLE RISK

The WHSSC systems of control are designed to manage risk to a reasonable level rather than to eliminate all risks; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The WHSSC system of control is based on an ongoing process designed to identify and prioritise the risks to the achievement of its 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 2024 and up to the date of approval of the CTMUHB annual report and accounts.

RISK MANAGEMENT PROCESS



4.1 The Risk and Assurance Framework

Risk management is embedded in the activities of WHSSC through the WHSSC Risk Management Framework and associated operating procedures. Overall responsibility for the Risk Management lies with the Director of Planning and Committee Secretary who have delegated responsibility for managing the development and implementation of the Risk Management Strategy. Arrangements are in place to effectively assess and manage risks across the organisation, which includes the ongoing review and updating of the CRAF so that the Joint Committee maintains a line of sight on the WHSSC's key strategic and operational risks.

WHSSC's Risk Management Strategy sets out responsibilities for strategic and operational risk management for the Joint Committee and staff throughout the organisation and describes the procedures to be used in identifying, analysing,

evaluating and controlling risks to the delivery of strategic objectives. A revised Risk Management Strategy was approved by the Joint Committee on [11 May 2021](#) and aligns to the Risk Management Strategy agreed by CTMUHB (WHSSC's host organisation) for consistency.

The Corporate Risk and Assurance Framework (CRAF) forms part of WHSSC's approach to the identification and management of strategic and other top-level risks. The framework is subject to continuous review by the Executive Director lead for each risk, the Corporate Directors Group Board (CDGB), the joint sub-committees and the Joint Committee.

The CRAF is informed by risks identified by both Directorates and Commissioning Teams that are considered by a bi-monthly risk scrutiny panel that reports to CDGB. Each risk is allocated to an appropriate sub-committee for assurance and monitoring purposes. The CRAF is received by the sub-committees as a standing agenda item, and the Joint Committee receives the CRAF at least twice yearly and this was last received by the Joint Committee on [30 January 2024](#).

The CRAF is an integral part of the system of internal control and defines the extreme potential risks listed on the Corporate Risk Register (scored 15 or above) which may impact upon the delivery of strategic objectives. It also summarises the controls and assurances that are in place or plans to mitigate them. The CRAF aims to align principal risks, key controls and assurances on controls alongside each of WHSSC's strategic objectives.

Each directorate risk register is submitted to the Risk Scrutiny Group (RSG) on a bi-monthly basis. The membership of the RSG includes Directorate Managers who review and scrutinise the narrative, scores and mitigating actions for each risk. The risks are validated by the RSG and are subject to continuous review by the Executive Director lead for each risk. In addition to reviewing Directorate Risks, the RSG also receives a deep dive into a Commissioning Team Risk Register at each of its meetings.

The updated CRAF was approved by the Joint Committee on [30 January 2024](#). The risks outlined in **Table 1** below were identified as posing the greatest risk (20 and above).

Table 1 – High scoring Risks 20 and above

Ref	Risk Description	Risk Score
Risk Ref: 26 Neuropsychiatry patients waiting times (NCC046)	There is a risk that neuropsychiatry patients will not be able to be treated in a timely manner with the appropriate therapy support due to staffing issues. The consequence patients will have long waiting times to access the service and the lack of availability of step	20 (4x5)

Ref	Risk Description	Risk Score
	down facilities to support the acute centre will also result in delays.	
Risk Ref: 29 WHSSC IPFR ToR & Governance (CS8)	There is a risk that WHSSC will be unable to meet the TOR for the All Wales IPFR panel due to the inability to achieve quoracy in the membership and consequently this may lead to delayed decision-making. In addition, there is also a risk that the current IPFR governance arrangements are not robust and as a consequence this may also lead to legal challenges in the form of judicial reviews.	20 (4x5)
Risk Ref: 34 - Lack of Paediatric Intensive Care Beds (P/21/02)	There is a risk that a paediatric intensive care bed, in the Children's Hospital for Wales, will not be available when Date Added to Register:24/02/21 required due to constraints within the service. There is a consequence that paediatric patients requiring intensive care will be cared for in, inappropriate areas where the necessary skills or equipment are not available or the patient being transferred out of Wales.	20 (4x5)
Risk Ref: 48 Wales Fertility Institute (WFI) P/21/20	There is a risk the Wales Fertility Institute (WFI) in Neath & Port Talbot Hospital are not providing a safe and effective service due to concerns with regards to the information flows from the service into WHSSC; late submission of contract monitoring which does not reconcile with finance returns. There is a consequence that families who have treatment at this centre are not receiving the quality of care expected from the service and in turn impacting outcomes.	25 (5x5)
Risk Ref: 54 CAHMS Environment and Workforce (MH/23/16)	There is a risk that tier 4 providers for CAMHS cannot meet the service specification due to environmental and workforce issues, with a consequence that children could abscond/come to harm. (NWAS)	20 (4x5)
Risk Ref: 60 WFI Treatment (P/21/24)	There is a risk all licensed HFEA activity at WFI will urgently and temporarily need to cease due to the fact that the Person Responsible (PR) has stood down from the role and there has been a failure to appoint a new PR to fulfil their duties. There is a consequence that patients in active treatment will need to have their treatment plan temporarily paused and the	20 (5 x 4)

Ref	Risk Description	Risk Score
	centre would not be able to accept new patients on a temporary basis.	
Risk Ref: 63 - Neurosurgery Sustainability (NCC063)	There is a risk that the delay in progressing the Neurosurgery Sustainability and Standards CIAG scheme for the ICP 22/23 and not investing in key high risk posts (Intra operative Monitoring (IOM), CNS Skull Base and Neuromodulation) due to the financial pressures of NHS Wales would as a consequence result in the loss of the sub speciality services of Neurosurgery (Skull Base, Facial Pain, Complex Spine and elements of tumour surgery). The IOM post is recommended by NICE guidelines and the lack of ability to recruit to this post substantively, would mean that these subspecialty surgeries would have to cease in Wales with patients then being required to receive treatment in North Bristol Trust (NBT). Additionally there is no commissioned CNS posts for skull base and Neuromodulation services, the service is managed by single handed consultants resulting in consultant time being used inappropriately to deliver nurse led services – this does not meet national standards and patients would be denied timely access to neurosurgical advice and treatment.	25 (5 x 5)

In April 2022 as part of the annual internal audit programme and internal audit was undertaken to evaluate and determine the adequacy of the systems and controls in place within WHSSC in relation to risk management. Internal audit gave an audit assessment rating of “reasonable assurance” and concluded that WHSSC has an up to date and comprehensive risk management strategy in place that clearly sets out roles and responsibilities.

The CRAF is continuously reviewed in line with the Risk Management Strategy and has been strengthened to incorporate the recommendations of the internal audit feedback.

WHSSC is committed to continuous improvement across the whole risk management pathway, areas of significant focus for the new Joint Commissioning Committee will be:

- Developing and implementing the new Joint Committee Assurance Framework (JAF) and implementing a Risk management Strategy,
- Training and awareness of the risk management process adopted within the new JCC; and

- Implementing the Once for Wales Risk Management System (Datix Cloud System) and aligned training programmes.

4.2 Risk Appetite

Members of the WHSSC Joint Committee share responsibility for the effective management of risk and compliance with relevant legislation. In relation to risk management, Joint Committee is responsible for approving the risk appetite for WHSSC. The WHSSC risk management strategy states that the Joint Committee will review its risk appetite on an annual basis to ensure that progress is being made toward the 'risk appetite' WHSSC wishes to achieve. Following the risk workshop the CDGB reviewed its risk appetite and an updated risk appetite statement was approved by the Joint Committee on [17 January 2023](#).

WHSSC's risk appetite has been defined following consideration of organisational risks, issues and consequences. To assess risk appetite the [Good Governance Institute's Matrix for NHS Organisations](#) was followed. Appetite levels will vary, in some areas, our risk tolerance may be cautious in others we may be eager for risk and are willing to carry risk in the pursuit of important strategic objectives. WHSSC will always aim to operate organisational activities at the levels defined below.

Where activities are projected to exceed the defined levels, this will be escalated through the appropriate governance mechanisms to the Joint Committee for ratification.

Table 2 below outlines the risk appetite.

Table 2 – WHSSC Risk Appetite

Type of Risk	Risk Appetite
Innovation/Quality Outcomes	WHSSC has adopted a Cautious stance for quality and safety risks, with a preference for safer delivery options, tolerating a cautious degree of residual risk and choosing the option most likely to result in successful delivery, high quality care and value for money services to its population.
Reputation / Adverse Publicity (Trust in Confidence) risks	WHSSC has adopted a Cautious stance for reputational risks, with a preference for safer delivery options, tolerating a cautious degree of residual risk and choosing the option most likely to result in successful delivery, high quality care and value for money services to its population.
Business Continuity risks	WHSSC has adopted a Cautious stance for Business Continuity Risks. The Joint Committee will receive ongoing assurance from the testing of business continuity plans

Compliance/Regulatory risks	WHSSC has adopted a Cautious stance for Legal, Regulatory and Compliance risks, seeking a preference for adhering to responsibilities and safe delivery options with little residual risk. The joint Committee will receive assurance that compliance regimes are in place
Data and Information Management risks	WHSSC has adopted a Cautious stance for data and information management risks seeking a preference for adhering to responsibilities and safe delivery options with little residual risk. There is acceptance for the need for operational effectiveness with risk mitigated through careful management of information sharing and limiting distribution
Financial stability risks/VFM	WHSSC stance for financial risk is varied as follows: ▪ Averse for financial propriety and regularity risks with a determined focus to maintain effective financial control framework accountability structures. ▪ Averse – in terms of risks related to WHSSC qualification of accounts, associated process and deviation from reporting timescales. ▪ Minimal – as to risk relating to breaching individual control totals. ▪ Cautious – in relation to the WHSSC budget spend with the intention that it should maximise the use of resource each year. WHSSC will seek safe delivery options with little residual risk that only yield some upside opportunities. WHSSC would receive ongoing assurance through reporting structures that policies and procedures are in place to comply with HMT guidance.
Assets and Estates risks –	WHSSC has adopted Cautious and Open stances for assets and estates respectively, seeking value for money but with a preference for proven delivery options have that a cautious residual risk. this means that WHSSC will use solutions for purchase, rental, disposal, construction, and refurbishment that ensures it protects the public purse from as much risk as possible, producing good value for money whilst fully meeting organisational objectives.
Technological advances	WHSSC has adopted an Open stance for risks associated with technological advances accepting that system and technology developments can enable

	improved delivery. Responsibility for non-critical decisions may be devolved in accordance with the Scheme of Delegation. Plans aligned with functional standards and organisational governance.

Due to the formation of the new JCC and the need for the new JCC to develop its own Risk Appetite, the current statement will apply until 31 March 2024.

4.3 Joint Assurance Framework

WHSSC committed to developing and implementing a Joint Assurance Framework (JAF) that identifies, analyses, evaluates and controls the risks that threaten the delivery of its strategic objectives. The intention was for the JAF to align with the new Specialised Services Strategy. The strategy was approved and in place by 31 May 2023. Pending the establishment of the new NHS Wales Joint Commissioning Committee work on the JAF was paused and further details have been captured in the WHSSC Legacy Statement. A JAF will be developed for the JCC in 2024-2025.

Following 1 April 2024, the new JCC will need to ensure it has arrangements in place for the identification and management of risks. Each of the component parts of the new JCC have their own risk registers. These will be brought into the JCC as is and consolidated to form one risk register during Q1. It will also be necessary to ensure that business continuity risks identified during the implementation programme phase that may continue to have an impact on the operation of the JCC or the JCC Team are not lost and are kept under review, together with any new risks specific to the management and operation of the new JCC.

The JCC will be asked to agree the risk management and assurance arrangements during Q1, reflecting as appropriate the risk and assurance Policies of the host body.

5.0 THE CONTROL FRAMEWORK

5.1 Performance Dashboard

As laid out in the WHSSC Specialised Services Strategy WHSSC's mission is to 'ensure the delivery of high quality, sustainable healthcare services for the people of Wales which are responsive to change, accessible, and maximise value and outcomes within available resources'. As a mature commissioner of over 120 services on behalf of the seven Health Boards in Wales we take a balanced view across all of the domains of performance and ensure best practice assurance and reporting is in place.

The approach set out for performance management within WHSSC has been strengthened within the year and was ratified as a suite of documents at the May 2023 meeting of the Joint Committee. A refreshed Performance Management

Framework was agreed as part of the overall Commissioning Assurance Framework (CAF) and this has been implemented and embedded throughout the year. It is an important part of our legacy statement as we transition to the new NHS Wales Joint Commissioning Committee (JCC) from 1 April 2024.

In January 2024 WHSSC prepared a Specialised Services Commissioning Framework to document its approach to commissioning specialised services:

[file:///Y:/WHSSC%20Y%20Drive/National%20Commissioning/WHSSC%20Legacy%20Statement/Planning%20&%20Performance%20Directorate/WHSSC%20Commissioning%20Framework%20Approved%20v4%20\(002\)%20-%20MG.pdf](file:///Y:/WHSSC%20Y%20Drive/National%20Commissioning/WHSSC%20Legacy%20Statement/Planning%20&%20Performance%20Directorate/WHSSC%20Commissioning%20Framework%20Approved%20v4%20(002)%20-%20MG.pdf)

Section 4.4.1 (Page 18) of the Specialised Services Commissioning Framework sets out WHSSC’s approach to Commissioner Assurance and provides links to the following key documents:

- Commissioning Assurance Framework
- Patient Experience & Engagement Framework
- Performance Management Framework
- Escalation Process
- Risk Management Strategy

There are 3 levels at which performance management discussions between WHSSC and provider HBs take place, and upon which the Performance Management arrangements have been built: Strategic, Planning and Performance. The performance framework hierarchy is outlined in **Table 3** below:

Table 3 – Performance Framework Hierarchy

Level of discussion	Meeting	Purpose
Strategic	Board to Board	• Strategic direction • Strategic risks • Strategic appetite for service developments • Strategic discussion on population health, equity, access etc. • Enabling delivery
	Exec to Exec	
Planning	Planning team to HB corporate teams	• Monitor progress with development of Integrated Commissioning Plan (ICP) and Integrated Medium Term Plans (IMTPs) Identify barriers/risks to implementation of plan and developments contained therein

Level of discussion	Meeting	Purpose
		• Share intelligence in order to triangulate workforce, finance and performance improvement • Ensure there are 'no surprises' on performance and delivery issues
Performance	SLA Meetings	• Formally manage and escalate variation in performance on quality, activity, delivery of Ministerial measures and financial performance. • Formally receive exception reports on services in Escalation • Deal with issues escalated from the service level performance meetings • Formally note and monitor investments and benefits
	Service level performance meetings	• To monitor performance in individual service areas – including quality, activity, Ministerial and service specification measures and financial performance • To monitor investments and benefits • To escalate issues as needed to the SLA meeting with Health Boards
	Escalation	• To enable development of an action plan for those services in escalation • To enable monitoring of necessary actions • To enable de-escalation

A robust performance report is prepared and discussed at each Management Group and Joint Committee meeting to allow members to fulfil their duties of scrutiny and assurance. The latest report is available [here](#).

Moreover the data collated systematically from services, is used to drive discussions at Commissioning Team meetings, individual service level meeting and at Health Board Service Level Agreement (SLA) meetings.

There are robust conversations with regard actual performance against commissioned volumes and expected quality governance arrangements and cost through our contracting arrangements.

The Commissioning Teams triangulate the domains of performance including quality, activity and cost to ensure WHSSC meets its objectives. There are clear performance management arrangements in place including the risk and escalation processes which enables any issue of variance to be managed appropriately. The Commissioning teams also drive the risk management and escalation processes which are laid out in the Escalation Framework part of the CAF, all of which are focussed on promoting and maintaining improvement in the quality and value of the services we commission.

5.2 Ministerial Priorities & Measures

A baseline of activity against the relevant Ministerial Priorities was included as part of the development of the 2023/24 Integrated Commissioning Plan (ICP).

The mechanisms outlined above were utilised to monitor against these, with a year-end position being:

- Improvement towards no patients waiting over 52 weeks for a new outpatient appointment, then leading to no patients waiting over 36 weeks.
- Improvement towards no patients waiting over 104 weeks for treatment (97% expected to achieve this by December 2023, and 99% by March 2024), then leading to no patients waiting over 52 weeks for treatment.

All main specialty services are meeting the New Outpatient and the Inpatient waiting target, except for Plastic Surgery at Swansea Bay UHB. This service is currently in escalation.

 Welsh Government Post COVID Targets Note: OP figures relate to Welsh providers of pathway stage not known for English provi									
Specialty / Provider Name	Measure	Tolerance Levels			Nov 2023	Dec 2023	Jan 2024		
Cardiac Surgery	RTT < 105 weeks - admissions	<95%	95-99%	100%	100.00%	100.00%	100.00%		
Cardiothoracic Surgery	RTT < 105 weeks - admissions	<95%	95-99%	100%	100.00%	100.00%	#DIV/0!		
Neurosurgery	RTT < 105 weeks - admissions	<95%	95-99%	100%	100.00%	100.00%	100.00%		
Paediatric Surgery	RTT < 105 weeks - admissions	<95%	95-99%	100%	100.00%	100.00%	100.00%		
Plastic Surgery	RTT < 105 weeks - admissions	<95%	95-99%	100%	93.05%	93.92%	93.47%		
Spinal Surgery Service	RTT < 105 weeks - admissions	<95%	95-99%	100%	100.00%	100.00%	#DIV/0!		
Thoracic Surgery	RTT < 105 weeks - admissions	<95%	95-99%	100%	100.00%	100.00%	100.00%		
Bariatric Surgery - Swansea Bay UHB	RTT < 105 weeks - admissions	<95%	95-99%	100%	100.00%	100.00%	100.00%		
Bariatric Surgery - Salford Royal	RTT < 105 weeks - admissions	<95%	95-99%	100%	100.00%	100.00%	100.00%		

The NHS Wales Performance Framework and Guidance Document 2024/25 was issued by the Director General for Health and Social Care early March 2024 and will be used as the basis for forward planning and monitoring as relevant to the provision of specialised services, and more broadly to reflect the extended remit of the new Joint Commissioning Committee. The framework and guidance document can be viewed [here](#).

5.3 Integrated Commissioning Plan (ICP) for Specialised Services

WHSSC is required to develop an ICP for specialised services on behalf of Health Boards (HBs) that must be agreed by the Joint Committee (JC) and align with the Welsh Government's NHS Wales Planning Framework and Commissioner Integrated Medium Term Plans (IMTPs). The Plan has been developed within the context of the difficult financial environment and the transition to the new Joint Commissioning Committee (JCC).

Whilst WHSSC is not a statutory organisation within NHS Wales, we are part of the system and the ICP responds to the Framework; presenting a cohesive plan for the commissioning of Specialised Services for the people of Wales.

The ICP is developed by the Welsh Health Specialised Services Committee (WHSSC) on behalf of the seven Health Boards (HBs) in Wales, and is the basis upon which HBs will plan for specialist services provision within their Integrated Medium Term Plans (IMTPs). The ICP 2023/24 was approved by the Committee in February 2023 and was accepted by Welsh Government in October. We were also delighted to receive '*substantial assurance*' from Internal Audit on our processes for the development of the ICP during the year.

Whilst delivery of some elements of the Plan have been paused or stopped due to the need to make difficult financial choices across NHS Wales in year, overall good progress has been made with the implementation of the 2023/24 ICP. Quarterly reports on delivery of the Plan were presented to the WHSSC Integrated Governance Committee and shared with Welsh Government. The Quarter 3 report can be viewed [here](#).

The [NHS Wales Planning Framework 2024-2027](#) was received on the 18 December 2023. The requirements include a need for HBs to send an Accountable Officer (AO) letter on the status of their plan by the 19 February and all plans to be submitted to Welsh Government by 29 March 2024. In the current financial context the Framework places a strong emphasis on the themes of the Value and Sustainability Board and the Duty of Quality. These have been reflected in WHSSC's planning throughout the ICP development cycle and the ICP 2024-2025 includes our strategic commissioning approach to quality, value and efficiency. A prudent, prioritised approach has been taken to the balance of developments and risk management in the Plan, underpinned by a structured Quality Impact Assessment.

This year the ICP for 2024/25 has been developed in the context of our approved Specialised Services Strategy and the extreme financial pressures and service challenges facing NHS Wales. The processes for the development of the 2024/2025 ICP have also run successfully throughout 2023/24, including the well-established horizon scanning/new interventions, prioritisation and risk assessment processes. The Plan has been considered on multiple occasions by both Management Group and Joint Committee during the third quarter of 2023/24. The Plan was approved by the Joint Committee on 19 March 2024.

Following 1 April 2024, the IMTPs (Integrated Commissioning Plan for WHSSC) and commissioning intentions/work programmes for 2024/25 for each constituent function will be agreed prior to the JCC being established. These plans will therefore need to be adopted by the JCC and consolidated so that there is one monitoring process that can be reported via the sub-Committee structure to the JCC. The establishment of a sub-Committee with the remit of Planning and Performance will be considered during Q1 as part of the review of existing sub-Committee arrangements.

The planning cycle for 2025/26 will commence swiftly after the JCC forms. It will be a priority of the Tier 1/Chief Commissioner to ensure the new JCCT has the appropriate arrangements in place to inform the JCC in the development of the IMTP for 2025/26.

5.4 A Specialised Services Strategy for Wales

Whilst the development of the ICP takes place in accordance with the NHS Wales planning cycle, through discussions with Joint Committee, WHSSC has committed to developing a new overarching 10 year Specialised Services Strategy for Wales.

In line with WHSSC Standing Orders (SOs), the role of the Joint Committee is to determine a long-term strategic plan for the development of specialised and tertiary services in Wales, in conjunction with the Welsh Ministers. In addition, the May 2021 Audit Wales Report into the Committee Governance arrangements at WHSSC included a number of recommendations related to developing a new specialised services strategy. The report advised that, "Post COVID-19, developing a strategy would now provide opportunity to shape the direction to focus on recovery, value, and to exploit new technologies and innovative ways of working"

The original specialised services strategy was published in 2012, and during the intervening period there has been significant challenge related to the pace of development of innovative treatments, the aftermath of the unprecedented and disruptive impact of the COVID-19 pandemic on NHS care and the recent extreme financial pressures facing the NHS. The policy context within NHS Wales also changed during this time. Following a 12-week engagement process to inform and support the development of a new ten year specialised services strategy the strategy work was completed and approved by the Joint Committee on 16 May 2023 and published on [31 May 2023](#). The success measures were developed and agreed on 23 November 2023. It was recognised that some measures will need to go on hold pending the establishment of the new NHS Wales JCC. However, where possible preparatory work will continue.

6.0 DISCLOSURE STATEMENTS

6.1 Equality, Diversity & Human Rights

Equality is central to the work of WHSSC and our vision for improving and developing specialised services for NHS Wales. WHSSC welcomes Welsh Government's distinct approach to promoting and safeguarding equality, social justice and human rights in Wales. WHSSC is committed to complying with the provisions of the Equality Act 2020, and the public sector general duty and the specific duties to promote and safeguard equality, social justice and human rights in Wales. We are committed to ensuring and considering how we can positively contribute to a fairer society through advancing equality and good relations in our day-to-day activities

WHSSC follows the control measures in place of the host, CTMUHB to ensure that obligations under equality, diversity and human rights legislation are complied with. CTMUHB policies and procedures, set out the organisational commitment to promoting equality, diversity and human rights in relation to employment. It also ensures staff recruitment is conducted in an equal manner. All staff have access to the Intranet where these are available. The Hosting Agreement includes provision for specific support around Equality and Diversity.

The Corporate Services Manager is a member of the Equality and Welsh Language Steering Group within CTMUHB and any issues are integrated into this process.

The Duty of Candour (Wales) 2023 and the Citizen Voice Body (Wales) 2023, has changed the status of equality and human rights and all public bodies in Wales are under a duty to be open and honest with service users receiving care and treatment.

The Welsh Government's Public Sector Equality Duty (PSED) advocates that all public sector organisations publish their Strategic Equality Plan (SEP) no less than every four years. Whilst WHSSC commissions specialised services on behalf of the seven LHBs the responsibility for individual patients remains with the LHB of residence.

6.2 Welsh Language

WHSSC is committed to treating the English and Welsh languages based on equality and will endeavour to ensure the services we commission meet the requirements of the legislative framework for Welsh Language as required by the Welsh Language Act (1993), the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards (No. 7) Regulations. Provider organisations in Wales are subject to the same legal framework, however the provisions of the Welsh language standards do not apply to services provided in private facilities or in hospitals outside of Wales. In recognition of its importance to the patient experience, WHSSC ensures that wherever possible patients have access to their preferred language. This commitment is now set out as an overarching statement in all new and updated WHSSC commissioning policies and service specifications.

In order to facilitate this WHSSC is committed to working closely with providers so that in the absence of a welsh speaker in the service, patients and their families will have access to either a translator or 'Language-line'. We will also encourage, in those services where links to local teams are maintained during the period of care, that this will provide, when possible, access to the Welsh language.

During 2023-2024, the Corporate Services Manager and Committee Secretary were attended the CTMUHB Welsh Language Steering Group meetings to lead and drive the implementation and delivery of legislative Welsh Language compliance across WHSSC and supports implementation of the "More than just words" framework. The Committee is a sub-committee of the CTMUHB People and Culture Committee. The purpose of the Committee is to support the CTMUHB Board to deliver on its responsibilities, in accordance with the legislative framework for Welsh Language, and to improve service user experience, through the provision of bilingual care and support. The first meeting took place on 15 March 2023 and meetings took place bi-monthly during 2023-2024.

6.3 Well-Being of Future Generations Act (WBFGA)

The Well-being of Future Generations Act (WBFGA) requires named statutory bodies, including CTMUHB, (our host) to ensure the needs of the current population are met without compromising the ability of future generations to meet their own needs. This 'sustainable development principle' requires the organisation to routinely follow the five ways of working from the Act (prevention, long-term, collaboration, integration, involvement), and contribute to the seven national well-being goals.

WHSSC is committed to contributing towards the achievement of the objectives of the Well-being of Future Generations (Wales) Act aims to improve the social, economic, environmental and cultural well-being of Wales. The WBFGA gives us the opportunity to think differently and to give new emphasis to improving the well-being of both current and future generations, and to think more about the long-term, work better with people, communities and organisations, seek to prevent problems and take a more joined-up approach. This Act puts in place seven well-being goals, and we need to maximise our contribution to all seven.

The ICP integrates and demonstrates the five ways of working and contribution to well-being goals throughout the plan. Prevention is embedded throughout our work.

The back cover for Committee reports includes a section for the author to consider Organisational Implications and outline any legal implications, including the WBFGA.

6.4 Socio Economic Duty

WHSSC recognises that the Socio-economic Duty introduced by Welsh Government under the Equality Act 2010 requires relevant public bodies in Wales,

which include LHB's, to have due regard to the need to reduce the inequalities of outcome that result from socio-economic disadvantage when they take strategic decisions. The duty came into force on 31 March 2021 and as a Joint Committee of the LHB's, this duty has been taken into account when planning and commissioning specialised services. WHSSC will consider how their decisions might help reduce the inequalities associated with socio-economic disadvantage, including evidencing a clear audit trail for all decisions made that are caught by the duty. This will be discharged by using existing processes, such as engagement processes and impact assessments.

6.5 Duty of Quality

The duty of quality Act come into force on 1 April 2023 and is intended to have positive benefits for everyone in Wales, supporting a culture and the conditions needed to drive improvements in health care. Quality is more than meeting service standards it's about implementing systems to support safe, effective, person-centred, timely, efficient, equitable care.

The Health & Care Quality Standards replace the Health and Care Standards (2015) and are a framework to help plan, deliver and monitor healthcare services in Wales. They are made up of six domains of quality and six quality enablers.

During 2023-2024, a successful development day took place on 23 October 2023. The development day provided demonstrations on Patient Incident Safety Framework (PSIRF) and how this is being implemented in NHS England. A key focus of the development day was the updated Escalation Trajectory and an overview and update on the Duty of Quality. One of the requirements of the Act is to publish an Annual Quality Report. In order to support this a number of processes that are already in place to support the evidence required and provide an audit trail for its publication. In particular it was proposed at the Executive Organisational Development session in December 2023 that the host organisation template should be adapted for consistency of reporting.

During the development of the Integrated Commissioning Plan 2024/25 the Quality Impact Assessment (QIA) tool was used to prioritise and make recommendations on investment decisions. This has ensured that the Duty of Quality is at the heart of our strategic planning process and has also been a useful practical exercise for our Commissioning Teams in using the QIA tool.

6.6 Duty of Candour

The duty of candour comes into legal force in April 2023 in line with the Health and Social Care (Quality and Engagement) (Wales) Act 2020. It requires them to be open and transparent with service users when they experience harm whilst receiving health care.

On 3 October 2022 the Corporate Directors Group Board (CDGB) received a briefing from Welsh Government (WG) on the Health & Social Care (Quality & Engagement) (Wales) Act 2022 with a specific focus on the consultation process

for the duty of candour and the soon to be launched consultation process on the duty of quality. The session gave an insight into the need to focus on quality-driven decision-making to improve outcomes and the need to demonstrate with evidence how we have complied with the duty. In addition, to the need to comply with the duty of candour in relation to health care provision. It was recognised that we already have good systems and processes in place on which we can build for both the duties.

6.7 Emergency Preparedness

Emergency and business continuity arrangements were in place during the financial year 2023-24, in accordance with the duty of our host to comply with the Civil Contingencies Act and the Emergency Planning Guidance issued by Welsh Government.

WHSSC continues to work closely with CTMUHB on business continuity planning arrangements.

WHSSC are working in partnership with HBs and utilise their recovery plans to influence our Integrated Commissioning Plan (ICP). This is supported by a robust risk management framework and the ability to identify, assess and mitigate risks that may impact on the ability to achieve our strategic objectives.

6.8 Carbon Reduction

Welsh Government declared a Climate Emergency in 2019 and expects the public sector to be net zero by 2030. The [NHS Wales Decarbonisation Strategic Delivery Plan](#) was published on 24 March 2021. WHSSC undertake risk assessments as required and aim to support the host, CTMUHB's Carbon Reduction Delivery Plans 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.

WHSSC is committed to taking assertive action to reducing the carbon footprint through mindful commissioning activities, where possible providing services closer to home (via digital and virtual access where possible) and ensuring a delivery chain for service provision and associated capital that reflects our commitment. We will also seek to support staff considerations and behaviours for those actions that have a positive effect on decarbonisation for example reduced travel, efficient travel and use of electric vehicles where possible. With effect the commencement of the 2022-2023 year, all policies contain a decarbonisation statement and a focus on innovative ways of working.

WHSSC is committed to reducing the carbon footprint through mindful commissioning of services that take account the decarbonisation agenda, enabling enhanced digital and virtual access for patients and through ethical consideration of staff actions and behaviours e.g. reduced travel, increased use of virtual engagement and, where feasible, use of electric vehicles. From 2022,

all WHSSC commissioning policies had a focus on innovative ways of working including digital and remote clinics to support reducing the carbon footprint.

During 2023 WHSSC continued to embed the working practices that were, by necessity, introduced in 2020. WHSSC have adopted a blended and hybrid approach to office and remote working, reducing the need for travel, and we continue to run as many meetings as practically possible using online platforms including Microsoft Teams. Additionally, many of the WHSSC systems which moved to paperless processes have continued operating in this way and these have proven to be more efficient and reduces our impact on the environment. We will continue to adopt these practices going forward.

Increasing numbers of staff are purchasing electric vehicles via the NHS Fleet Solutions Scheme. As a consequence, WHSSC installed EV charging stations at its premises on 20 April 2022.

All our Electricity is Zero Carbon procured on an all-Wales basis under the Renewable Energy Guarantees of Origin (REGO) scheme. We have a smart meter installed and during 2022-2023 we monitored our office utilities and through the introduction of a Friday office closure we have been able to meet the Welsh Government 3% reduction target on the office energy use since this was introduced in September 2022.

NHS All Wales Clinical Waste and Municipal Waste Contracts are awarded through an NHS All Wales Tender Process managed by NWSSP Procurement services on behalf of NHS Wales. Our waste and recycling is processed by Veolia. 'Dry Mixed Recycling' (DMR) is collected and separated for recycling by Veolia. We also work with staff to raise awareness and understanding of the importance of waste segregation to ensure we can continue to meet our recycling targets.

6.9 Duty of Consultation

WHSSC works on behalf of the seven HBs and within the guidance on changes to NHS services in Wales to effectively engage and consult on changes to the services it commissions as required. For any necessary service change that WHSSC leads, it will work through the all Wales Engagement Leads group in order to utilise existing and established mechanisms at HB level. During 2023-2024 concerns were raised regarding the WHSSC Policy for Policies Document and its alignment with WG guidance on legislation around service change. Legal advice was given and a commitment was made to Llais and the Joint Committee that the document would be amended. This work is underway and the document will go out to consultation following the establishment of the new JCC.

6.10 Ministerial Directions 2023-2024

Ministerial Directions issued by the Welsh Government during 2023-2024 have been considered and where appropriate implemented. Whilst Ministerial Directions are received by NHS Wales organisations, these are not always

applicable to WHSSC. Ministerial Directions issued throughout the year are listed on the Welsh Government website.

Welsh Health Circulars (WHCs) issued by Welsh Government are logged by the Corporate Governance Function. WHSSC has acted upon, and responded to all Welsh Health Circulars (WHC) issued during 2023-24 which were applicable to WHSSC. A list of WHC's issued by Welsh Government during 2023-24 is available [here](#).

During 2023-2024, the following Welsh Health Circulars (WHCs) were relevant to WHSSC:

WHC
WHC/2023/006 – Commencement of the Health and Social Care (Quality and Engagement) (Wales) Act 2020
WHC/2023/013 - Health and Care Quality Standards 2023
WHC/2023/017 – Patient safety incident reporting and management
WHC/2023/018 – Introduction of HL7 FHIR as a foundational standard in all NHS Wales Bodies
WHC/2023/019 – In support of prevention of suicide and self-harm
WHC/2023/022 – Armed Forces Covenant healthcare priorities
WHC/2023/023 – The National Influenza Immunisation Programme 2023 to 2024
Withdrawal of WHC/2023-042 – regarding annual quality statements
WHC/2023/032 – Amendments to Model Standing Orders and Model Standing Financial Instructions – NHS Wales
WHC/2023/036 – NHS Wales speaking up safely framework
WHC/2023/046 – All-Wales control framework for flexible workforce capacity
WHC/2024/005 - Private obesity surgery and the Welsh NHS
WHC/2023/041 – Refresh of the rare disease action plan 2022 to 2026
WHC/2023/048 – Health Board allocations for 2024 to 2025

6.11 Data Security & Information Governance

The Committee Secretary is the Lead Officer link to the host CTMUHB in relation to Information Governance for WHSSC. An agreement has been made that the Medical Director of CTMUHB, as host organisation, will act as Caldicott Guardian for WHSSC. The Caldicott Guardian, is responsible for the protection of patient information. Guidance and support on Information Governance issues is obtained from the IG team at CTMUHB.

The Committee Secretary and the Head of Corporate Governance are members of the CTMUHB Information Governance Group. WHSSC completed the mandatory Information Governance toolkit annual assessment and information governance support is provided through our host, CTMUHB.

There were no WHSSC specific incidents relating to data security that required reporting to the Information Commissioner's Office (ICO) during 2023-2024.

6.12 UK Corporate Governance Code

Whilst there is no requirement to comply with all elements of the Corporate Governance Code for Central Government Departments, the Welsh Health Specialised Services Team (WHSST) considers that it is complying with the main principles of the Code where applicable, through operating within the scope of the governance arrangements for CTMUHB. The WHSST remains satisfied that it remains compliant with the main principles of the Code, is following the spirit of the Code to good effect and is conducting its business openly and in line with the Code. This has been informed by the Audit Wales "WHSSC Committee Governance Arrangements" Report. There were no reported/identified departures from the Code during the year.

6.13 Counter Fraud

The Counter Fraud Plan was designed to reduce the risk of fraud by reviewing those aspects of WHSSC business that have a residual fraud risk. During the year, the CTMUHB Audit & Risk Committee received regular Local Counter Fraud Progress Reports. These provided a summary of the work that had been undertaken by the Local Counter Fraud Services Team to deliver the Counter Fraud Plan.

6.14 Modern Slavery Act 2015 – Transparency in Supply Chains

The Welsh Government's Code of Practice: Ethical Employment in Supply Chains was introduced to highlight the need, at every stage of the supply chain, to ensure good employment practices exist for all employees, both in the United Kingdom and overseas.

WHSSC adopts and complies with all CTMUHB procurement processes that embed the principles and requirements of the Code and the Modern Slavery Act 2015. WHSSC is committed to playing its role as a public sector employer, to eradicate unlawful and unethical employment practices, such as:

- Modern Slavery and Human right abuses,

- The operation of Blacklist / prohibited lists,
- False self-employment,
- Unfair use of umbrella schemes and zero hours contracts; and
- Paying the Living Wage.

During 2023-2024 WHSSC continued to take the following actions to deliver on the Code's commitments:

- It paid all staff above the minimum living rate (which is at Agenda For Change Band 2),
- It complies with the Raising Concerns (Whistleblowing) Policy, which provides the workforce with a fair transparent process, to empower and enable them to raise suspicions of any form of malpractice, by either out staff or suppliers / contractors working on our premises,
- It has a target in place to pay our suppliers within 30 days of receipt of a valid invoice,
- It does not engage or employ staff or work on Zero Hours Contracts,
- It follows a robust Recruitment and Selection Policy and Procedure, which ensure a fair and transparent process as prescribed by its host CTMUHB,
- WHSSC defers the CTMUHB Equality and Diversity Policy, which ensures that no potential applicant, employee or worker engaged by CTMUHB/WHSSC is in anyway unduly disadvantaged, in terms of pay, employment rights, employment, training and development of career opportunities,
- Use of the Transparency in Supply Chains (TISC) report – Modern Slavery Act (2015) compliance tracker through contracts procured and NWSSP Procurement Services on the CTMUHB's behalf.

6.15 NHS Pension Scheme

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

7.0 REVIEW OF EFFECTIVENESS

As Managing Director for Specialised and Tertiary Services Commissioning, NHS Wales, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the system of internal control is informed by the work of the internal auditors, and the officers within the organisation who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors and other reports.

Despite this not being a statutory obligation for WHSSC, it is a principle of good governance and best practice that all Wales NHS organisations should undertake a formal and rigorous annual evaluation of their own performance and that of their committees in accordance with the Standing Orders.

The IGC plays a central role in the scrutiny of a number of key governance mechanisms for which it provides assurances to the Joint Committee. The IGC is responsible for agreeing the organisation wide approach to the annual effectiveness self-assessment and for monitoring progress against any identified actions.

For the 2022-2023 assessment, a decision was taken to continue with the use of a Microsoft Forms questionnaire but a blended approach was developed that encouraged more narrative. The Committee Effectiveness Questionnaires were circulated on 6 April 2023. The 2022-2023 self-assessment survey was issued to all members on 30 March 2023.

The survey questions were derived from best practice guidance, including the NHS Audit Handbook, and adhered to the following principles:

- the need for sub-committees to strengthen their governance arrangements and support the JC in the achievement of the strategic objectives,
- the requirement for a committee structure that strengthens the role of the JC in strategic decision making and supports the role of Independent Members in challenging executive management actions,
- maximising the value of the input from Independent Members , given their limited time commitment, and
- supporting the JC in fulfilling its role, given the nature and magnitude of the WHSSC agenda.

A number of standard questions were included in the survey questionnaires to all committee members. In addition, the Chairs of each sub-committee meeting were also invited to consider some bespoke and individual questions for their sub-committee members to consider.

Overall, the surveys received a positive response and were reported to the Joint Committee in a comprehensive report on [18 July 2023](#). The feedback contributed to the development of a Joint Committee Development plan, which mapped out the development activities for the Joint Committee and its sub committees. A

copy of all the development activities that have taken place during 2023-2024 can be found at **Appendix 3**.

As the corporate governance team are heavily involved in drafting the new governance frameworks for the new Joint Commissioning Committee, the Committee Effectiveness exercise for 2023-2024 will be limited to the Joint Committee.

In order to obtain a broad view of the Committee’s effectiveness, it is important to consider the additional mechanisms and tools, which are used in order to provide evidence that WHSSC’s systems of internal control are working effectively. By using the tools outlined in **Table 4** below to map the various sources of assurance issues, gaps in controls and/or gaps in assurance can be identified:

Table 4 – Tools to Review Effectiveness

Tool	Scope	Assurance Reporting
Corporate Risk Assurance Framework (CRAF)	This is an essential component of WHSSC’s internal control system and is used as a systematic and structured method of recording all risks (operational, financial and strategic) that threaten the achievement of WHSSCs objectives. This forms an integral part of day-to-day practices and culture, utilising a single co-ordinated approach to the identification, assessment and management of all types of risk.	The CRAF is presented to each QPSC, IGC and ARC meeting and is presented to the Joint Committee every 6 months. The operating framework for the CRAF is outlined in the Risk Management Strategy.
Internal audit	Look at areas related to corporate governance, risk management and internal control.	The WHSSC Audit tracker outlines audits undertaken and progress being made against recommendations, and is

Tool	Scope	Assurance Reporting
		presented to each ARC and IGC meeting.
External Audit	Look at areas related to corporate governance, risk management and internal control.	The Audit Wales Report on Committee Governance Arrangements was presented at JC, IGC and ARC meetings throughout 2022-2023. The tracking report was included on HB Audit Committee agendas to ensure that all NHS bodies were able to maintain a line of sight on the progress being made, noting WHSSC's status as a Joint Committee of each HB in Wales.
Internal Policies	Policies and procedures designed to give management a reasonable assurance that the company achieves its objectives	A report on operational policies is presented to the QPSC and IGC routinely for assurance. The WHSSC internal policy group oversee the management of all policies and report to CDGB. A policy update is also shared with QPSC and MG.
Regulatory and Legal	Compliance with regulatory and legislative frameworks.	Routine assurance reports to JC and sub committees and the Annual Governance Statement (AGS).
Stakeholder feedback	Receiving feedback from people (named or anonymous), whose views are considered helpful and relevant.	WHSSC obtain stakeholder feedback through formal consultation processes and through regular dialogue with the JC, sub committees, through attending peer group meetings and 1 to 1 meetings.
Joint Assurance Framework (JAF)	Brings together in one place all of the relevant information	WHSSC made a commitment to introducing a JAF in the

Tool	Scope	Assurance Reporting
	on the risks to the achievement of strategic objectives. Known as a Board Assurance Framework (BAF) in HB's.	risk management strategy; however, this has not yet been developed and work is currently paused.

**Note this list is not exhaustive*

7.1 Internal Audit

Internal audit provide me as Managing Director and the Joint Committee, through the CTMUHB Audit & Risk Committee, with a flow of assurance on the system of internal control. I have commissioned a programme of audit work that has been delivered in accordance with public sector internal audit standards by the NHS Wales Shared Services Partnership (NWSSP). The scope of this work is agreed with the CTMUHB Audit & Risk Committee and is focussed on significant risk areas and local improvement priorities.

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

The CTMUHB Audit & Risk Committee regularly reviews and considers the work and findings of the internal audit team. The Director of Audit and Assurance and the relevant Heads of Internal Audit have attended each meeting to discuss their work and present their findings. The CTMUHB Audit & Risk Committee is satisfied with the liaison and coordination between the external and internal auditors.

The following reviews were completed by Internal Audit during 2023-2024:

Audit Theme	Assessment Rating
Welsh Kidney Network (Deferred from 2022-2023)	Substantial Assurance
Integrated Commissioning Plan	Substantial Assurance
Mental Health	Rating awaited

For internal audit, the CTMUHB Audit & Risk Committee (ARC) monitored implementation of management actions agreed in response to reported weaknesses. Reports were generated that enabled the ARC to understand operational and financial risks.

As WHSSC will no longer exist from 1 April 2024, there are no planned internal audits for 2024-2025 as of yet.

7.2 External Audit

The Auditor General for Wales is CTMUHB's statutory external auditor and the Audit Wales undertakes audits on his behalf. Audit Wales scrutinises the Health Board's financial systems and processes, performance management, key risk areas and the Internal Audit function. This includes the governance and finances of WHSSC.

As an organisation hosted by CTMUHB, the work of external audit is monitored by the CTMUHB Audit & Risk Committee through regular progress reports. The recommendations made are relevant and helpful in our overall assurance and governance arrangements and our work on minimising risk. There are clear and open relationships with officers and the reports produced are comprehensive and well presented.

In addition to WHSSC matters, the CTMUHB Audit & Risk Committee has been kept apprised by its external auditors of developments across NHS Wales and elsewhere in the public service. These discussions have been helpful in extending the Audit & Risk Committee's awareness of the wider context of our work and specific updates have been provided

In May 2021, Audit Wales published the "[Committee Governance Arrangements at WHSSC](#)" which outlined the findings of the review undertaken between March and June 2020, and in July 2021 (as a result of the COVID-19 pandemic, aspects of the review were paused, and re-commenced in July).

The scope of the work included interviews with officers and independent members at WHSSC, observations from attending Joint Committee and sub-committee meetings, feedback from questionnaires issued to HB Chief Executive Officers and Chairs and a review of corporate documents.

The report outlined four recommendations for WHSSC and the three recommendations for Welsh Government as outlined below:

Audit Wales Recommendations	
WHSSC	
R1	Increase the focus on quality at the Joint Committee. This should ensure effective focus and discussion on the pace of improvement for those services in escalation and driving quality and outcome improvements for patients.
R2	Implement clear programme management arrangements for the introduction of new commissioned services. This should include clear and explicit milestones which are set from concept through to completion (i.e. early in the development through to post implementation benefits analysis). Progress reporting against those milestones should then form part of reporting into the Joint Committee.
R3	In the short to medium term, the impact of COVID-19 presents a number of challenges. WHSSC should undertake a review and report analysis on:

- a. the backlog of waits for specialised services, how these will be managed whilst reducing patient harm.
- b. potential impact and cost of managing hidden demand. That being patients that did not present to primary or secondary care during the pandemic, with conditions potentially worsening.

The financial consequences of services that were commissioned and under-delivered as a result of COVID-19, including the under-delivery of services commissioned from England. This should be used to inform contract negotiation.

R4 The current specialised services strategy was approved in 2012. WHSSC should develop and approve a new strategy during 2021. This should:

- a. embrace new therapeutic and technological innovations, drive value, consider best practice commissioning models in place elsewhere, and drive a short, medium, and long-term approach for post pandemic recovery.
- b. be informed by a review of the extent of the wider services already commissioned by WHSSC, by developing a value-based service assessment to better inform commissioning intent and options for driving value and where necessary decommissioning.

The review should assess services:

- which do not demonstrate clinical efficacy or patient outcome (stop);
- which should no longer be considered specialised and therefore could transfer to become core services of HBs (transfer);
- where alternative interventions provide better outcome for the investment (change); currently commissioned, which should continue.

Progress against the WHSSC actions outlined within the management response are monitored through the Integrated Governance Committee (IGC) and the Joint Committee (JC).

Welsh Government

R5 Review the options to recruit and retain WHSSC independent members. This should include considering measures to expand the range of NHS bodies that WHSSC members can be drawn from, and remuneration for undertaking the role.

R6 This is linked to Recommendation 2 made to WHSSC in this report. When new regional or sub-regional specialised services are planned which are not the sole responsibility of WHSSC, ensure that effective multi- partner programme management arrangements are in place from concept through to completion (i.e. early in the development through to post-implementation benefits analysis).

R7 A Healthier Wales included a commitment to review the WHSSC arrangements along with other national hosted and specialist advisory functions. COVID-19 has contributed to delays in taking forward that action. It is recommended that the Welsh Government set a revised timescale for the action and use the findings of this report to inform any further work looking at

governance and accountability arrangements for commissioning specialised services as part of a wider consolidation of current national activity.
Progress against the WG management responses is monitored through discussions between the Chair, the WHSSC Managing Director and the Director General Health & Social Services/ NHS Wales Chief Executive.

Progress against each recommendation is provided via an Audit Tracker document which was presented to the Joint Committee and the CTMUHB ARC during 2023-2024. The Joint Committee received and approved the tracker document on [21 November 2023](#). The ongoing scrutiny being undertaken through the IGC was noted.

All of the WHSSC actions have been completed.

The report outlined three recommendations for Welsh Government (WG) and progress against the WG management responses is monitored through discussions between the Chair, the WHSSC Managing Director and the Director General Health & Social Services/ NHS Wales Chief executive. At the time of writing, recommendation 5 has been completed, and Recommendations 6 & 7 are categorised as partially completed. These Welsh Government recommendations are linked to the recommendations to deliver a new national commissioning Joint Committee by 1 April 2024.

The Welsh Government recommendations have been captured in the WHSSC JC legacy statement.

Following closure of all remaining recommendations, a final report will be sent to the newly established Joint Commissioning Committee for assurance and then onto the Board Secretaries in HBs for inclusion on HB Audit Committee agendas before the Audit Wales Recommendations into Committee Governance Arrangements at WHSSC can be formally closed.

8.0 CONCLUSION

As indicated throughout this statement the extreme financial pressures and service challenges facing NHS Wales has had a significant impact on the organisation, the wider NHS and society as a whole. It has required a dynamic response that has presented a number of opportunities and risks. WHSSC has sought to support commissioned services to recover and return to a position of pre-COVID activity, with variable achievement across our providers. As a result, Performance Management arrangements were re-instated during 2023-2024 to ensure that high quality services continue to be commissioned for the Welsh population. I will ensure our Governance Framework considers and responds to this need.

WHSSC came to an end on 31 March 2024 and the new NHS Wales Joint Commissioning Committee was formed on 1 April 2024 and will be led by an interim Chief Commissioner.

A Legacy Statement was developed and was received by the programme to deliver the new NHS Wales Joint Commissioning Committee link here:

jcc.nhs.wales/the-committee/meeting-dates-and-papers/april-2024/2-4-5-appendix-5-whssc-legacy-statement/

As Managing Director, based on the assurance process outlined above, I have reviewed the relevant evidence and assurances in respect of internal control. I can confirm that the WHSST are alert to their accountabilities in respect of internal control and that no significant internal control or governance issues have been identified.

In summary, my review confirms that the WHSCC has sound systems of internal control in place to support the delivery of policy aims and objectives and that there were no significant internal control issues to report for 2023-2024.

Dr Sian Lewis



Managing Director of Specialised and Tertiary
Services Commissioning, NHS Wales

Date: 28 March 2024

Appendix 1

Table 1 - of Membership and Attendance for the Joint Committee 2023 - 2024

Name	Position	Organisation	Attendance at Meetings 2023-2024
Non Officer Members			
Kate Eden	Chair	Welsh Health Specialised Services Committee	8/8
Ceri Phillips	Member (until 30 June 2023)	Vice Chair, Cardiff and Vale UHB	0/1
Steve Spill	Member	Independent Member, Swansea Bay University Health Board	6/8
Chantal Patel	Member and Vice Chair (from 19 September 2023)	Independent Member, Hywel Dda University Health Board	7/8
Carolyn Donoghue	Member (from 1 July 2023)	Independent Member, Cwm Taf Morgannwg University Health Board	7/7
Chief Executive Members*			
Richard Evans	Member (from 1 September 2023)	Interim Chief Executive, Swansea Bay UHB	5/5
Mark Hackett	Member (until 31 August 2023)	Chief Executive, Swansea Bay UHB	2/3
Paul Mears	Member	Chief Executive, Cwm Taf Morgannwg UHB	8/8
Steve Moore	Member	Chief Executive, Hywel Dda UHB (until 29 February 2024)	6/6
Philip Kloer	Member (from 12 February 2024)	Interim Chief Executive, Hywel Dda UHB (from February 2024)	2/2
Suzanne Rankin	Member	Chief Executive, Cardiff & Vale UHB	7/8
Carol Shillabeer	Member	Interim Chief Executive, Betsi Cadwaladr UHB (substantive appointment from 1 February 2024)	8/8
Hayley Thomas	Member	Interim Chief Executive, Powys teaching HB until substantive appointment in February 2024.	8/8

Name	Position	Organisation	Attendance at Meetings 2023-2024
Nicola Prygodzicz	Member	Chief Executive Officer, Aneurin Bevan UHB	8/8
Welsh Health Specialised Services Officers/Members			
Carole Bell	Officer Member	Director of Nursing and Quality Assurance	5/8
Stuart Davies	Officer Member (until 31 July 2023)	Director of Finance	2/2
Iolo Doull	Officer Member	Medical Director	5/8
Sian Lewis	Officer Member	Managing Director	8/8
James Leaves	Officer Member (from 1 August 2023 until 22 October 2023)	Acting Director of Finance	2/2
Stacey Taylor	Officer Member (from 23 October 2023)	Director of Finance	4/4
Nicola Johnson **	Officer	Director of Planning and Performance	8/8
Jacqui Evans **	Officer	Committee Secretary	8/8
Associate Members			
Tracey Cooper	Associate Member	Chief Executive, Public Health Wales NHS Trust	0/8
Steve Ham	Associate Member	Chief Executive, Velindre NHS Trust	0/8
Jason Killens	Associate Member	Chief Executive, Welsh Ambulance Service NHS Trust	0/8
Independent Chair WKN			
Ian Phillips	Affiliate Member	Independent Member, Powys Teaching HB	4/8

* In person or represented by a nominee in accordance with the Joint Committee SOs.

** As per the Standing Orders the Director of Planning and Committee Secretary are not voting members of the JC but are both regular attendees.

Appendix 2

Table 2 – Dates of Joint Committee Meetings 2023-2024

The following table outlines the dates of Joint Committee meetings and joint sub-committee meetings held during 2023-2024.

	2023									2024		
	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Joint Committee		16		18		19		21		30		19
Joint Committee (extraordinary)					01						27	
Integrated Governance	18		13		15		25		13**		14	
All Wales IPFR Panel	06 20	04* 18	01 15*	06* 20	03 17	07 21*	05 19	15 28	13*	03 17*	7* 21	6 20
Management Group	27	25	22	27	24	28	26	23	14	25	22	28
Quality & Patient Safety	18		14		16		23		05**		19	
Welsh Renal Clinical Network	04	31					03		06		01	

**Inquorate - All meetings were quorate with the exception of the IPFR panel. During these times, the Chair's Action arrangement outlined in the Terms of Reference (ToR) was used to ensure business continuity for urgent cases.*

*** Cancelled*

Joint Committee Development Plan 2023-2024

Meeting Date	Topic	Plan for Delivery and Evaluation
Joint Committee		
17 April 2023	Specialised Services Commissioning Strategy Workshop To request JC to consider and contribute to a discussion on the strategic aims for understanding, reasonableness, and relevance to support the direction of travel and strategic intent for the commissioning of specialised services for the next 5 to 10 years. The workshop specifically focused on the following areas; • Pathway management • Performance management • Once for Wales commissioning approach • Care closer to home	• Through the success measures • Annual Committee Effectiveness survey 2023-2024
16 May 2023	Specialised Services Commissioning Strategy Presentation JC meeting on 16 May 2023 presented an updated Strategy for approval following the April 2023 workshop.	• Through the success measures • Annual Committee Effectiveness survey 2023-2024
	WHSSC & HB Shared Pathway Savings Target – Milestones on Governance System & Process A presentation outlining the governance system and process for the Joint	• Delivery of the ICP 2023-2024 reports • Annual Committee Effectiveness survey 2023-2024

Meeting Date	Topic	Plan for Delivery and Evaluation
	Committee to monitor achievement of the 1% WHSSC and HB shared pathway savings target, which had been requested by the Committee following approval of the Integrated Commissioning Plan (ICP) 2023-2024 on 13 February 2023 was provided.	
18 July 2023	NHSE Funding Growth / Impact on Providers A presentation outlining the variation in growth in specialised services across the UK compared to other services was provided.	• Through the new JCC • Annual Committee Effectiveness survey 2022-2023
19 September 2023	ATMP's/Genomics Update Strategic piece covering the next phases of expansion/development in ATMPs and genomics delivery in Wales. A presentation was delivered outlining how the All Wales Medical Genomics Service (AWMGS) was leading the way in the Rare Disease, Cancer, Pharmacogenomics and Mental Health areas of Genomics. The presentation covered the work being taken forward in prevention, diagnosis and targeted treatments being used where there is a clinical need.	• Through the new JCC • Annual Committee Effectiveness survey 2022-2023

Meeting Date	Topic	Plan for Delivery and Evaluation
	Development of the Integrated Commissioning Plan (ICP) 2024/25 In-committee discussion took place around the financial options.	• Delivery of the ICP for 2024/25 reporting to the new JCC
8 November 2023	Escalation & De-Escalation Framework A session for Independent Members to provide an overview of the development of the Escalation Framework with examples of where this has worked well.	• Through Performance Reporting and the QPSC Committee • Annual Committee Effectiveness survey 2023-2024
November 2023	Paediatric Workshop The workshop provided Joint Committee members with an update regarding the current challenges for a number of key WHSSC commissioned services within the Childrens Hospital for Wales (CHfW). Paediatric Intensive Care, Paediatric Surgery and Neonates, all 3 services at level 3 of the WHSSC escalation process were discussed with an agreement on next steps.	• Through Performance Reporting • Annual Committee Effectiveness survey 2023-2024
21 November 2023	Financial Savings Update A presentation reporting the current position against the financial savings targets was provided.	• Through the approval process for the ICP – JC approval
	Draft Integrated Commissioning Plan (ICP)	• Through the approval process for the ICP – JC approval

Meeting Date	Topic	Plan for Delivery and Evaluation
	An Early draft of the ICP for 2024-2025 was shared with the JC for comment.	
12 December 2023	Integrated Commissioning Plan (ICP) Workshop Scenarios presented and Risk Assessment and Choices Approach discussed and feedback to be incorporated into the final ICP 2024-2025.	Through the approval process for the ICP – JC approval
30 January 2024	Advanced Therapeutic Medical Products (ATMP)	
	Integrated Commissioning Plan (ICP) 2024-2025 Presentation	JC approval
27 February 2024	Integrated Commissioning Plan (ICP) – Extraordinary JC meeting	The ICP was not approved
19 March 2024	Integrated Commissioning Plan (ICP)	The ICP was approved
Quality & Patient Safety Committee/Integrated Governance Committee		
18 April 2023	Major Trauma Presentation A presentation which outlined the background of the South Wales Trauma Network (SWTN) and provided an update following the Peer Review was provided.	- Through the JCC - Annual Committee Effectiveness survey 2023-2024
14 June 2023	Immunology Patient Story	Through the JCC

Meeting Date	Topic	Plan for Delivery and Evaluation
		Annual Committee Effectiveness survey 2023-2024
16 August 2023	Wheelchair Services Deep Dive Presentation and Patient Story An informative presentation outlining the functions of the Posture and Mobility service and the services it provides for children, young people and adults was provided.	- Through the JCC - Annual Committee Effectiveness survey 2023-2024
	Welsh Kidney Network Presentation A presentation outlining the impact of kidney disease and treatment options for patients with advanced kidney failure was provided. Information regarding the main role of the WKN as the commissioner for all adult kidney specialised services in Wales was provided. The presentation explained the structure and role of WKN and highlighted the current commissioning responsibilities.	- Through the JCC - Annual Committee Effectiveness survey 2023-2024
23 October 2023	Annual QPSC Development Day Topics included the Duty of Quality, Patient Safety Incident Response Framework (PSIRF).	- Through Feedback and evaluation obtained from participants
19 February 2024	Mental Health Deep Dive and Neuro-rehabilitation Patient Story	- Through the JCC - Annual Committee Effectiveness survey 2023-2024

Meeting Date	Topic	Plan for Delivery and Evaluation
Individual Patient Funding Request Panel (IPFR)		
16 May 2024	IPFR Workshop - Completing IPFR application forms - training for clinicians Assessing value for money Comparators Example case studies	Through evaluation captured from participants
Welsh Kidney Network		
Various	Peer Reviews, Units	WKN governance review and WKN Board
Various	Audit Days	Final Audit Reports – WKN Board
Management Group		
27 April 2023	Specialised Services Commissioning Strategy Update	- Through the JCC - Annual Committee Effectiveness survey 2023-2024
22 June 2023	CVUHB Shaping Our Future Wellbeing Strategy	- Through the JCC - Annual Committee Effectiveness survey 2023-2024
	Presentation to introduce new Performance Report	- Through the JCC - Annual Committee Effectiveness survey 2023-2024
	Recommissioning and Efficiency Update	Through the JCC

Meeting Date	Topic	Plan for Delivery and Evaluation
		Annual Committee Effectiveness survey 2023-2024
27 July 2023	Update on single commissioner for Secure Mental Health Services	- Through the JCC - Annual Committee Effectiveness survey 2023-2024
24 August 2024	Financial Savings (10/20/30%) – Reducing the Deficit	- Through the JCC - Annual Committee Effectiveness survey 2023-2024
26 October 2023	Clinical Strategies Workshop	- Through the JCC - Annual Committee Effectiveness survey 2023-2024
23 November 2023	Specialised Services Commissioning Strategy – Success Measures	- Through the JCC - Annual Committee Effectiveness survey 2023-2024
14 December 2023	ICP Update and updated Risk Assessment	- Through the JCC - Annual Committee Effectiveness survey 2023-2024
18 January 2023	ICP Workshop	- Through the JCC - Annual Committee Effectiveness survey 2023-2024
22 February 2023	ICP Workshop	- Through the JCC - Annual Committee Effectiveness survey 2023-2024



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Ambiwlans Brys
Emergency Ambulance
Services Committee

EMERGENCY AMBULANCE SERVICES COMMITTEE ANNUAL GOVERNANCE STATEMENT 2023-2024

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1. SCOPE OF RESPONSIBILITY

In accordance with the Emergency Ambulance Services Committee (Wales) Directions 2014 (2014 No.08), the Local Health Boards (LHBs) established a Joint Committee, which commenced on 1 April 2014, for the purpose of jointly exercising its Delegated Functions and providing the Relevant Services.

In establishing the Emergency Ambulance Services Joint Committee (EASC) to work on their behalf, the seven Local Health Boards (LHBs) recognised that the most efficient and effective way of planning these services was to work together to reduce duplication and ensure consistency.

The Emergency Ambulance Services Committee (EASC) (Wales) Regulations 2014 (SI 2014 No.566 (W.67))¹ make provision for the constitution of the 'Joint Committee' including its procedures and administrative arrangements. The Joint Committee is a statutory Committee established under sections 11, 12(3), 13(2) (c) and (4) (c) and 203(9) and (10) of and paragraph 4 of Schedule 2 to the National Health Service (Wales) Act 2006(1). The LHBs are required to jointly exercise the Relevant Services.

In December 2015, the Welsh Ministers directed the Health Boards under the EASC (Wales) (Amendment) Directions 2016 No.8 (W.8)² to be responsible for commissioning Non-Emergency Patient Transport (NEPT) services via the Emergency Ambulance Services Committee from April 2016.

The commissioning of services was identified in the [Parliamentary Review of Health and Social Care in Wales, published in 2018](#) which recommended supporting actions at a national level to consider the arrangements for operational and commissioning functions.

EASC was committed to supporting achievement of the objectives outlined in [A Healthier Wales](#) to ensure that people stay healthy for as long as possible, and to supporting achievement of the ambitious objectives outlined in Welsh Government's "[Health and Social Care in Wales COVID-19: Looking Forward](#)" guidance and adopt a realistic approach to supporting building back our health and care system in Wales, in a way that places fairness and equity at its heart.

¹ The Emergency Ambulance Services Committee (EASC) (Wales) Regulations 2014 (SI 2014 No.566 (W.67))¹<http://www.wales.nhs.uk/sitesplus/documents/1134/Welsh%20Statutory%20Instrument%20for%20EASC%202014%20No%20566%20%28w67%29.pdf>

² the EASC (Wales) (Amendment) Directions 2016 No.8 (W.8)
<http://www.wales.nhs.uk/sitesplus/documents/1134/2016%20No%208%20%28W8%29%20The%20EASC%20%28Wales%29%20%28Amendment%29%20Directions%202016.pdf>

The Cwm Taf Morgannwg University Health Board (CTUHB) was the identified host organisation. It provided administrative support for the running of EASC in line with the Directions and established the Welsh Health Ambulance Services Team known as the Emergency Ambulance Services Committee Team (EASCT) and appointed the Chief Ambulance Services Commissioner as per Direction 8(4), 3 of the Emergency Ambulance Services Committee and related Regulations.

It is acknowledged that in the pandemic there were limitations on the Joint Committee and its sub-groups being able to physically meet where this was not necessary and could be achieved by other means. The Joint Committee complied with the host body arrangements in line with the Public Bodies (Admissions to Meetings) Act 1960 to hold meetings in public. To ensure business was conducted in as open and transparent manner as possible during this time the following actions were continued. For the whole year, all EASC meetings and its sub-groups were held using Microsoft Teams Live. This had been the approach since November 2022, to recognise the public concern related to the Service Development Proposal by the Emergency Medical Retrieval and Transfer Service (EMRTS Cymru) and the Wales Air Ambulance Charity. This ensured that the public were able to watch the Committee in real time and also able to access the recording after the meetings.

EASC does not have a statutory duty to produce an Annual Governance Statement but has traditionally done so, as a matter of good governance, to provide assurance to the LHBs and, in particular, to CTMUHB, as the host organisation, in relation to its governance and accountability arrangements. This report outlines the different ways the EASC Team worked both internally and with partners in response to the unprecedented pressure in planning and providing services and explains arrangements for ensuring standards of governance are maintained, risks are identified, mitigated and assurance was sought and provided.

Welsh Government's ["A Healthier Wales: long term plan for health and social care"](#) committed to a review of hosted bodies, including national commissioning functions. Consequently, an independent review was conducted by Steve Combe MBE in early 2023 to reflect upon the experiences of the Welsh Health Specialised Services Committee (WHSSC) and the Emergency Ambulance Services Committee (EASC) (which also included the National Collaborative Commissioning Unit (NCCU), and to further build upon national commissioning arrangements. This included horizon scanning to explore other national commissioning functions and opportunities. The Minister for Health & Social Services accepted the review recommendations in full. In response, a National Commissioning Implementation Programme, led by Welsh Government with accountability to the Minister and the Director General/Chief Executive of NHS Wales, was established.

2. GOVERNANCE FRAMEWORK

In March 2014, the Joint Committee approved the revised Governance and Accountability Framework including the Standing Orders. These were reviewed and updated in November 2018, in July 2021 which included the Memorandum of Understanding and the Hosting Agreement. The model Standing Orders issued by Welsh Government were received and approved by EASC in September 2023.

In accordance with related Regulations and Directions, each Local Health Board ('LHB') in Wales then agreed the Model Standing Orders (SOs) for the regulation of the Emergency Ambulance Services Committee (Joint Committee) proceedings and business.

The Joint Committee Standing Orders (Joint Committee SOs) formed a schedule to each LHBs own Standing Orders and had the effect as if incorporated within them. Together with the adoption of a scheme of decisions reserved to the Joint Committee; a scheme of delegations to officers and others; and Standing Financial Instructions (SFIs), they provided the regulatory framework for the business conduct of the Joint Committee.

The Standing Financial Instructions were developed and were approved by the Joint Committee in March 2023.

These documents, together with a Memorandum of Agreement setting out the governance arrangements for the seven LHBs and the Hosting Agreement between the Joint Committee and Cwm Taf Morgannwg University Health Board UHB ("the Host LHB"), formed the basis upon which the Joint Committee's governance and accountability framework was developed.

The governance and accountability framework was last updated in 2023-2024 and approved by the Joint Committee on [19 September 2023](#). The updated documents were issued to the seven HBs for approval and inclusion as schedule 4.1 within their respective HB SOs. There were only minor changes and included:

- a) reflecting the provisions of the Health and Social Care (Quality and Engagement) Act 2020 specifically the introduction of the duty of quality and duty of candour; and
- b) Changes linked to the establishment of Llais and the dissolution of the Community Health Councils and the Board of Community Health Councils.

All of the EASC Governance Framework documents are available online here: <https://easc.nhs.wales/the-committee/governance/>.

The Cwm Taf Morgannwg University Health Board's Standards of Behaviour Policy was adopted and this was designed to ensure the achievement of the standards of good governance set for the NHS in Wales.

2.1 Quality & Delivery Framework Agreements

The Emergency Ambulance Services Committee (EASC) at its inaugural meeting in April 2014 sponsored the use of CAREMORE[®] and the creation of National Collaborative Commissioning, Quality & Delivery Frameworks ('Framework Agreement') to commission services. EASC commissioned the following services:

- Emergency Medical Services (EMS – Emergency ambulances)
- Non-Emergency Patient Transport Services (NEPTS)
- Emergency Medical Retrieval Transfer Services (EMRTS Cymru).

Emergency Ambulance Services

The Framework Agreement for Emergency Ambulance Services operational from 2015/16 was structured to support the following scope of services:

- a) responses to emergency calls via 999
- b) urgent hospital admission requests from general practitioners
- c) high dependency and inter-hospital transfers
- d) major incident response and urgent patient triage by telephone
- e) NHS Direct Wales Services.

This was in line with the Emergency Ambulance Services Committee (Wales) Regulations 2014 (2014 No.566 (w.67)), 10 March 2014. The Emergency Medical Services (Emergency Ambulances) Quality and Delivery Commissioning Framework was renewed and approved by the Committee in September 2022. Link here:

<https://easc.nhs.wales/the-committee/archived-papers/september-2022/261-easc-collaborative-commissioning-framework-agreement-easc-6sept2022/>

Non-Emergency Patient Transport Services

In line with the recommendations of the 2013 document, 'A Strategic Review of Welsh Ambulance Services' a Framework Agreement was developed to commission Non-Emergency Patient Transport Services (NEPTS).

The scope of services covered by the Quality and Delivery Framework (operational from 2019/20) were commissioning arrangements for non-emergency patient transport services (NEPTS), including:

- a) all non-emergency patient transport provided by the Welsh Ambulance Services NHS Trust
- b) all non-emergency patient transport commissioned by Health Boards and NHS Trusts

- c) all non-emergency patient transport commissioned by the Welsh Health Specialised Services Committee (WHSSC) for the Welsh Renal Clinical Network.

Emergency Medical Retrieval and Transfer Service

The Framework Agreement for Emergency Medical Retrieval and Transfer Services (EMRTS Cymru) was operational for 3 years from 1 April 2021. The scope of services covered by the Quality and Delivery Framework were commissioning arrangements for Emergency Medical Retrieval & Transfer Service (EMRTS), including:

- a) all Emergency Medical Retrieval & Transfer Services provided by EMRTS
- b) all Emergency Medical Retrieval & Transfer Services commissioned by Health Boards from EMRTS.

CAREMORE®

One of the main ambitions of EASC was to encourage and enable patients to access services through other, more appropriate means before their needs become urgent and/or life-threatening, and require a response from the emergency ambulance service.



In 2015, EASC developed a new, citizen-centred pathway which described a five-step process that supported the delivery of emergency ambulance services within Wales. Every service commissioned using the CAREMORE® methodology described the five step model of care and service delivery.

The Ambulance Patient Care Pathway (referred to as the five-step model) is set out in Figure 1 below:



Figure 1 - CAREMORE® Emergency Ambulance Services 5 Step Model The CAREMORE® model defined the expected care standards to be met for each of the five steps of the Ambulance Patient Care Pathway; as well as setting out activity, performance and resource management information available for each of the steps of the pathway.

It also detailed the outcomes required in pursuit of improving patient experience; improving patient's clinical outcomes and demonstrating value for money.

2.2 The Joint Committee

The Joint Committee was established in accordance with the Directions and Regulations to enable the seven LHBs in NHS Wales to make collective decisions to plan and secure Emergency Ambulance Services (relevant services), Emergency Medical Retrieval & Transfer Service (EMRTS) and Non-Emergency Patient Transport Service (NEPTS) and in accordance with the defined delegated functions.

Whilst the Joint Committee acted on behalf of the seven LHBs in undertaking its functions, the responsibility of individual LHBs for their residents remained and they were therefore accountable to citizens and other stakeholders for the provision of Emergency Ambulance Services; Emergency Medical Retrieval & Transfer Service and Non-Emergency Patient Transport Services in their health board areas.

The membership of the Joint Committee consisted of 9 voting members and 3 Associate Members. The voting members included the Independent Chair (appointed by the Minister for Health and Social Services), the 7 LHB Chief Executives and the Chief Ambulance Services Commissioner (CASC). Decisions taken at Joint Committee meetings were subject to a two-thirds majority of voting members present. Nominated deputies, needed to be LHB executive directors and could be named to attend by LHB Chief Executives; they formally counted towards the quorum and had voting rights. However, anyone deputising for the CASC did not have voting rights.

The Joint Committee was accountable for internal control. As Chief Ambulance Services Commissioner NHS Wales, Stephen Harrhy had the responsibility for maintaining a sound system of internal control that supported the achievement of the Joint Committee's decisions, aims and objectives and was required to report the adequacy of these arrangements to the Chief Executive of Cwm Taf Morgannwg University Health Board (CTMUHB).

Health Boards and NHS Trusts in Wales collaborated over the operational arrangements for the provision of the emergency ambulance services and agreed the terms of a Memorandum of Understanding to ensure that the arrangements were introduced and operated effectively by collective decision making, in accordance with the direction set out above determined by the EASC.

Whilst the former EASC acted on behalf of the Health Boards and NHS Trusts in undertaking its functions, the responsibility for the exercise of the emergency ambulance functions was a shared responsibility of all NHS bodies in Wales. Under the terms of the establishment arrangements, Cwm Taf Morgannwg University Health Board (UHB) was deemed to be held harmless and had no additional financial liabilities beyond those for their own resident population.

The Joint Committee was supported by a Committee Secretary, who acted as the guardian of good governance within the Joint Committee.

The Governance framework for the operation of EASC presented in Figures 3 and a flowchart outlining the current supporting sub-groups is outlined in Figure 4.

Figure 3 - Governance Framework for EASC

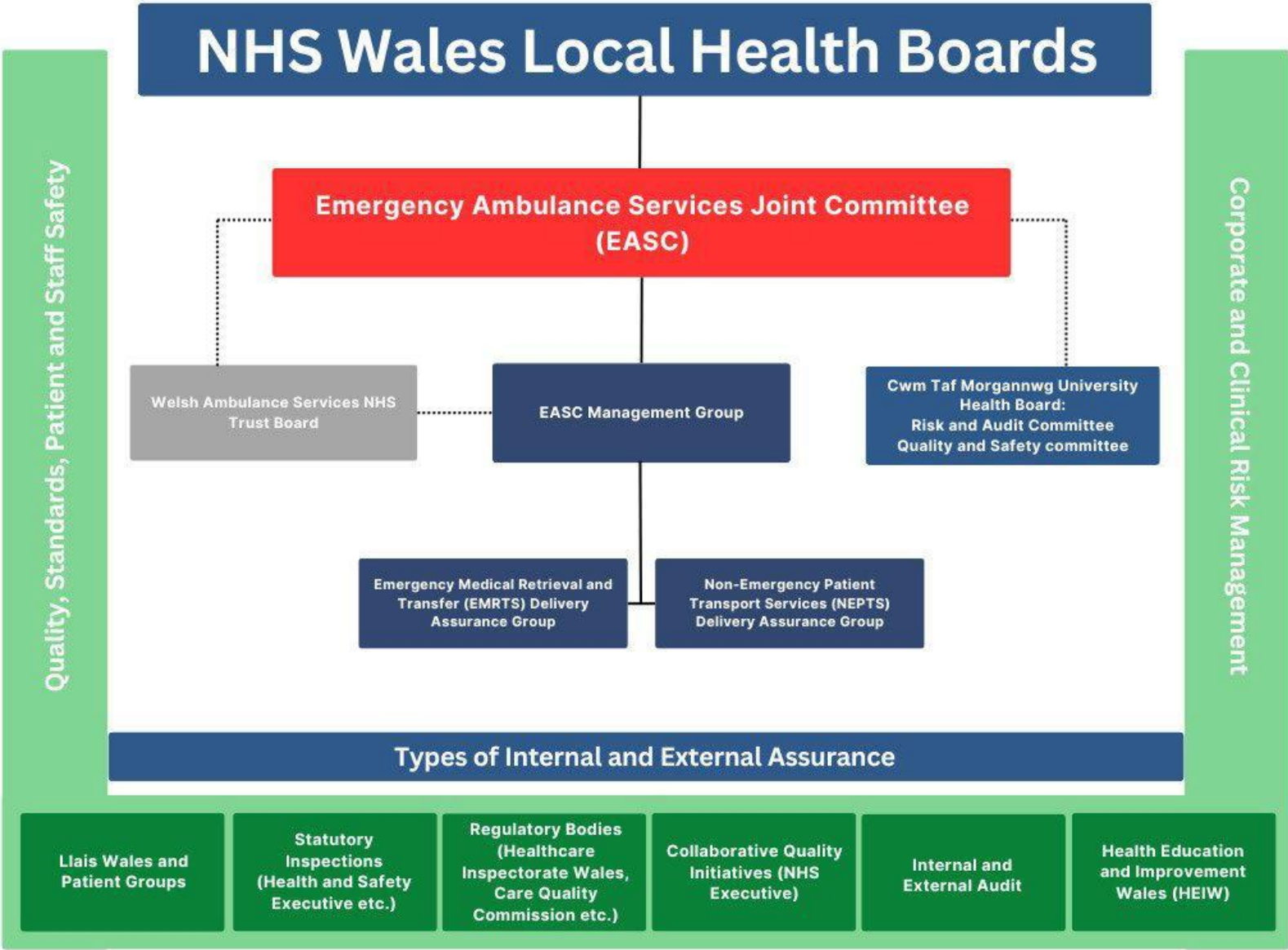


Figure 4 – Sub Groups of the EASC

Emergency Ambulance Services Committee (EASC) Sub groups		
EASC Management Group	Emergency Medical Retrieval and Transfer Service Delivery Assurance Group	Non-Emergency Patient Transport Service Delivery Assurance Group
The overall purpose of the Management Group was to provide advice and make recommendations to EASC and to ensure that the seven LHBs in Wales worked jointly to exercise functions relating to the planning and securing of emergency ambulance services, non-emergency patient transport services and Emergency Medical Retrieval & Transfer Service. Ensure equitable access to safe, effective, sustainable and acceptable services for the people of Wales in line with agreed commissioning intentions and the EASC IMTP.	EMRTS DAG Established to support the production, ongoing development and maintenance of the interim Framework. Responsible for the delivery, direction and performance of the EMRTS.	NEPTS DAG Established to support the production, ongoing development and maintenance of the interim Framework. Responsible for the implementation of the NEPTS work programmes that deliver WHC 2007 (005) and the 2015 business case 'The Future of NEPTS in Wales'. Oversaw the transfers of work from health boards to WAST.
Members include: Chaired by CASC; representatives from Host Body, membership from health boards; Welsh Government representative; EASC Team; WAST Chief Executive; Representatives from WAST; Clinical representatives welcomed from health boards.	Members include: Chaired by CASC; representatives from Host Body, membership from health boards; Welsh Government representative; EASC Team; EMRTS National director and service manager; WAST; Contract and Performance lead.	Members include: Chaired by Deputy CASC; EASC Team; NEPT Champion from every Health Board and Velindre NHS Trust; Director of Finance EASC/WHSSC; representative from Welsh Renal Clinical Network and from the Welsh Government.

The table in Figure 5 below outlines the Composition of the Joint Committee during the financial year 2023-2024.
Figure 5

Organisation	Name	Role	Attendance at meetings 2023-2024	Nominated deputy present
University Health Board (UHB)				
Members				
Emergency Ambulance Services Committee	Chris Turner	Chair (since Nov 2018)	7/7	N/A
Emergency Ambulance Services Committee	Stephen Harrhy	Chief Ambulance Services Commissioner	7/7	N/A
Chief Executive, Aneurin Bevan UHB	Nicola Prygodzicz	Chief Executive (from Sept 2022)	4/7	3/3
Chief Executive, Betsi Cadwaladr UHB	Carol Shillabeer	Interim Chief Executive (from May 2023) Chief Executive (from 1 Feb 2024)	4/7	2/2
Chief Executive, Cardiff & Vale UHB	Suzanne Rankin	Chief Executive (from 1 Feb 2022)	5/7	2/2
Chief Executive, Cwm Taf Morgannwg UHB	Paul Mears	Chief Executive (from Sept 2020)	5/7	2/2
Chief Executive, Hywel Dda UHB	Steve Moore	Chief Executive (until 29 Feb 2024)	4/5	0/1
	Phil Kloer	Interim Chief Executive (from Feb 2024)	2/2	N/A
Chief Executive, Powys Teaching HB	Hayley Thomas	Interim Chief Executive (from May 2023) Chief Executive (from Feb 2024)	7/7	N/A
Chief Executive, Swansea Bay UHB	Mark Hackett	Chief Executive (until 31 Aug 2023)	0/2	1/2
	Richard Evans	Interim Chief Executive (from 1 Sept 2023)	2/5	3/3
Associate Members				
Chief Executive, Welsh Ambulance Services NHS Trust	Jason Killens	Chief Executive	7/7	
Chief Executive, Public Health Wales NHS Trust	Tracey Cooper	Chief Executive	0/7	0/7
Chief Executive, Velindre University NHS Trust	Steve Ham	Chief Executive	1/7	0/6

In accordance with the EASC Standing Orders, the Joint Committee could and, where directed by the LHBs jointly or the Welsh Ministers, appoint joint sub-Committees of the Joint Committee either to undertake specific functions on the Joint Committee's behalf or to provide advice and assurance to others (whether directly to the Joint Committee, or on behalf of the Joint Committee to each LHB Board and/or its other committees).

The purpose of the Joint Committee was to jointly exercise those functions relating to the commissioning of emergency ambulance services on a national all-Wales basis, on behalf of each of the seven LHBs in Wales.

Whilst the Joint Committee acted on behalf of the seven LHBs in undertaking its functions, the duty on individual LHBs remained, and they were ultimately accountable to citizens and other stakeholders for the provision of emergency ambulance services for residents within their area.

The Joint Committee's role was to:

- ☐ Determine a long-term strategic plan for the development of emergency ambulance non-emergency patient transport services and Emergency Medical Retrieval and Transfer Services in Wales, in conjunction with the Welsh Ministers
- ☐ Identify and evaluate existing, new and emerging ways of working and commission the best quality emergency ambulance service
- ☐ Produce an Integrated Medium-Term Plan (IMTP), including a balanced Medium Term Financial Plan for agreement by the Committee following the publication of individual LHBs Integrated Medium Term Plans (IMTPs), which should also make reference to the EASC commissioning intentions
- ☐ Agree the appropriate level of funding for the provision of emergency ambulance and non-emergency patient transport services at a national level, and determining the contribution from each LHB for those services (which will include the running costs of the Joint Committee and the EASC Team) in accordance with any specific directions set by the Welsh Ministers
- ☐ Establish mechanisms for managing the commissioning risks
- ☐ Establish mechanisms to monitor, evaluate and publish the outcomes of emergency ambulance, non-emergency patient transport services and Emergency Medical Retrieval and Transfer Services and take appropriate action.

The EASC monitored performance on a quarterly basis against the key performance indicators. For any indicators assessed as being below target, reasons for current performance were identified and included in the report to the Committee along with any remedial actions to improve performance.

The Joint Committee ensured that the principles of good governance applicable to NHS organisations were followed consistently, including the oversight and development of systems and processes for financial control, organisational control, governance and risk management.

The EASC assessed strategic and corporate risks through the Risk Register, which was reviewed at each meeting.

2.2.1 Joint Committee Meetings

The table in Figure 6 outlines dates of Joint Committee meetings held during 2023-2024 and attendance by Members.

All meetings held were quorate.

The Committee met 7 times in public and in addition, one in committee meeting was held on 28 March 2024 to update Members on the Emergency Medical Retrieval and Transfer Service Review and to agree the way the Review would be presented to individual health boards.

All agenda and reports are available here: <https://easc.nhs.wales/>

Figure 6 – EASC Committee Attendance 2023-2024

University Health Board (UHB)	16 May	18 Jul	19 Sep	21 Nov	21 Dec	30 Jan	19 Mar	28 Mar In committee
	Committee		Members					
Chair	✓	✓	✓	✓	✓	✓	✓	✓
Chief Ambulance Services Commissioner (CASC)	✓	✓	✓	✓	✓	✓	✓	✓
Aneurin Bevan UHB	✓	✓*	✓*	✓	✓	✓*	✓	✓
Betsi Cadwaladr UHB	✓	✓*	✓*	✓	✓*	✓*	✓	✓
Cardiff & Vale UHB	✓	✓	✓	✓*	✓*	✓	✓	✓
Cwm Taf Morgannwg UHB	✓	✓	✓*	✓	✓	✓*	✓	✓
Hywel Dda UHB	✓	✓	X	✓	✓	✓	✓	✓
Powys Teaching HB	✓	✓	✓	✓	✓	✓	✓	✓
Swansea Bay UHB	✓*	X	✓**	✓*	✓*	✓	✓	✓
Associate Committee Members								
Welsh Ambulance Services NHS Trust	✓	✓	✓	✓	✓	✓	✓	✓
Public Health Wales NHS Trust	X	X	X	X	X	X	X	X
Velindre University NHS Trust	✓	X	X	X	X	X	X	X

X * denotes CEO not present but the nominated deputy (Executive Director) present

X ** denotes CEO not present but sent a representative (not nominated deputy)

The Chair of the Committee routinely emphasised the importance of attendance at the Joint Committee and escalated any matters of member non-attendance, as appropriate, with Members and/or Chairs of NHS organisations. The issue of non-attendance of organisation representatives at sub-group meetings was also raised by the Chair and the CASC and discussed with Members at Joint Committee meetings.

2.2.2 Joint Committee Performance and Self-Assessment

During 2023-2024, the Emergency Ambulance Services Committee approved an annual forward plan of business, including:

Standing items

- ☐ Approval of minutes and action log
- ☐ Declarations of interest
- ☐ Chair's report
- ☐ Performance Report
- ☐ Quality and Safety Report
- ☐ Chief Ambulance Services Commissioner (CASC) report
- ☐ Provider Report
- ☐ EASC Commissioning Update
- ☐ Finance Report
- ☐ EASC Governance report including the Risk Register and Committee Assurance Framework
- ☐ Provider issues by exception
- ☐ Forward Plan of Business.

Focus on sessions

- ☐ Committee effectiveness
- ☐ Emergency Medical Retrieval and Transfer Service (EMRTS Cymru)
- ☐ Transition to the new Joint Commissioning Committee.

Other key items included:

- ☐ Draft EASC Integrated Medium Term Plan 2024-27
- ☐ WAST Draft Integrated Medium Term Plan

Reports from EASC Sub-Groups

- ☐ EASC Management Group
- ☐ Emergency Medical Retrieval and Transfer Service Delivery Assurance Group (EMRTS DAG)
- ☐ Non-Emergency Patient Transport Services Delivery Assurance Group (NEPTS DAG).

2.3 Sub Committees / Sub Groups

2.3.1 The Audit and Risk Committee of the Cwm Taf Morgannwg University Health Board

The primary role of the Cwm Taf Morgannwg University Health Board Audit and Risk Committee was to review and report upon the adequacy and effective operation of EASCs overall governance and internal control system. This included risk management, operational and compliance controls, together with the related assurances that underpinned the delivery of EASCs objectives. This role was set out clearly in the Audit and Risk Committee's terms of reference which were reviewed annually to ensure these key functions were embedded within the Standing Orders and governance arrangements.

The Audit and Risk Committee reviewed the effective local operation of internal and external audit, as well as the Local Counter Fraud Service. In addition, it ensured that a professional relationship was maintained between the external and internal auditors so that reporting lines could be effectively utilised.

The Audit and Risk Committee supported the Joint Committee in discharging its accountabilities for securing the achievement of the EASC objectives in accordance with the standards of good governance determined for the NHS in Wales.

The Cwm Taf Morgannwg University Health Board Audit and Risk Committee attendees during 2023-2024 comprised Independent Members supported by representatives of both Internal and External Audit and senior officers of Cwm Taf Morgannwg University Health UHB. Where necessary, relevant officers were in attendance for the EASC components of the Cwm Taf Morgannwg University Health Board Audit and Risk Committee, and it was recognised that as the EASC continued to evolve and mature as a Joint Committee, there would be an increasing level of audit related activity.

Relevant staff (CASC, Deputy CASC and Committee Secretary) from the EASC Team attended the Hosted Bodies CTMUHB Audit and Risk Committee for agenda items concerned with EASC responsibilities and accountabilities.

CTM UHB Audit and Risk Committee link:

<https://ctmuhb.nhs.wales/about-us/our-board/committees/audit-and-risk-committee/>

From 1 April 2024, the new NHS Wales Joint Commissioning Committee JCC will continue to report to the CTMUHB Audit and Risk Assurance Hosted Bodies Committee with the remit of taking assurance that the JCC is discharging its accountabilities with regard to financial stewardship and risk management. Interim arrangements are being considered to ensure continuity of non -officer attendance at the CTMUHB Audit and Risk Committee during Q1 with a view to agreeing the appropriate Lay Member attendance from Q2.

2.3.2 EASC Management Group

The overall purpose of the EASC Management Group was to provide advice and make recommendations to EASC to ensure that the seven LHBs in Wales worked jointly to exercise functions relating to the planning and securing of emergency ambulance services, non -emergency patient transport services and Emergency Medical Retrieval & Transfer Service.

The EASC Management Group underpinned the commissioning responsibilities of EASC to ensure equitable access to safe, effective, sustainable and acceptable services for the people of Wales in line with agreed commissioning intentions and the EASC Integrated Medium Term Plan (IMTP).

The Group was responsible to EASC for undertaking the following functions:

- ☐ To agree, make recommendations and monitor the EASC IMTP and the commissioning framework
- ☐ To receive recommendations from sub-groups and to make recommendations to the EASC regarding service improvements including investments, disinvestments and other service changes
- ☐ To monitor the delivery of the quality and delivery commissioning frameworks for EASC Commissioned Services
- ☐ To receive regular reports on performance monitoring and management and the main actions to address performance issues
- ☐ To undertake the role of Programme Board for specific work streams and monitor their implementation
- ☐ To consider consultation outcomes and recommended pathway or services changes / developments before consideration by EASC members
- ☐ To ensure the development and maintenance of the needs assessment across Wales for Ambulance Services in accordance with the requirements of the Future Generations Act
- ☐ To consider, agree and recommend commissioning/service issues to the EASC which are to be considered as part of the EASC IMTP. This will include issues which will have an impact on the plan raised by other sub-groups/advisory groups, the WAST IMTP and EASCs strategic commissioning intentions.

The EASC Standing Orders were reviewed and the updated terms of reference for the EASC Management Group were included.

2.3.3 Emergency Medical Retrieval & Transfer Service (EMRTS Cymru) Delivery Assurance Group

The EMRTS was commissioned by the Emergency Ambulance Service Committee (EASC) and hosted by Swansea Bay University Health Board (SBUHB).

The organisational governance structure consisted of an EMRTS Delivery Assurance Group (DAG) which reported to the Chief Ambulance Service Commissioner and through to the EASC Joint Committee. The EASC Joint Committee delegated responsibility to the DAG for the delivery, direction and performance of the EMRTS. The Chief Ambulance Services Commissioner was also a member of the SBUHB EMRTS Clinical Governance sub-group.

The National Director of EMRTS Cymru is accountable to the EMRTS DAG for the delivery and performance of the EMRTS and to the SBUHB Chief Executive for organisational and clinical governance. There were a number of supporting agreed documents which underpinned the organisational governance of the service as follows:

1. Terms of reference for the EMRTS Delivery Assurance Group
2. Collaborative agreement between AB SBUHB, the Wales Air Ambulance Charity Trust (WAACT) and the Welsh Ambulance Service Trust (WAST)
3. Memorandum of Understanding between SBUHB and other Welsh LHBs/NHS Trusts
4. Service level agreement between EMRTS and SBUHB for accessing supporting services
5. Terms of Reference for the EMRTS Clinical and Operational Board.

The Emergency Medical Retrieval and Transfer Service went live on the 27 April 2015. The service was commissioned “to provide advanced decision making & critical care for life or limb threatening emergencies that require transfer for time critical specialist treatment at an appropriate facility.” The service represented a joint partnership between NHS Wales, The Wales Air Ambulance Charity Trust (WAACT) and Welsh Government. The service was initially commissioned by the Welsh Health Specialised Services Committee; however, this function transferred to the Emergency Ambulance Services Committee on the 1 April 2016.

The EASC Standing Orders were reviewed and the updated terms of reference for the EMRTS DAG were included in the document.

2.3.4 Non-Emergency Patient Transport Service (NEPTS) Delivery Assurance Group

The Non -Emergency Patient Transport Services Delivery Assurance Group was the mechanism through which the Health Boards and WAST jointly planned and took collective action to deliver the NEPTS Commissioning Intentions and 2015 business case 'The Future of NEPTS in Wales'. Ensuring a robust and collaborative approach was taken to develop and implement the key outcomes from the task and finish group.

The NEPTS Delivery Assurance Group provided advice and made recommendations to EASC to ensure that the seven LHBs in Wales worked jointly to exercise functions relating to the planning and securing non-emergency patient transport services. The Group underpinned the commissioning responsibilities of EASC to ensure equitable access to safe, effective, sustainable and acceptable services for the people of Wales in line with agreed commissioning intentions and the EASC Integrated Medium Term Plan (IMTP).

The Group was responsible to EASC for undertaking the following functions:

- To receive recommendations and to make recommendations to the EASC Management Group and EASC regarding service improvements including investments, disinvestments and other service changes.
- To develop, establish and manage performance arrangements including a team with relevant expertise, which:
 - Provided assurances on the adherence to agreed Care standards
 - Reviewed and reported on
 - performance improvements
 - activity information
 - resource utilisation and effectiveness
 - reviewed the delivery of agreed service change initiatives in line with agreed milestones
 - provided assurance that the Framework Agreement was operating effectively between all parties i.e. health boards & NEPTS
 - evaluated patient outcomes, patient experience and cost impact - to inform learning & continuous improvement, plus, ongoing development of the Framework Agreement.
- To monitor the delivery of the quality and delivery commissioning frameworks for NEPTS
- To receive regular reports on performance monitoring and management and the main actions to address performance issues
- To consider consultation outcomes and recommended pathway or services changes / developments before consideration by EASC Members.

The EASC Standing Orders were reviewed and the updated terms of reference for the NEPTS DAG were included.

2.3.5 Quality and Safety Committee at Cwm Taf Morgannwg University Health Board

The Quality and Safety Committee of the Cwm Taf Morgannwg University Health Board as host organisation advised and assured the Joint Committee on the provision of workplace health and safety for the EASC Team.

Relevant staff from the EASC Team attended the Committee for agenda items when appropriate.

Website link:

<https://ctmuhb.nhs.wales/about-us/our-board/committees/quality-safety-committee/>

2.4 Reviewing the Effectiveness of EASC

The Audit and Risk Committee of Cwm Taf Morgannwg University Health Board advised and assured the Joint Committee on the effectiveness of its risk management arrangements, by reviewing its risk register and EASC Assurance Framework as its approach to risk management at each of its meetings. It is also important to note that the risk register and EASC Assurance Framework were a routine feature of each meeting of the Joint Committee and EASC Management Group. The risk register was comprehensively updated in January 2024 and followed the Cwm Taf Morgannwg UHBs Risk Management Strategy. All risks were recorded on the Datix Risk Management System. A 'focus on' session on Committee Effectiveness was also held on 16 May 2024.

2.5 Standards of Behaviour

The Welsh Government's Citizen-Centred Governance Principles applied to all public bodies in Wales. The principles integrated all aspects of governance and embodied the values and standards of behaviour expected at all levels of public services in Wales.

"Public service values and associated behaviours are and must be at the heart of the NHS in Wales"

The Joint Committee was strongly committed to EASC being value-driven, rooted in the Nolan principles and high standards of public life and behaviour, including openness, customer service standards, diversity and engaged leadership.

The Joint Committee expected all Members and employees to practice high standards of corporate and personal conduct, based on the recognition that the needs of service users must come first.

The "Seven Principles of Public Life", or the "Nolan Principles" formed the basis of the Standards of Behaviour requirements for the EASC members and the supporting team.

The Cwm Taf Morgannwg UHB Standards of Behaviour Policy, incorporating Declarations of Interest, Gifts, Hospitality and Sponsorship, was used and aimed to ensure that arrangements were in place to support employees to act in a manner that upheld the Standards of Behaviour Framework as well as setting out specific arrangements for the appropriate declarations of interests and acceptance / refusal and record of offers of Gifts, Hospitality or Sponsorship. The Policy also aimed to capture public acceptability of behaviours of those working in the public sector so that EASC could be seen to have exemplary practice in this regard.

For 2023- 2024, the DOI form was updated to align the Health Board processes and the DOI process strengthened to include cross-referencing information with the Companies House register and any other related declaration processes.

All Members and Senior Managers and their close family members declared any pecuniary interests and positions of authority which may result in a conflict with their responsibilities. No material interests were declared or considered during 2023-24, a full register of interests for 2023-24 would be available on the JCC website. A register of interests was maintained and is available on request in line with the host body arrangements.

3. THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

The system of internal control was 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 was in place for the year ended 31 March 2024 and up to the date of approval of the annual report and accounts.

A summary briefing (Chair's summary) from each Joint Committee meeting was circulated to all health boards following the meeting along with the confirmed minutes (bilingual) which were also available on the EASC website.

3.1 External Audit

During 2023-2024, there were no specific reports from external auditors.

As a hosted team under Cwm Taf Morgannwg University Health Board, the work of external audit was monitored by the Cwm Taf Morgannwg University Health Board Audit and Risk Committee through regular progress reports. Their work was both timely and professional. The recommendations made were relevant and helpful in our overall assurance and governance arrangements and for work on minimising risk. There were clear and open relationships with officers and the reports produced are comprehensive and well presented. In addition to EASC matters, the Cwm Taf Morgannwg University Health Board Audit and Risk Committee was kept apprised by its external auditors of developments across NHS Wales and elsewhere in the public service.

These discussions have been helpful in extending the Audit and Risk Committee's awareness of the wider context of the work.

3.2 Internal Audit

The Cwm Taf Morgannwg University Health Board Audit and Risk Committee regularly reviewed and considered the work and findings of the internal audit team. The Director of Audit and Assurance and the relevant Heads of Internal Audit attended each meeting to discuss their work and present their findings. The Audit and Risk Committee were satisfied with the liaison and coordination between the external and internal auditors.

During the reporting period 2023-2024 there was one EASC audit report received in April 2023 on Ambulance Handover Improvement Plan Arrangements. The report received a substantial assurance rating with one low priority recommendation which was completed. Therefore, there were no reports which received a "no assurance or limited assurance" assessment rating during the year.

3.3 Counter Fraud

Counter Fraud support was incorporated within the hosting agreement with Cwm Taf Morgannwg University Health Board. Local Counter Fraud Plans relating to the role of the Host body, including matters as appropriate relating to EASC, were considered via the Cwm Taf Morgannwg University Health Board Audit and Risk Committee.

3.4 Integrated Governance

The Cwm Taf Morgannwg University Health Board Audit and Risk Committee was responsible for the maintenance and effective system of integrated governance. It has maintained oversight of the whole process by seeking specific reports on assurance, which include:

- ☐ Tracking of Audit Recommendations
- ☐ EASC Risk Register
- ☐ EASC Assurance Framework.

During 2023-2024, the Cwm Taf Morgannwg University Health Board Quality and Safety and the Audit and Risk Committees played a proactive role in communicating suggested amendments to governance procedures and the corporate risk register.

3.5 Quality

3.5.1 Ambulance Service Indicators

To support the measurement of the new Clinical Model a comprehensive suite of Ambulance Service Indicators (ASIs) were developed in collaboration with the Welsh Ambulance Services University NHS Trust and Welsh Government. The new ASIs were first published as part of a pilot in January 2016, and thereafter quarterly reports were presented to each EASC meeting. The ASIs were now reported on a monthly basis during 2023-2024.

The ASI reports for the 2023-2024 reporting period can be viewed on the link here: <https://easc.nhs.wales/asi/>

Releases of official statistics and research on Wales can be found at the following link: <https://gov.wales/statistics-and-research>.

3.5.2 Quality and Patient Experience

During 2023-2024, the Joint Committee continued its commitment to assuring the quality of services by including a standard agenda item at every Committee meeting on 'Quality and Safety'; as one of the core considerations in the Commissioning Frameworks and also on the updated committee report template which directed the report author to consider the implications when drafting reports for EASC meetings.

The Chief Ambulance Services Commissioner (CASC) undertook a monthly Quality and Delivery meeting with the Welsh Ambulance Services University NHS Trust which was reported within the CASC report to the EASC Committee. The CASC also had an Integrated Quality, Planning and Delivery (IQPD) meeting on a bi-monthly basis with Welsh Government officials.

4. CAPACITY TO HANDLE RISK

As the former Chief Ambulance Services Commissioner for NHS Wales, I had responsibility for maintaining a sound system of internal control that supported the achievement of EASC's policies, aims and objectives and needed to be satisfied that appropriate policies and strategies were in place and that systems were functioning effectively, through the development implementation and review of Collaborative Commissioning Framework Agreements.

The Joint Committee's Sub-Groups assisted in providing these assurances and I was supported by the Head of Internal Audit's related work, report and opinion on the effectiveness of our system of internal control.

The Joint Committee reviewed the EASC Risk Register and the EASC Assurance Framework at each meeting and the key risks identified were aligned to delivery and were considered and scrutinised by the Cwm Taf Morgannwg University Health Board Audit & Risk Committee (for hosted bodies) as a whole. It must be noted that responsibility for the commissioning of Emergency Ambulance Services, Emergency Medical Retrieval & Transfer Services and Non-Emergency Patient Transport Services remained that of individual health boards, discharged collaboratively through the Emergency Ambulance Services Joint Committee (EASC).

The joint Memorandum of Understanding (MoU) between the EASC; Welsh Government and the Chief Ambulance Services Commissioner was endorsed by the Joint Committee in March 2016 and was reviewed at the meeting in September 2021. The Model Standing Orders were approved in September 2023. The Hosting Agreement with the host body (Cwm Taf Morgannwg University Health Board) had been endorsed in March 2023. The Model Standing Financial Instructions were approved in March 2023 for endorsement at all health board meetings to meet the requirements of the [Welsh Health Circular WHC 2019/027](#) (Model Standing Orders, Reservation and Delegation of Powers – Local Health Boards, NHS Trusts, Welsh Health Specialised Services Committee and the issuing of Model Standing Orders for the Emergency Ambulance Services Committee).

5. THE RISK AND CONTROL FRAMEWORK

As required to meet the Hosting Agreement with Cwm Taf Morgannwg University Health Board, the EASC complied with the Risk Management Strategy, the Risk Management Policy and the Risk Assessment Procedure which was updated in May 2023.

The aim of the Risk Management Strategy was to:

- ☐ Set out respective responsibilities for strategic and operational risk management for the Board and staff throughout the organisation
- ☐ Set out responsibility for Board committees, in particular, the Audit and Risk Committee, and
- ☐ Describe the procedures to be used in identifying, analysing, evaluating and controlling risks to the delivery of strategic objectives.

The objectives of CTMUHB's Risk Management Strategy (and Board Assurance Framework) were 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 CTMUHBs 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 CTMUHB meets its obligations in respect of Health and Safety and Quality and Safety
- ❑ Manage all potential risks CTMUHB are exposed to
- ❑ supports the calibration of risk scoring so the Health Board can achieve a consistent and moderated approach to risk assessment
- ❑ supports an informed understanding of risk in order for the Health Board to be able to appropriately scrutinise risk treatment options, and
- ❑ compliment the Risk Management Policy and Risk Assessment Procedure.

Risk management relating to the activities of EASC matured throughout the year and arrangements for reporting risks agreed and developed.

The Committee Risk Register formed part of the process in terms of the identification and management of strategic risks in relation to the commissioning of Emergency Ambulance Services. The Risk Register continued to evolve and was a 'living' document and was in a state of constant change to reflect increases, decreases and the mitigation to manage risks.

- ❑ The Risk Register was subject to continuous review by the Chief Ambulance Services Commissioner and the work of the Joint Committee Sub Groups
- ❑ the Joint Committee determined whether there was sufficient assurance in the rigour of internal systems to be confident that there were adequate controls over the management of principal risks to the strategic objectives.

Members of the EASC Joint Committee shared responsibility for the effective management of risk and compliance with relevant legislation. In relation to risk management, the Joint Committee was responsible for approving the risk appetite for EASC. The risk appetite was reviewed for the Committee to ensure that progress is made towards the 'risk appetite' that EASC wished to achieve and the CTM UHB approach was adopted.

5.1 Joint Committee Risk Register

As at 19 March 2024, there were 5 risks categorised as Extreme / High these being:

Datix ID	Portfolio	Risk Domain (Strategic Objective)	Risk Title	Risk Description	Controls in place	Action Plan	Sources of Assurance	Rating (current)	Rating (Target)	Trend	Opened	Review date
4503	Chief Ambulance Services Commissioner	Effective Commissioning	Failure to deliver the Ministerial direction that EASC effectively plans, commissions and secures services within its remit; and failure to maintain collaborative relationship with providers	IF: The EASC fail to plan and secure services and maintain effective collaborative relationships with providers Then: The purpose and effectiveness of the EAS Joint Committee would not be met Resulting in: Potential Ministerial and Welsh Government intervention	• Agreed collaborative commissioning methodology; whole system approach with key stakeholders • Review and refine commissioning arrangements and refresh Commissioning Frameworks • Effective function of the EASC Joint Committee • Independent Chair • Effective governance arrangements in place • CASC and Welsh Government IQPD meetings (bi-monthly) • Minister meets with the Chair and CASC quarterly • Meet regularly with providers to ensure continued development of open and transparent relationship • Ministerial Summit meeting on Handover Improvement plans (as a result of increasing numbers of hours lost) • Committee reviews its effectiveness annually – undertaken in May 2023 – no specific areas of concern identified re commissioning • Chair and CASC annual visits with all health boards in Wales planned • Ambulance improvement plan developed, agreed and circulated weekly	• Commissioning framework and monitoring at EASC and its sub groups • Annual Governance Statement produced • Monitoring of EASC IMTP at EASC and sub groups • Review and refine governance arrangements • Maintaining close working and collaborative relationships during unprecedented system pressures • EASC action plan for Ministerial priorities and monthly monitoring return commitment including Integrated Commissioning Action Plans • Three key actions with appropriate indicators agreed with each HB during the winter period - Improvement plans are used by EASC Team, NHS Executive and WG for focus and consistent approach	• Internal and external audit • Welsh Government • EASC Committee members • Annual Governance Statement • Strategic Commissioning intentions and Commissioning Frameworks • Continued engagement with the commissioning process and EASC Governance • EASC Action Plan with monthly update - Chair's appraisal letter with Minister	5x3=15	CXL 5x1=5	↔	01/08/2020	Reviewed January 2024 Review April 2024 Plan – IMTP Commission – Quality and Delivery Frameworks Secure – via organisation WAST / EMRTS Work together collaboratively through EASC governance mechanisms
4506	Chief Ambulance Services Commissioner	Securing safe ambulance services	Failure to achieve agreed performance standard for category red calls which is 65% of calls responded to within 8 minutes	IF: The red performance level is less than 65% response rate within 8 minutes across Wales as a whole on a monthly basis Then: The core target will be missed Resulting in: Unsatisfactory service for the people of Wales (or within specific health board areas) with increased likelihood of harm, disability and death.	• The necessary resources secured in the EASC IMTP • Performance monitoring on a daily basis and month to date position • Bi monthly CASC IQPD meetings with Welsh Government • CASC monthly Quality and Delivery Meeting with the Welsh Ambulance Services NHS Trust • Commissioner element of EMS Demand and Capacity plan for additional staff supported – implementation being monitored • Quality and Safety Report presented at every EASC meeting • Commissioner element of EMS Demand and Capacity plan for additional staff supported – implementation being monitored • Quality and Safety Report presented at every EASC meeting • Commissioner element of EMS Demand and Capacity plan for additional staff supported; • Commissioned a new demand and capacity review (August 2023) • Financial commitment to maintain overtime for WAST staff (Sept 2023) • Ambulance improvement plan developed, agreed and circulated weekly	- Delivery of EASC IMTP and WAST IMTP - Implementation of the commissioning intentions through the commissioning agreement - Role of the EASC Management Group to provide oversight on operational performance - Development of WAST performance improvement plan - EASC Action Plan includes detailed clinical review of red incidents to understand clinical need of patients to assess improvement opportunities - ICAP meetings and monitoring commitments and deliver - Three key actions with appropriate indicators agreed with each HB during the winter period - Improvement plans are used by EASC Team, NHS Executive and WG for focus and consistent approach	• Ambulance Service Indicators • Daily weekly and monthly performance reports • Remedial Action plans (if required) • Specific targeted actions as required • Implementation of the new Demand and Capacity Review • EASC Action Plan • CASC liaison with Chief Operating Officers • Agreement to maintain front line capacity which will also support the Cymru High Acuity Response Unit (CHARU)	5x5=25	CXL 5x3= 15	↔	Aug-20	Reviewed January 2024 Next review April 2024 Closely monitored – daily and weekly dashboard Until target met, to remain at score 25
4507	Chief Ambulance Services Commissioner	Securing safe ambulance services	Failure to achieve agreed performance for amber category calls	IF: The average and longest times for amber incidents do not reduce Then: Patients will not receive the care they need in a timely manner Resulting in: unsatisfactory service for the people of Wales (or within specific health board areas) with increased likelihood of harm, disability and death.	• The necessary resources secured in the EASC IMTP/ Annual Plan • performance monitoring on a daily basis and month to date position • CASC Monthly quality and delivery meetings with WAST • Bi monthly CASC Quality and Delivery meeting with Welsh Government • CASC monthly Quality and Delivery Meeting with the Welsh Ambulance Services NHS Trust • Commissioner element of EMS Demand and Capacity plan for additional staff supported and implementation being monitored • Quality and Safety Report presented at every EASC meeting • Weekly dashboard shared across NHS Wales – sent to all EASC members and key senior NHS staff • Ambulance improvement plan developed, agreed and circulated weekly	- EASC IMTP accepted with accountability conditions awaiting outcome of WAST IMTP - Implementation of the commissioning intentions through the commissioning agreement - Role of the EASC Management Group to provide oversight on operational performance - Development of WAST performance improvement plan - Weekly dashboard of management information developed and shared across NHS Wales to capture progress - EASC Action plan includes detailed clinical review of amber incidents to understand clinical need of patients to assess improvement opportunities - Three key actions with appropriate indicators agreed with each HB during the winter period - Improvement plans are used by EASC Team, NHS Executive and WG for focus and consistent approach	• Ambulance Service Indicators • Daily weekly and monthly performance reports • Remedial Action plans (if required) • Specific targeted actions as required • Implementation of the Demand and Capacity Review • EASC Action Plan • CASC liaison with Chief Operating Officers (multiple arenas)	5x4=20	CXL 5x3= 15	↔	Aug-20	Reviewed January 2024 Next review April 2024 Closely monitored, daily and weekly dashboard

Datix ID	Portfolio	Risk Domain (Strategic Objective)	Risk Title	Risk Description	Controls in place	Action Plan	Sources of Assurance	Rating (current)	Rating (Target)	Trend	Opened	Review date
5005	Chief Ambulance Services Commissioner	Effective Commissioning	Failure to take appropriate commissioning actions to support the provider in their management of patient safety and to minimise clinical risk during times of escalation	IF: Commissioning actions are not taken to manage patient safety and minimise clinical risks Then: Patients are more likely to come to harm Resulting in: poorer patient outcomes and patient experience, increased SAIs, litigation and reputational damage	• Discussion at EASC Committee • Discussion at EASC Management Group • CASC and WAST Quality & Delivery meeting • Sought clarification from WAST re Equality Impact Assessment • Agree red lines for handover delays to improve ambulance availability • Securing of funding for additional emergency ambulance capacity • Quality and Safety Report received at every EASC meeting • ICAP meeting overseeing performance and outcomes • Update to host Quality and Safety Meeting (23 January 2024) • Key item on EASC agenda • New Quality and Safety Report	• Joint escalation plan developed and approved at NHS Leadership Board now led by the NHS Executive • Provide necessary funding to WAST • Agreed with WAST 5 key actions for the winter period	• WAST Equality Impact Assessment (to be completed) • Commitment to collaborative nature of working and implementation of system-wide escalation policy • Ongoing discussions around system-wide escalation	5x4 = 20	CXL 5x1 = 5	↔	Dec-21	Reviewed January 2024 Next review April 2024
5370	Chief Ambulance Services Commissioner	Effective Commissioning	Failure to secure sufficient ambulance capacity to meet the needs of the population	IF: sufficient ambulance capacity is not available Then: organisational and clinical safety levels of escalation will be higher and for longer durations within the clinical safety plan and patients will not receive a response Resulting in: increasing number of patients not receiving an ambulance response which is an unsatisfactory service for the people of Wales (or within specific health board areas) with increased likelihood of harm, disability and death. Lack of compliance with statutory requirements for EASC.	The necessary resources secured in the EASC IMTP performance monitoring on a daily basis and month to date position Bi monthly CASC IQPD meetings with Welsh Government CASC monthly Quality and Delivery Meeting with the Welsh Ambulance Services NHS Trust Commissioner element of EMS Demand and Capacity plan for additional staff supported – implementation being monitored Quality and Safety Report presented at every EASC meeting New demand and capacity review commissioned ICAP meetings with health boards and WAST Performance dashboard IMTP tracker Key item on EASC agenda New Quality and Safety Report Ambulance improvement plan developed, agreed and circulated weekly	Delivery of EASC IMTP and WAST IMTP Implementation of the commissioning intentions through the commissioning agreement Role of the EASC Management Group to provide oversight on quality and safety Development of WAST performance improvement plan EASC Action Plan includes detailed clinical review of red incident to understand clinical need of patients to assess improvement opportunities Actions from the Ministerial summit on handover improvement Integrated Commissioning Action Plan (ICAP) work • Agreed with WAST 5 key actions for the winter period • Three key actions with appropriate indicators agreed with each HB during the winter period • Improvement plans are used by EASC Team, NHS Executive and WG for focus and consistent approach	• Ambulance Service Indicators • Daily weekly and monthly performance reports • EASC Action Plan • CASC liaison with Chief Operating Officers • EASC receive a quality and safety report at each meeting • New D&C for EMS (starting summer 2023) • ICAPS	5x5 = 25	CXL 5x2 = 10	New	Jan 23	Reviewed January 2024 Next review April 2024 Review position when red and amber performance improve dramatically

5.2 Policies and Procedures

The EASC Team follow the policies and procedures of Cwm Taf Morgannwg University Health Board, as the host organisation.

5.3 Information Governance

The EASC Team established arrangements for Information Governance to ensure that information was managed in line with the relevant ethical law and legislation, applicable regulations and takes guidance, where required from the Information Commissioner's Office (ICO). This included legislation such as the Data Protection Act (2018) and the Caldicott Report (1997/2013) that covered the data that was collected and the processing of this to ensure that it was only used for compatible purposes and it remained secure and confidential whilst in our custody.

The EASC Team receive information governance advice and support from Cwm Taf Morgannwg University Health Board on areas such as the Freedom of Information Act, Information Asset Ownership, Information Governance Breaches, Records Management, new guidance documentation and training materials, areas of concern and latest new information and law including the implementation of the General Data Protection Regulation (GDPR); the Caldicott Guardian for Cwm Taf Morgannwg University Health Board is the Executive Medical Director.

5.4 Integrated Medium-Term Plan (IMTP)

The basis for the EASCs planning was the original national collaborative commissioning Quality and Delivery Framework to which all seven Health Boards were signatories. The Framework provided the mechanism to support the recommendations of Professor Siobhan McClelland in the "A Strategic Review of Welsh Ambulance Services" published in 2013. The Framework put in place a structure which was clear and directly aligned to the delivery of better care. The Framework provided clear accountability for the provision of emergency ambulance services and the Chief Ambulance Services Commissioner (CASC) and the Emergency Ambulance Services Committee (EASC) acting on behalf of health boards and holding WAST to account as the provider of emergency ambulance services. Each Health Board was required to demonstrate their ambition of the Framework through making reference to the collaborative work of the EASC within individual Health Board IMTPs.

The NHS Wales Performance Framework and Guidance Document 2024/25 was issued by the Director General for Health and Social Care early March 2024 and would be used as the basis for forward planning and monitoring as relevant to reflect the extended remit of the new Joint Commissioning Committee. The framework and guidance document can be viewed here: <https://www.gov.wales/sites/default/files/publications/2024-02/nhs-wales-performance-framework-2024-to-2025.pdf>

The EASC Team prepared and presented an Integrated Medium- Term Plan (IMTP) for 2024-2027 to the Committee which was approved in March 2024; a formal response is awaited from Welsh Government officials. The Committee received updates on the EASC Integrated Medium Term Plan (IMTP) during 2023-24 and a comprehensive IMTP tracker was developed and progress monitored.

The [NHS Wales Planning Framework 2024-2027](#) was received on the 18 December 2023. The requirements included a need for HBs to send an Accountable Officer (AO) letter on the status of the plan by the 19 February and all plans to be submitted to Welsh Government by 29 March 2024.

The Framework placed a strong emphasis on the themes of the Value and Sustainability Board and the Duty of Quality. These have been reflected in EASC's planning throughout the IMTP development cycle.

5.5 Health and Care Quality Standards for NHS Wales

The Health and Care Quality Standards set out the Welsh Government's common framework of standards to support the NHS and partner organisations in providing effective, timely and quality services across all healthcare settings. They set out what the people of Wales can expect when they access health services and what part they themselves can play in promoting their own health and wellbeing. The Health & Care Quality Standards replaced the Health and Care Standards (2015) and were a framework to help plan, deliver and monitor healthcare services in Wales. They are made up of six domains of quality and six quality enablers.

However, the EASC Team has sought opportunities to ensure consideration of the standards within its work and requires all reports to the Joint Committee and sub-groups to identify which themes within the Health and Care Standards were considered/appropriate when developing those reports.

5.6 Governance & Accountability Assessment

The Governance & Accountability Assessment is more relevant to the host body, Cwm Taf Morgannwg University Health Board although the EASC Team and Members were cognisant of complying with any requirements.

5.7 Appointment of Independent Chair

Dr Chris Turner received, and accepted, an invitation to stay on as Interim Chair for the Committee for a further year to 31 October 2023. This was further extended during the work to create the new NHS Wales Joint Commissioning Committee to 31 March 2024 when the term ended.

6. MANDATORY DISCLOSURES

The EASC was also required to report that arrangements were in place to manage and respond to the following governance issues:

6.1 Equality, Diversity and Human Rights

Control measures were in place to ensure that the EASCs obligations under equality, diversity and human rights legislation were complied with. The EASC followed the policies and procedures of the Cwm Taf Morgannwg University Health Board as the host organisation. It was recognised that the Committee could benefit from greater diversity. However, this was restricted as the Membership was set by the Directions

As a non-statutory hosted team under Cwm Taf Morgannwg University Health Board, EASC was required to adhere to the Cwm Taf Morgannwg University Health Board Equality and Diversity policy which set out the UHB's commitment to equality and diversity and the legal setting for doing so. The EASC Team fully participated in the Cultural Competency work at the National Collaborative Commissioning Unit where a Silver Plus level was attained.

The Duty of Candour (Wales) 2023 and the Citizen Voice Body (Wales) 2023, changed the status of equality and human rights and all public bodies in Wales had a duty to be open and honest with service users receiving care and treatment.

The Welsh Government's Public Sector Equality Duty (PSED) advocated that all public sector organisations published their Strategic Equality Plan (SEP) no less than every four years. Whilst EASC commissions emergency and non-emergency ambulances and the emergency medical retrieval and transfer service on behalf of the seven LHBs the responsibility for individual patients remained with the LHB of residence.

EASC recognised that the Socio-economic Duty, under the Equality Act 2010, required relevant public bodies in Wales, including local health boards, to have due regard to the need to reduce the inequalities of outcome that result from socio-economic disadvantage when they take strategic decisions and that the duty came into force on 31 March 2021. As a Joint Committee of the LHBs, this duty was taken into account when planning and securing emergency and non emergency ambulance services including evidencing a clear audit trail for all decisions made that were part of the Duty. This was discharged by using existing processes, such as engagement processes and impact assessments.

The EASC Team staff were entitled to membership of the NHS Pension Scheme and control measures were in place to ensure all employer obligations contained within the Scheme regulations were complied with.

This included ensuring that deductions from salary, employer's contributions and payments into the Scheme were in accordance with the Scheme rules, and that member Pension Scheme records were accurately updated in accordance with the timescales detailed in the Regulations.

6.2 Welsh Language

The EASC and its team were committed to ensuring that the Welsh and English languages were treated on the basis of equality in the services provided to the public and other NHS partner organisations in Wales. This was in accordance with the Cwm Taf Morgannwg University Health Board Welsh Language Scheme, Welsh Language Act 1993 the Welsh Language Measure (Wales) 2011 and the Welsh Language Standards (Health Sector) Regulations approved by the National Assembly for Wales.

The work of the EASC in relation to Welsh language was included within the Cwm Taf Morgannwg University Health Board approved Welsh language scheme. The Committee Secretary was an active member of the newly formed CTMUHB Welsh Language Steering Group formed to lead and drive the implementation and delivery of legislative Welsh Language compliance. The Welsh Language team at CTM have provided excellent support to the EASC and the team including translation support for EASC minutes and other key documentation throughout the year.

Investigation by the Welsh Language Commissioner

A letter was received on 22 November 2022 from the Welsh Language Commissioner (WLC) which indicated that a member of the public had concerns regarding documentation on the EASC website and related to the EMRTS Service Development Proposal. A member of the public had visited the website on 11 November 2022 and had been unable to find a Welsh language version of the EMRTS Service Development Proposal on the website. This occurred due to annual leave of a member of the EASC Team with responsibility for the website.

Further arrangements were made to avoid a recurrence. The EASC website was reviewed to ensure compliance with the Welsh Language standards including ensuring that Welsh was not treated less favourably than English and also that the Welsh website was of the same standard as the English website in terms of content.

A formal investigation was launched by the Welsh Language Commissioner. The Commissioner asked that changes be made to website software to ensure that Welsh and English languages were treated equally in website development and when publishing papers.

Digital Health and Care Wales (DHCW) led the work which was completed and a new process developed for the EASC and CTMUHB websites thereby closing the actions proposed in response to the investigation. The new and innovative option was also available to other health boards on request to DHCW.

The Welsh Language Commissioner emailed Paul Mears, CEO at CTMUHB (host body) on 29 September 2023 and confirmed was satisfied by the actions taken and closed the investigation.

6.3 Handling of Concerns

The EASC was committed to ensuring a professional and customer focussed service through the work of the Joint Committee and as a hosted team under Cwm Taf Morgannwg University Health Board adhered to its Concerns policy.

During 2023-2024, no other formal complaints were received concerning the work of the EASC other than in relation to the Welsh Language Commissioner in the previous section.

6.4 Freedom of Information Requests

The Freedom of Information Act (FOIA) 2000 gave the public right of access to a variety of records and information held by public bodies and provided commitment to greater openness and transparency in the public sector.

During 2023-2024, the EASC received three (3) requests for information under the provision of the Freedom of Information Act (FOIA).

6.5 Data Security

The EASC was committed to ensuring that there were effective measures in place to safeguard information and as a hosted team under Cwm Taf Morgannwg University Health Board adhered to its Information Governance policies.

All information governance incidents involving data security would be reviewed by the Information Governance team within Cwm Taf Morgannwg University Health Board. During 2023-2024, no Information Governance breaches were reported for the EASC.

6.6 Sustainability and Carbon Reduction Delivery Plan

The Welsh Government had an ambition for the public sector to be carbon neutral by 2030. This sat alongside the Environment (Wales) Act 2016 and Wellbeing of Future Generations (Wales) Act 2015 as legislative drivers for decarbonisation of the Public Sector in Wales. The [NHS Wales Decarbonisation Strategic Delivery Plan](#) was published on 24 March 2021.

As a hosted committee under Cwm Taf Morgannwg University Health Board the EASC was committed to managing its environmental impact, the organisation's carbon footprint and increasing its sustainability. Cwm Taf Morgannwg had undertaken risk assessments and **Carbon Reduction Delivery Plans** were 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 were complied with.

In particular during 2023-2024 and beyond the EASC team continued to embed the working practices that were, by necessity, introduced in 2020. In particular there is a blended and hybrid approach to office and remote working, reducing the need for travel, and ran as many meetings as practically possible using online platforms including Microsoft Teams and Microsoft Teams Live for EASC meetings. Additionally, many of the systems moved to paperless processes had continued operating in this way and these were proven to be more efficient and reduced the impact on the environment.

Increasing numbers of the staff had purchased hybrid and electric vehicles some via the NHS Fleet Solutions Scheme.

NHS All Wales Clinical Waste and Municipal Waste Contracts are awarded through an NHS All Wales Tender Process managed by NWSSP Procurement services on behalf of NHS Wales. Waste and recycling were processed by Veolia and the 'Dry Mixed Recycling' (DMR) was collected and separated for recycling by Veolia. Work was also undertaken with staff to raise awareness and understanding of the importance of waste segregation to ensure the continued recycling and meeting new requirements from 1 April 2024.

6.7 Business Continuity Planning/Emergency Preparedness

The EASC was cognisant of the need to review the capability of the different organisations within NHS Wales to continue to deliver products or services at acceptable predefined levels following a disruptive incident.

EASC recognised the contribution in supporting NHS Wales to be able to plan for and respond to a wide range of incidents and emergencies that could affect health or patient care, in accordance with requirement for NHS bodies to be classed as a category 1 responder deemed as being at the core of the response to most emergencies under the Civil Contingencies Act (2004).

The Joint Committee reviewed the arrangements in place for cross border and cross boundary resource flows and that there were effective strategies in place for:

- ☐ People – the loss of personnel due to sickness or pandemic

- ❑ Premises – denial of access to normal places of work
- ❑ Information Management and Technology (IM & IT) and communications/ICT equipment issues
- ❑ Suppliers internal and external to the organisation.

The EASC Team was committed to ensuring that it met all legal and regulatory requirements and had processes in place to identify, assess and implement applicable legislation and regulation requirements related to the continuity of operations, services as well as the interests of interested parties.

6.8 UK Corporate Governance Code

Whilst there was no requirement to comply with all elements of the Corporate Governance Code for Central Government Departments, the Emergency Ambulance Services Committee team considered that it was complying with the main principles of the Code where applicable, through operating within the scope of the governance arrangements for CTMUHB. The EASC Team remained satisfied that it remained compliant with the main principles of the Code, and followed the spirit of the Code to good effect and was conducting its business openly and in line with the Code. There were no reported/identified departures from the Code during the year.

6.9 Ministerial Directions 2023-2024

Whilst Ministerial Directions were received by NHS Wales organisations, these were not always applicable to EASC. Ministerial Directions issued throughout the year were listed on the Welsh Government website. Information on Ministerial Directions can be found on the Welsh Government website:

https://gov.wales/publications?field_policy_areas%5B43%5D=43

Welsh Health Circulars issued by Welsh Government were logged by the Governance Function. EASC acted upon and responded to all relevant Welsh Health Circulars (WHC) issued during 2023/24. A list of Welsh Health Circulars issued by Welsh Government during 2023-24 are available at: <https://gov.wales/health-circulars> (2023)

<https://www.gov.wales/health-circulars-2024-2027>

During 2023-2024, the following Welsh Health Circulars (WHCs) were relevant to EASC:

Welsh Health Circular (CHC)
WHC/2023/006 – Commencement of the Health and Social Care (Quality and Engagement) (Wales) Act 2020
WHC/2023/013 - Health and Care Quality Standards 2023

Welsh Health Circular (CHC)
WHC/2023/017 – Patient safety incident reporting and management
WHC/2023/018 – Introduction of HL7 FHIR (findable, accessible, interoperable and reusable) as a foundational standard in all NHS Wales Bodies
WHC/2023/019 – In support of prevention of suicide and self-harm
WHC/2023/022 – Armed Forces Covenant healthcare priorities
WHC/2023/023 – The National Influenza Immunisation Programme 2023 to 2024
Withdrawal of WHC/2023-042 – regarding annual quality statements
WHC/2023/032 – Amendments to Model Standing Orders and Model Standing Financial Instructions – NHS Wales
WHC/2023/036 – NHS Wales speaking up safely framework
WHC/2023/046 – All-Wales control framework for flexible workforce capacity
WHC/2024/005 - Private obesity surgery and the Welsh NHS
WHC/2023/041 – Refresh of the rare disease action plan 2022 to 2026
WHC/2023/048 – Health Board allocations for 2024 to 2025

Ministerial Priorities and Measures

A Healthier Wales (2018) described a whole system approach to health and social care. Putting quality and safety above all else was the first NHS Wales core value. The focus was strengthened more recently through the Health and Social Care (Quality and Engagement) (Wales) Act (2020), the National Clinical Framework for Wales (2021) and the Quality and Safety Framework (2021). Collectively these set out an aspiration for quality-led health and care services, underpinned by prudent healthcare principles, value-based healthcare and the quadruple aim.

The Minister for Health and Social Services published new priority measures in January 2022, and all NHS organisations were required to report on the new measures from April 2022. A whole system dashboard of information was shared widely on a weekly basis by the EASC Team and formed the basis for the discussions at the local Integrated Commissioning Action Plan meetings between the EASC Team, Health Board and the Welsh Ambulance Services University NHS Trust.

The NHS Wales Performance Framework and Guidance Document 2024/25 was issued by the Director General for Health and Social Care early March 2024 and would be used as the basis for forward planning and monitoring as relevant to reflect the extended remit of the new Joint Commissioning Committee.

6.10 Modern Slavery Act 2015 – Transparency in Supply Chains

The Welsh Government's Code of Practice: Ethical Employment in Supply Chains was introduced to highlight the need, at every stage of the supply chain, to ensure good employment practices exist for all employees, both in the United Kingdom and overseas.

EASC adopted and complied with all CTMUHB procurement processes which embedded the principles and requirements of the Code and the Modern Slavery Act 2015. EASC was committed to playing its role as a 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.

During 2023 - 2024 EASC continued to take the following actions to deliver on the Code's commitments:

- ☐ It paid all staff above the minimum living wage rate (Agenda for Change Band 2)
- ☐ It complied with the CTMUHB Raising Concerns (Whistleblowing) Policy, which provided the workforce with a fair and transparent process, to empower and enable them to raise suspicions of any form of malpractice, by either staff or suppliers / contractors working on the premises
- ☐ It had a target in place to pay suppliers within 30 days of receipt of a valid invoice
- ☐ It did not engage or employ staff or workers on Zero Hours Contracts
- ☐ It followed the Recruitment and Selection Policy and Procedure robustly, which ensured a fair and transparent process as prescribed by its host CTMUHB

- EASC deferred to the CTMUHB Equality and Diversity Policy, which ensured that no potential applicant, employee or worker engaged by CTMUHB/EASC was in any way unduly disadvantaged, in terms of pay, employment rights, employment, training and development or career opportunities. Further work was adopted including the attainment of Silver Plus for the Cultural Competency work.

6.11 Well-Being of Future Generations Act (WBFGA)

The Well-being of Future Generations Act (WBFGA) required named statutory bodies, including CTMUHB, (host body) to ensure the needs of the current population were met without compromising the ability of future generations to meet their own needs. This 'sustainable development principle' required the organisation to routinely follow the five ways of working from the Act (prevention, long-term, collaboration, integration, involvement), and contribute to the seven national well-being goals.

EASC was committed to contributing towards the achievement of the objectives of the Well-being of Future Generations (Wales) Act which aimed to improve the social, economic, environmental and cultural well-being of Wales. The WBFGA provided the opportunity to think differently and to give new emphasis to improving the well-being of both current and future generations, and to think more about the long-term, work better with people, communities and organisations, seek to prevent problems and take a more joined-up approach. The Act put in place seven well-being goals, and clarified the need to maximise the contribution to all seven.

Section 4 of all Committee reports included the Impact Assessment where the author was required to consider organisational implications and outlined any legal implications, including the WBFGA.

- Quality/Safety/Patient Experience implications
- Related Health and Care standard(s)
- Equality impact assessment completed
- Legal implications / impact
- Resource (Capital/Revenue £/Workforce) implications /
- Impact Link to Commissioning Intentions
- Link to Main WBFG Act Objective.

6.12 Duty of Quality and Duty of Candour

The duty of quality came into legal force in April 2023 in line with the Health and Social Care (Quality and Engagement) (Wales) Act 2020. The new reporting requirements were in place for 2023- 24. EASC was committed to ensuring that the quality of health services were properly considered when making commissioning decisions and recognised the requirements of the Health and Social Care (Quality & Engagement) (Wales) Act 2020 and worked towards implementing the requirements in order to: *'continually, reliably and sustainably meet the needs of the population we serve'*.

The Committee had received a Quality and Safety Report since July 2022 and in developing the information for members a Quality Dashboard was also provided to avoid reporting performance without the consequential balance of the quality and experience of patients receiving services.

The duty of candour comes into legal force in April 2023 in line with the Health and Social Care (Quality and Engagement) (Wales) Act 2020. It requires them to be open and transparent with service users when they experience harm whilst receiving health care.

6.13 Socio Economic Duty

EASC recognised that the Socio- economic Duty introduced by Welsh Government under the Equality Act 2010 required relevant public bodies in Wales, which included LHBs, to have due regard to the need to reduce the inequalities of outcome that result from socio-economic disadvantage when taking strategic decisions.

The duty came into force on 31 March 2021 and as a Joint Committee of the LHBs, this duty has been taken into account when planning and commissioning services. EASC considered how their decisions might help reduce the inequalities associated with socio-economic disadvantage, including evidencing a clear audit trail for all decisions made. This was discharged using existing processes, such as engagement processes and impact assessments.

6.14 Duty of Consultation

The EASC Team worked on behalf of the seven HBs within the guidance on changes to NHS services in Wales to effectively engage and consult on the services it commissioned as required.

During 2023-2024, following advice from the former Community Health Councils across Wales, the EASC Team worked to develop comprehensive and bilingual engagement materials in order to work with the public in relation to the Service Development Proposal received from EMRTS Cymru and the Wales Air Ambulance Charity.

The EASC team worked really closely with the all Wales Communication, Engagement and Service Change leads (utilise existing and established mechanisms) in health boards and commenced the 8 week formal consultation process on 15 March 2023.

On 1 April 2023, Llais replaced the Community Health Councils in Wales as the Citizen Voice Body. Work has continued throughout 2023-2024 on the Emergency Medical Retrieval and Transfer Service Review. This involved an extensive engagement process and close working with the national team at Llais.

7. CHIEF AMBULANCE SERVICES COMMISSIONER'S OVERALL REVIEW OF EFFECTIVENESS

As the former Chief Ambulance Services Commissioner (CASC), I had responsibility for reviewing the effectiveness of the system of internal control.

My review of the system of internal control was informed by the work of the internal auditors, and the Chief Executives represented on the Joint Committee had responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their audit reports.

As the former CASC, I had overall responsibility for risk management and when required, reported to the Cwm Taf Morgannwg University Health Board Audit and Risk Committee/Quality and Safety Committee regarding the effectiveness of risk management within the EASC. My advice to the Joint Committee was informed by reports on internal controls received from all of its Committee and sub-group meetings and the Cwm Taf Morgannwg University Health Board Audit and Risk Committee.

The Joint Committee had considered a range of reports relating to its areas of business during the last year, which had included internal and external audit reports and opinion. Each sub -group developed an annual report of its business and the areas that it had covered during the last year and these were reported in public to the EASC.

The internal control framework and internal and external related audit support was continuously maturing. I wish to highlight the following matters that were considered significant and had presented challenges in 2023-2024:

7.1 Emergency Medical Services (EMS)

Implementation of the Amber review, commissioned in April 2018 by Welsh Government has been progressed but challenges remain in relation to the:

- ☐ Red response targets
- ☐ Patients within the Amber category who were experiencing long waits for ambulance responses
- ☐ Handover delays at many emergency departments.

These issues highlighted above all relate to resource availability (ambulances and response vehicles). Work has continued with individual health boards to develop robust 'handover improvement plans' to reduce the escalating handover delays. In addition, the recently approved system wide escalation framework should also support the system during unprecedented pressures.

7.2 Non-Emergency Patient Transport Service (NEPTS)

The work of the NEPTS Delivery Assurance Group was to oversee the transfer of the commissioning arrangements for health boards to EASC which has now been completed. The service will now focus on developing a new strategic direction to support changes to services in health boards.

7.3 Emergency Medical Retrieval and Transfer Service

Significant work to undertake formal engagement to deliver the Emergency Medical Retrieval and Transfer Service (EMRTS) Review was completed in March 2024. The final report and recommendations would be made to the new Joint Commissioning Committee in April 2024.

8. LOOKING AHEAD

As a result of its work during the year the Cwm Taf Morgannwg University Health Board Audit and Risk Committee/Quality and Safety Committee was satisfied that the EASC had appropriate and robust internal controls in place and that the systems of governance incorporated in the EASC Standing Orders were fully embedded.

Looking forward to 2023-2024 and the new NHS Wales Joint Commissioning Committee, the Cwm Taf Morgannwg University Health Board Audit and Risk Committee and where appropriate the Quality and Safety Committee will continue to consider and review the financial, management, governance and quality and risk issues that will be an essential component to the success of the Joint Committee.

EASC came to an end on 31 March 2024 and the new NHS Wales Joint Commissioning Committee came into being on 1 April 2024 now led by an interim Chief Commissioner.

A Legacy Statement was developed and was received by the programme to deliver the new NHS Wales Joint Commissioning Committee link here: <https://jcc.nhs.wales/the-committee/meeting-dates-and-papers/april-2024/2-4-1-appendix-1-easc-legacy-statement/> .

Existing EASC arrangements would be continued for the first quarter whilst the transition arrangements could be finalised.

9. SIGNIFICANT GOVERNANCE ISSUES

There were none.

The disclosures given throughout this statement and the recommendations referred to in section 6.2 of this statement (related to the Welsh Language Commissioner investigation) should be noted but did not equate to significant governance issues.

10. CONCLUSION

During 2023-2024, no significant internal control or governance issues were identified for EASC.

Signed: 

Date: 9 May 2024

Stephen Harrhy

Former Chief Ambulance Services Commissioner, NHS Wales



**DECLARATION OF COMPLIANCE WITH CWM TAF MORGANNWG
UNIVERSITY HEALTH BOARD GOVERNANCE ARRANGEMENTS
FROM THE MANAGING DIRECTOR TO THE ACCOUNTABLE OFFICER
FOR CWM TAF MORGANNWG UNIVERSITY HEALTH BOARD**

NATIONAL COLLABORATIVE COMMISSIONING UNIT

As the Managing Director of the former National Collaborative Commissioning Unit, to which the Health Board was providing host services, I confirm for the period 2023-2024 that I:

- a) Acted at all times within the corporate governance framework of the Health Board
- b) Ensured that proper financial procedures have been followed and that accounting records were maintained in a form suited to the requirements of management as well as in the form prescribed for published accounts via EASC / WHSSC.
- c) Ensured that the public funds for which I am responsible were properly and well managed and safeguarded, with independent and effective checks of cash balances in the hands of any official
- d) Ensured that assets for which I am responsible such as land, buildings or other property, including stores and equipment, were controlled and safeguarded with similar care, and with checks as appropriate
- e) Ensured that my responsibility for the overall organisation, management and staffing of the National Collaborative Commissioning Unit Team and its arrangements related to developing and delivering ICT services as well as matters of finance, together with any other aspect relevant to the conduct of the National Collaborative Commissioning Unit business in pursuance of the strategic direction set by the Welsh Government were discharged accordingly
- f) Ensured that all items of expenditure, including payments to staff, fell within the legal powers of the Health Board
- g) Acted within the scheme of delegations and ensured that I complied with guidance on classes of payment that I should authorise personally
- h) Ensured that in delegating functions to officers I was satisfied of their ongoing capacity and capability to deliver on those functions, facilitating access to the information they needed, ongoing training and development, as well as professional or specialist advice where appropriate



- i) Ensured prudent and economical administration, for the avoidance of waste and extravagance, and for the efficient and effective use of all resources
- j) Ensured that risks to the achievement of the National Collaborative Commissioning Unit objectives and fulfilment of its responsibilities were identified, that their significance was assessed, and that a sound system of internal control was in place to manage them
- k) Implemented an appropriate framework of assurance covering all aspects of National Collaborative Commissioning Unit business, ensured that research and evaluation work was planned so that strategic objectives and spending programmes for which I have responsibility were routinely evaluated to assess their effectiveness and value for money
- l) Ensured that, in the consideration of policy proposals relating to the expenditure or income for which I have responsibility, all relevant financial considerations, including any issues of propriety, regularity or value for money, were taken into account, and where necessary brought to your attention, as Accountable Officer for Cwm Taf Morgannwg University Health Board
- m) Agreed to attend any Board or sub-committee meeting of the Health Board in relation to the National Collaborative Commissioning Unit performance or governance issues that may affect the operational, financial or reputational performance of the Health Board, and
- n) Agreed to such reporting structure as was reasonably required by you or the Board in relation to the delivery of your obligations.
- o) Ensured that there were appropriate procedures established for Information Governance to ensure that all data/information was managed in accordance with all relevant legislation (i.e. General Data Protection Regulations, Data Protection Act 1998, Freedom of Information Act 2000, and Access to Health Records 1990), NHS standards and guidance's issued by the Welsh Government, the Information Commissioner's Office and other professional bodies.
- p) Escalated any incidents and/or risks that may impact the delivery of our service to the appropriate Health Board Committee / Executive Lead.



In relation to my responsibilities outlined above, I can confirm:

- i. I have discharged my responsibilities as laid down in this Statement and confirm that the financial information contained within the EASC/WHSSC and Health Board's accounts as they relate to the National Collaborative Commissioning Unit represent a true and fair view of its position on an ongoing basis
 - That all losses and special payments cases have been properly managed in accordance to the instructions and procedures set out in the 'Losses and Special Payments Manual of Guidance' and also, in respect of handling clinical negligence and personal injury claims, the guidance issued under cover of Welsh Health Circulars WHC(97)7, Section 8 PTR Guidance – Clinical Negligence and Personal Injury Litigation: Claims Handling : Putting Things Right – Guidance on dealing with concerns about the NHS from 1st April 2012 (Version 2 – April 2012) which supersedes WHC(97)17 – Clinical Negligence and Personal Injury Litigation: Structured Settlements.
 - The Civil Procedure Rules 1998
 - WHC(98)8 - NHS Indemnity – Arrangements for Handling Clinical Negligence Claims against NHS Staff
 - WHC(99)128 – Handling Clinical Negligence Claims: Pre-Action Protocol
- ii. This responsibility also includes ensuring that counter fraud measures were put in place and operated in accordance with Welsh Government Directions on countering fraud in the NHS in Wales
- iii. That the National Collaborative Commissioning Unit duty for internal control was fully embodied throughout the organisation that the Board Committees of the Health Board were provided with regular reports on such matters and that appropriate action was taken on any issues that emerge from these reports
- iv. That appropriate action has been taken regarding recommendations made in any reports produced by the Public Accounts Committees of the Welsh Government (the PAC) and of the Westminster Parliament; or made in reports to WG or the National Assembly for Wales by the Auditor General for Wales or in reports to Parliament by the Comptroller and Auditor General



- v. I have provided information as requested by the Auditor General for Wales and Audit Wales. I have co-operated with external auditors in any enquiries into the use the National Collaborative Commissioning Unit Service has made of public funds. I have provided, on your request, information on any points raised by external auditors which generate public, Welsh Government or Parliamentary interest. I have co-operated with arrangements for internal audit described in the NHS Internal Audit Standards for NHS Wales. I will ensure prompt action is taken in response to concerns raised by both external and internal audit
- vi. I have provided any information requested by the Healthcare Inspectorate Wales, the Care and Social Services Inspectorate Wales, the Care Quality Commission and any other statutory inspectorate agency such as the Health and Safety Executive; and ensured appropriate action was taken regarding recommendations made in any reports produced by these organisations
- vii. As appropriate, I identified a senior official who, in any temporary period of unavailability due to illness or other cause, or during normal periods of annual leave, could act on my behalf if required
- viii. The National Collaborative Commissioning Unit has in place effective management systems that safeguard public funds and are appropriate for the achievement of the Health Board's Governance objectives and as laid down in the Code of Conduct and Accountability. Managers at all levels:
 - a. Had a clear view of their objectives and the means to assess and, wherever possible, measure outputs or performance in relation to those objectives
 - b. were assigned well-defined responsibilities for making the best use of resources
 - c. received the information, training and access to the expert advice they need to exercise their responsibilities effectively.
- ix. Management systems were in place, which covered the issue of relationships and responsibilities of the Health Board Committees, and
- x. I complied with The Code of Conduct and Accountability issued to NHS Boards by Welsh Government in exercising my responsibilities for regularity, propriety and value for money.



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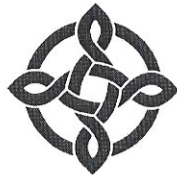
Bwrdd Iechyd Prifysgol
Cwm Taf Morgannwg
University Health Board

For the period 1 April 2023 to the 31 March 2024

Smilan

Date: 9 May 2024

Former Chief Ambulance Services Commissioner and Managing Director of
the former National Collaborative Commissioning Unit



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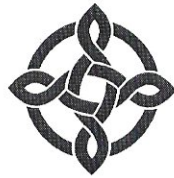
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Cwm Taf Morgannwg
University Health Board

**DECLARATION OF COMPLIANCE WITH CWM TAF MORGANNWG
UNIVERSITY HEALTH BOARD GOVERNANCE ARRANGEMENTS FROM
THE DIRECTOR OF THE NATIONAL IMAGING ACADEMY TO THE
ACCOUNTABLE OFFICER FOR CWM TAF MORGANNWG UNIVERSITY
HEALTH BOARD**

NATIONAL IMAGING ACADEMY

As the Director of the National Imaging Academy, to which the Health Board is providing host services, I confirm for the period 2023-2024 that I;

- a) Acted at all times within the corporate governance framework of the Health Board;
- b) Ensured that proper financial procedures have been followed and that accounting records were maintained in a form suited to the requirements of management as well as in the form prescribed for published accounts;
- c) Ensured that the public funds for which I am responsible were properly and well managed and safeguarded, with independent and effective checks of cash balances in the hands of any official;
- d) Ensured that assets for which I am responsible such as land, buildings or other property, including stores and equipment, were controlled and safeguarded with similar care, and with checks as appropriate;
- e) Ensured that my responsibility for the overall organisation, management and staffing of the National Imaging Academy and its arrangements related to developing and delivering ICT services as well as matters of finance, together with any other aspect relevant to the conduct of the National Imaging Academy business in pursuance of the strategic direction set by Welsh Government (WG) were discharged accordingly;
- f) Ensured that all items of expenditure, including payments to staff, fell within the legal powers of the Health Board;
- g) Acted within the scheme of delegations and ensured that I complied with guidance on classes of payment that I should authorise personally;
- h) Ensured that in delegating functions to officers I was satisfied of their ongoing capacity and capability to deliver on those functions, facilitating access to the information they needed, ongoing training and development, as well as professional or specialist advice where appropriate;
- i) Ensured prudent and economical administration, for the avoidance of waste and extravagance, and for the efficient and effective use of all resources;



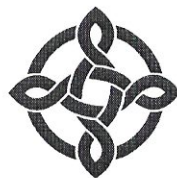
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University Health Board

- j) Ensured that risks to the achievement of the National Imaging Academy Objectives and fulfilment of its responsibilities were identified, that their significance was assessed, and that a sound system of internal control was in place to manage them;
- k) Implemented an appropriate framework of assurance covering all aspects of National Imaging Academy business, ensured that research and evaluation work was planned so that strategic objectives and spending programmes for which I have responsibility were routinely evaluated to assess their effectiveness and value for money;
- l) Ensured that, in the consideration of policy proposals relating to the expenditure or income for which I have responsibility, all relevant financial considerations, including any issues of propriety, regularity or value for money, were taken into account, and where necessary brought to your attention, as Accountable Officer for Cwm Taf Morgannwg University Health Board;
- m) Agreed to attend any Board or sub-committee meeting of the Health Board in relation to National Imaging Academy performance or governance issues that may affect the operational, financial or reputational performance of the Health Board; and
- n) Agreed to such reporting structure as was reasonably required by you or the Board in relation to the delivery of your obligations.
- o) Ensured that there were appropriate procedures established for Information Governance to ensure that all data/information was managed in accordance with all relevant legislation (i.e. General Data Protection Regulations, Data Protection Act 1998, Freedom of Information Act 2000, and Access to Health Records 1990), NHS standards and guidance's issued by the Welsh Government, the Information Commissioner's Office and other professional bodies.
- p) Escalated any incidents and/or risks that may impact the delivery of our service to the appropriate Health Board Committee / Executive Lead.

In relation to my responsibilities outlined above, I can confirm;

- i. I have discharged my responsibilities as laid down in this Statement and confirm that the financial information contained within the Health Boards accounts as they relate to the National Imaging Academy represent a true and fair view of its position on an ongoing basis;
 - That all losses and special payments cases have been properly managed in accordance to the instructions and procedures set out in the 'Losses and Special Payments Manual of Guidance' and also, in respect of handling clinical negligence and personal injury claims, the guidance issued under cover of Welsh Health Circulars WHC(97)7, Section 8 PTR Guidance –

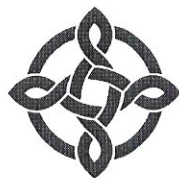


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Clinical Negligence and Personal Injury Litigation: Claims Handling : Putting Things Right – Guidance on dealing with concerns about the NHS from 1st April 2012 (Version 2 – April 2012) which supersedes WHC(97)17 – Clinical Negligence and Personal Injury Litigation: Structured Settlements.

- The Civil Procedure Rules 1998
 - WHC(98)8 -NHS Indemnity – Arrangements for Handling Clinical Negligence Claims against NHS Staff
 - WHC(99)128 – Handling Clinical Negligence Claims: Pre-Action Protocol
- ii. This responsibility also includes ensuring that counter fraud measures were put in place and operated in accordance with Welsh Government Directions on countering fraud in the NHS in Wales;
 - iii. Compliance with The Health and Social Care (Quality and Engagement) (Wales) Act 2020, with due regard to the guidance and quality standards as appropriate.
 - iv. That the National Imaging Academy duty for internal control was fully embodied throughout the organisation that the Board Committees of the Health Board were provided with regular reports on such matters and that appropriate action was taken on any issues that emerge from these reports;
 - v. That appropriate action has been taken regarding recommendations made in any reports produced by the Public Accounts Committees of the Welsh Government (the PAC) and of the Westminster Parliament; or made in reports to WG or the National Assembly for Wales by the Auditor General for Wales or in reports to Parliament by the Comptroller and Auditor General;
 - vi. I have provided information as requested by the Auditor General for Wales and Audit Wales. I have co-operated with external auditors in any enquiries into the use the National Imaging Academy Service has made of public funds. I have provided, on your request, information on any points raised by external auditors which generate public, Welsh Government or Parliamentary interest. Future arrangements for internal audit will comply with those described in the NHS Internal Audit Standards for NHS Wales. I will ensure prompt action is taken in response to concerns raised by both external and internal audit;
 - vii. I have provided any information requested by the Healthcare Inspectorate Wales, the Care and Social Services Inspectorate Wales, the Care Quality Commission and any other statutory inspectorate agency such as the Health and Safety Executive; and ensured appropriate action was taken regarding recommendations made in any reports produced by these organisations;

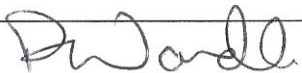


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WALES

Bwrdd Iechyd Prifysgol
Cwm Taf Morgannwg
University Health Board

- viii. As appropriate, I identified a senior official who, in any temporary period of unavailability due to illness or other cause, or during normal periods of annual leave, could act on my behalf if required;
- ix. The National Imaging Academy has in place effective management systems that safeguard public funds and are appropriate for the achievement of the Health Board's Governance objectives and as laid down in the Code of Conduct and Accountability. Managers at all levels;
- a. Had a clear view of their objectives and the means to assess and, wherever possible, measure outputs or performance in relation to those objectives;
 - b. were assigned well-defined responsibilities for making the best use of resources;
 - c. received the information, training and access to the expert advice they need to exercise their responsibilities effectively.
- x. Management systems were in place, which covered the issue of relationships and responsibilities of the Health Board Committees; and
- xi. I complied with The Code of Conduct and Accountability issued to NHS Boards by Welsh Government in exercising my responsibilities for regularity, propriety and value for money.

For the period 1st April 2023 to the 31st March 2024

Signature: 	Date: 26 iv 2024
Director of the National Imaging Academy Wales	

Looking forward - for the period 1st April 2024 – 31st March 2025

I confirm that I am aware of my ongoing responsibilities and accountability to you, to ensure compliance in all areas as outlined in the above statements continues to be discharged for the financial year 2024-2025.

Signature: 	Date: 26 iv 2024
Director of the National Imaging Academy Wales	

Agenda Item
2.1.5

Audit and Risk Committee

Report On the Audited Financial Statements 2023-2024

Dyddiad y Cyfarfod / Date of Meeting	10/07/2024
Statws Cyhoeddi / Publication Status	Open/ Public
	Not Applicable
Awdur yr Adroddiad / Report Author	Helen Harris, Financial Accountant
Cyflwynydd yr Adroddiad / Report Presenter	Stacey Taylor, Director of Finance and Information
Noddwr Gweithredol yr Adroddiad / Report Executive Sponsor	Stacey Taylor, Director of Finance and Information

Pwrpas yr Adroddiad / Report Purpose	For Noting

Engagement (internal/external) undertaken to date (including receipt/consideration at Committee/Group)		
Committee / Group / Individuals	Date	Outcome
(Insert Details)	Click or tap to enter a date.	Choose an item.

Acronyms / Glossary of Terms	

1. SITUATION

To provide an update to the Audit & Risk Committee on the Audited Financial Statements for the financial year ended 31st March 2024.

2. BACKGROUND

As in previous years, the end of year accounting process was completed under a very strict and very tight timescale.

In order to allow Cwm Taf Morgannwg sufficient time to consolidate the position into its own accounts, a full set of financial statements, in the same Welsh Government format as each of the Local Health Boards, must be completed to a faster timescale than the rest of Wales. This obviously produces its own unique challenges for the Financial Accounting. This year the draft accounts were submitted on the 26th April 2024.

As noted at committee in previous years, the format and pages within the accounts document is set by Welsh Government and the settings within the document are protected to allow Welsh Government to easily bring together the whole of NHS Wales. Members are asked to note that there are 3 blank pages within the accounting policies and notes pages that we are unable to delete.

There were no end of year disputes with any NHS Wales organisation. End of year debtor and creditor, income and expenditure balances were agreed with 7 Local Health Boards and 3 NHS Trusts.

The audit field work by Audit Wales took place between 29th April 2024 until 19th June 2024. There were no material adjusting items and the full details of all changes requested by Audit Wales have been included in the ISA 260 report to committee

3. KEY THEMES

In order to appropriately brief Audit Committee members, each of the key financial statements and supporting notes will be discussed in the order that they present in the Welsh Government format. This paper is intended to direct members to the key issues of note and to highlight areas of significant estimate.

Statement of Comprehensive Net Expenditure (Page 2)

As in previous years this indicates that at 31st March 2024, the Joint Committees broke even as required under the terms of the risk sharing agreement. This means there was neither a surplus nor a deficit and that all Local Health Boards agreed to their share of the out turn position.

Overall expenditure has increased by 5.73% on the 2022-23 position. This increase, which amounts to £60.0m, is attributable to not only the additional funding secured through the 2023-24 annual plan, which amounted to £41.8m, but was topped up by further funding streams of an additional £13.8m of

specifically directed allocations and a further £4.4m movement on the end of year risk sharing position and other invoiced income.

Unlike Local Health Boards, there is no requirement to disclose achievement of operational balance. This is because, unlike Local Health Boards, the Committees do not receive resource allocations directly from Welsh Government. All funding, including the risk sharing income, is classed as Miscellaneous Income under the Welsh Government rules and is declared on Page 31, Note 4.0.

Key adjustments to funding in 2023-24 were as follows:

	£m's
Annual Plan Investment	41.821
Less: Non Recurring Funding Streams	-60.012
Provider Inflation Funding	5.094
Funding for Cystic Fibrosis drugs	42.493
NHS Wales Pay Award	13.131
Advanced Therapy Medicinal Products (ATMP)	6.940
Trauma Framework	1.481
Child and Adolescent Mental Health Strategy	1.550
Genomics Developments	2.845
Movement of Final Risk Sharing Outcome	6.006
Other funding movements	-1.350

Statement of Financial Position or Balance Sheet (Page 4)

It is usual among commissioning organisations to have a negative balance sheet total. This was the case for many of the original 22 individual Local Health Boards. Such organisations are unlikely to have substantial fixed assets to fall back on and, as they are not income generating, they do not build up large debtor balances, but they do incur large creditor balances as a result of outstanding end of year provision for services provided but not paid for.

This negative balance also represents the underlying deficit inherited from the predecessor organisation, Health Commission Wales, and will continue indefinitely, firstly because of the risk sharing requirement to break even every year and secondly, will continue by default unless the Committee is able to receive a resource allocation direct from Welsh Government to remove the inherited deficit.

Statement of Changes in Taxpayers Equity (Page 5)

This can be demonstrated in the Statement of Changes in Taxpayers Equity which for the committees does not change from year to year.

Statement of Cash Flows (Page 7)

Additional Notes to the Cash Flow can be found on Page 67, Note 27.

Cash flows relating to operating costs will always equal zero as long as the Committees are funded through the risk sharing agreement, whereby all funding received will equal all expenditure out, in the absence of any direct allocation.

Current Welsh Government rules do not stipulate a maximum cash tolerance level for Local Health Boards. Organisations are, however, required to maintain operational cash balances at a minimum.

Further information regarding end of year cash balances is provided later in this document.

Notes to the Accounts (Pages 8 to 25)

While the bulk of the notes to the accounts are prescriptive and laid down by Welsh Government and HM Treasury, there are 2 notable exceptions that are specific only to the WHSSC.

Committee members are asked to direct attention to Note 1.3 Income and Funding. This describes the nature of the Risk Sharing Agreement which provides the committees with substantially all of their funding. This note also provides an assessment of IFRS 15, Revenue from Contracts with Customers. As the committee risk share funding is unique within NHS Wales, this interpretation is very different to that used by Local Health Boards and has been specifically agreed with both Welsh Government and with the Audit Wales technical team.

Note 1.23 Critical Accounting Judgements describes the key areas of estimation uncertainty within the Statements and is specific to the 41 Long Term Agreement contracts between the WHSSC and NHS England providers.

Moving on to the year to year movements within the key supporting financial schedules.

Note 3.2 Expenditure on Healthcare – Other Providers (Page 29)

Taking each main heading in turn the main movements are described in the following tables

NHS Wales Health Boards 7.01% increase	
Annual Plan Investment	£27.8m
Additional Investment – Genetics	£2.9m
Additional Investment – Eating Disorders	£0.9m
Activity adjustments to LTA's – Cardiff & Vale	£7.3m
Activity adjustments to LTA's – Swansea Bay	£2.1m
Approved Savings Schemes – Cardiac Surgery	£4.2m
Individual Patient Funding – Cardiff & Vale Cardiac Services	£0.3m

Renal Value Based Healthcare and Vulnerable Groups Directed Funding	£0.4m
Other Expenditure Movements	£0.4m

NHS Wales Trusts 7.11% increase	
Additional Investment – WAST Annual Plan	£3.2m
Additional Investment – WAST Wage Award	£10.0m
Additional Investment – Velindre Annual Plan	£4.4m
Activity adjustments to LTA's – Velindre	£2.4m
Other Expenditure Movements	£0.1m

Voluntary Organisations 24.43% increase	
Increase in Child and Adolescent Mental Health placements – St Andrews	£0.3m
Increase in Sexual Assault Referral Centres contract – New Pathways	£0.1m
Other Expenditure Movements	£0.1m

Non Welsh Bodies 0.88% increase	
Movements on IPFR requests – Great Ormond Street Ventricular Assist Device	-£0.3m
Movements on IPFR requests – Alder Hey Burusomab	-£0.5m
Movements on IPFR requests – Robert Jones & Agnes Hunt – Atalauren	-£0.9m
Movements on IPFR requests – Southampton CAR-T (chimeric antigen receptor T-cell)	-£0.3m
Additional IPFR requests – Bristol – Bone Marrow Transplant - Stem Cell Transplant	£0.8m
Other movements on IPFR Requests	-£0.8m
Movements across all LTA baselines – Inflation uplifts and High cost drugs and devices	£2.7m
Other expenditure movements	£0.8m

Private Sector 0.09% increase	
Increase in patient on Home Parenteral Nutrition	£1.5m
Cardiff University – PET (Positron Emission Tomography) Imaging Centre	£0.4m
Increase in Medium Secure placements at higher bed day rates	£1.6m
Approved Savings Schemes – Mental Health Out of Area Placements	-£2.6m
Other Expenditure Movements	-£0.9m

Note 3.3 Expenditure on Hospital & Community Services (Page 30)

Members are asked to note the following exceptional expenditure items which occurred during 2022-23 and which did not re-occur in 2023-24.

Reductions in Consultancy Costs and Premises costs are indicative of much higher levels of directed expenditure in 2022-2023 for the Traumatic Stress Wales Team, the Wales Kidney Network and the National Collaborative Commissioning Unit, which in that year had been resourced through specific Welsh Government

allocations. Similarly, the reduction in spend for Losses and Special payments is partly due to costs incurred in 2022-2023 for taking part in the COVID enquiry and also partly due to there being a staff exit package paid in that year.

Regarding the increase in Establishment costs, this is again due to directed funding provided by Welsh Government to the Traumatic Stress Wales Team to provide patient education materials.

Elsewhere in this note the other material increases to discuss are as follows:

The whole time equivalent numbers of appointments to the committees staffing establishments are detailed in note 9.2.

Both committees have been required to account for the additional 6.3% pension uplift and the NHS Wales wage award. The impact of these being £0.317m and £0.442m respectively and both were funded by Welsh Government allocations.

Note 3.4 Losses, Special Payments and Irrecoverable Debts (Pages 30 and 61)

It is very rare for the committees to have to make any special payments. As the committees are not providers of healthcare, they do not bear any specific clinical governance risk and do not take part in the NHS Wales Risk Pool.

In 2023-24 there have been 2 types of special payments that required disclosure in the financial statements. These are summarised as

Provision, under terms of contract, of long service retirement vouchers	£360
Settlement of a staff employment dispute and exit package	£35,000

Note 4.0 Miscellaneous Income (Page 31)

As stated earlier, key adjustments to funding in 2023/24 were as follows:

	£m's
Annual Plan Investment	41.821
Less: Non Recurring Funding Streams	-60.012
Provider Inflation Funding	5.094
Funding for Cystic Fibrosis drugs	42.493
NHS Wales Pay Award	13.131
Advanced Therapy Medicinal Products (ATMP)	6.940
Trauma Framework	1.481
Child and Adolescent Mental Health Strategy	1.550
Genomics Developments	2.845
Movement of Final Risk Sharing Outcome	6.006
Other funding movements	-1.350

Members are directed to Note 30 Related Parties on Page 69a, which provides further analysis of Risk Sharing contributions by Local Health Board.

Income from NHS trusts relates to recovery of pharmaceutical rebates negotiated on behalf of the committees by NHS Wales Shared Services Partnership.

Notes 9.1, 9.2 Staff Costs and Average Staff Numbers (Page 34)

Expenditure on the staffing resource required to support the Joint Committees has increased by 7.8% on the 2022-23 position.

As mentioned earlier, both committees have been required to account for the additional 6.3% pension uplift and the NHS Wales wage award. The impact of these being £0.317m and £0.442m respectively and both were funded by Welsh Government allocations.

The whole time equivalent numbers of appointments to the committees staffing establishments are detailed in note 9.2.

Note 10.1 Public Sector Payment Policy (Pages 28 & 39)

The Welsh Government requires that Health Boards pay all their trade creditors in accordance with the Confederation of British Industry prompt payment code and Government Accounting rules. Welsh Government has set a target for every Health Board to pay 95% of the number of non NHS creditors within 30 days of receipt of a valid invoice at the correct site.

In 2023-24 this target was achieved for each of the required 4 metrics and achieved overall totals of 98.5% by number of invoices paid and 99.3% by value of invoices.

The underlying calculations for these statistics follow the agreed all Wales methodology, are based on payment data supplied and are validated centrally by NHS Wales Shared Services.

Note 15 Trade and Other Receivables (Page 52)

NHS Wales Health Boards 54.13% increase	
Outstanding cash transfers for Welsh Government allocations still to be issued on 31st March 2024	£11.0m
Movement in outstanding risk sharing balances	-£0.74m
Invoices outstanding on 31 st March 2023 with Aneurin Bevan Health Board relating to 6 goals team	-£1.69m
Other Local Health Board Debtor Movements	£0.45m

In order to provide an adequate year on year comparison the following issues have not continued into 2023-2024 and therefore need to be noted.

Most provider contracts have now moved away from the block cash payments that helped mitigate uncertainty through the COVID-19 pandemic, however, in order to protect underlying service funding, a number remain on a hybrid contracting model of part block and part pass through of expenditure on high cost drugs and devices. For 2024 -2025 it is the commissioning intention of the committee that all such Long Term Agreement contracts will be fully returned to a Cost and Volume basis. Meanwhile, the impact of moving away from a full block basis has resulted in an over all reduction in both debtors and creditors with NHS England as final settlements were agreed and transacted before the 31st March and were no longer outstanding balances at year end. The financial impact of this is a reduction of approximately £2.28m which also takes account of other commissioning movements.

The reduction of £1.43m in respect of other debtors in relation to an annual price rebate from the pharmaceutical company Alexion Pharma UK LTD in relation to the drug Zolgensma. In 2023-2024 this was transacted and paid before year end and therefore did not form part of the end of year debtor.

There were minimal balance movements on Welsh Trusts, Special Health Authorities and Other Prepayments and little of note to report.

Note 18 Trade and Other Payables (Page 55)

NHS Wales Health Boards 57.16% increase	
Movement on risk share under performance - due to fewer cash transfers in year	£1.3m
C&V IPFR year end drug recharge invoices	£1.7m
C&V High Cost Eating Disorders	£0.9m
C&V End of year LTA over performance	£3.4m
Other creditor movements	-£0.2m

NHS Wales Trusts 154.18% increase	
Movement in amounts outstanding through the Velindre LTA	£2.5m
Other creditor movements	£0.1m

Non Welsh Bodies -17.98% decrease	
IPFR non contract creditors – Robert Jones & Agnes Hunt – Atalauren	-£0.8m
IPFR non contract creditors – Sheffield Children's – Zolgensma	-£1.7m
IPFR non contract creditors - Sheffield University – Pulmonary Hypertension	-£0.5m
IPFR non contract creditors – Southampton – Neonatal & Paediatrics	-£1.0m

IPFR non contract creditors – Clatterbridge – Braccytherapy	-£0.5m
IPFR non contract creditors – Leicester – Extra Corporeal Membrane Oxygenation	-£0.5m
Other creditor movements	-£0.2m

Non NHS Providers (creditors & accruals) *	
CPI movements on dialysis independent sector contract – Fresenius and BBRAUN	-£0.3m
Movement on estimates of Home Parenteral Nutrition contract – Calea UK	-£0.3m
Movements on estimates Immunology products – Sciensus Pharma	-£0.2m
Movements on estimates Plastic Surgery out sourcing - Sancta Maria Hospital	-£0.2m
Movements on estimates ventilator replacement costs - Breas	-£0.2m
Movements on estimates EU directive costs	-£0.3m
Other creditor movements	-£0.1m

- To note that non NHS creditors and accruals have been analysed as a total to remove the impact of timing differences on receipt of invoices.

Note 17 Cash Balances (Page 54)

Please refer to earlier commentary regarding the Statement of Cash Flow and associated notes.

Under recent changes to Welsh Government rules there is no longer a maximum cash tolerance level for Local Health Boards. Organisations are still expected to maintain operational cash balances at a minimum.

The cash balance held at 31st March 2024 is £15.0m.

Note 20 Provisions (Page 57)

There is an ongoing remaining provision of £45,195 to settle back dated VAT claims with HM. Revenue & Customs. This is ongoing as the HMRC are still within the allowed review period.

The provision for the early termination of a procurement contract for dialysis services has now been wound out. This provision, which amounted to £314,940, was in line with a specific contractual penalty clause. The underlying procurement contract has since been re-tendered and was ratified by Joint Committee in February 2023. The sections of the new contract that relate to the specific dialysis units commenced during 2023 and the provision is no longer required.

Note 30 Related Party Transactions (Pages 69a and 69b)

In the context of the Joint Committee, related parties are considered to be anyone who can influence the financial or planning agenda of the Joint Committee to the benefit of another related party or organisation. In this case, this would result in a Joint Committee member, through their commissioning role, being able to influence the provider Long Term Agreement for an organisation with which they have a related role, be that a contract of employment or a non executive position.

Further information has been supplied regarding the membership of the Joint Committees including details of the representation and voting rights of the officer members in attendance.

Note 33 Operating Segments (Page 72)

This note provides further separate analysis of the activities of each committee.

Items to note which are specific to the EASC committee are

- Welsh Government provided funding of £13.5m to support provider inflation and wage awards specific to the Wales Ambulance Services Trust. The effect of this can be seen both in Income from Local Health Boards and Expenditure with NHS Wales Trusts.
- Further funding of £0.484m was made available to support the Emergency Medical Retrieval Service, again for provider inflation and wage awards, which can be evidenced in the increase in expenditure with Local Health Boards
- Additionally, income generation activities brought in £0.149m of audit income from medium secure mental health providers.
- The effect of the reduction in the average number whole time equivalent posts highlighted in Note 9 on Page 34 can be seen in the decrease in staff costs. This off sets a wage award and pension increase of £0.138m
- Changes in spend patterns with Private Providers and Voluntary Organisations are in relation to the transfer into the committees of outsourced contracts for the Wales Sexual Assault Referral Centres.
- Meanwhile high areas of spend in 2022-2023 for funded research projects and a staff exit settlement were not repeated in 2023-2024 and can be evidenced in the reduction in spend across Consultancy Fees and Special Payments.
- Across the Balance Sheet of the EASC committee there were minimal changes to the average levels of Creditors and Liabilities indicating a level of predictability of the timing of end of year payments.
- As noted previously, the reduction in Balance Sheet debtors with NHS Wales LHBs is in respect of invoices outstanding on 31st March 2023 with Aneurin Bevan LHB relating to 6 goals team.

Objectives / Strategy	
Dolen i Nod (au) Strategol CBC Link to JCC Strategic Goal(s)	Choose an item.
	The JCC was established on 1 April 2024. As yet the JCC strategic goals have not yet been developed.
Dolen i Feysydd Strategol CBC / Link to JCC Strategic Areas	Not Applicable
	The JCC was established on 1 April 2024. As yet the JCC strategic areas have not yet been developed.
Dolen i Ddeddf Llesiant Cenedlaethau'r Dyfodol – Nodau Llesiant / Link to Wellbeing of Future Generations Act – Wellbeing Goals 150623-guide-to-the-fg-act-en.pdf (futuregenerations.wales)	Not Applicable
	If more than one applies please list below: This is a key element of the overall governance and assurance process for all financial matters
Dolen i Hwyluswyr Ansawdd <i>(Canllawiau Statudol Dyletswydd Ansawdd (llyw.cymru)) / Link to Enablers of Quality</i> (Duty of Quality Statutory Guidance (gov.wales))	Not Applicable
	If more than one applies please list below:
Dolen i Feysydd Ansawdd <i>(Canllawiau Statudol Dyletswydd Ansawdd (llyw.cymru)) / Link to Domains of Quality</i> (Duty of Quality Statutory Guidance (gov.wales))	Effective
	If more than one applies please list below:
Effaith Amgylcheddol/ Cynaliadwyedd (5R) / Environmental /Sustainability Impact (5Rs)	No - Not Applicable
	If more than one applies please list below:

Impact Assessment		
Ansawdd <i>Ydych chi wedi ymgymryd â Sgrinio Asesiad o'r Effaith ar Ansawdd? /</i> Quality <i>Have you undertaken a Quality Impact Assessment Screening?</i>	Yes: ☐	No: ☒
	Outcome:	If no, please include rationale below: Equally applied. No potential negative impact
Cydraddoldeb <i>Ydych chi wedi ymgymryd â Sgrinio Asesiad o'r Effaith ar Gydraddoldeb? /</i> Equality <i>Have you undertaken an Equality Impact Assessment Screening?</i>	Yes: ☐	No: ☒
	Outcome:	If no, please include rationale below: Equally applied. No potential negative imoact
Cyfreithiol / Legal	There are no specific legal implications related to the activity outlined in this report.	
	Legal requirement to produce a set of financial statements for each financial year, to be consolidated by Cwm Taf into their published Statutory Annual Accounts.	
Enw da / Reputational	There is no direct impact on the reputation of the Joint Committee as a result of the activity outlined in this report.	
Effaith Adnoddau <i>(Pobl / Ariannol) /</i> Resource Impact <i>(People / Financial)</i>	There is no direct impact on resources as a result of the activity outlined in this report.	
	The financial statements highlight the resources received by the committees and the use of those resources for the financial year 2023-24 in accordance with WG requirements.	

4. RECOMMENDATIONS

Members of are asked to:-

NOTE the audited financial statements for the financial year ended 31st March 2024.

Welsh Health Specialised Services and Emergency Ambulance Services Committee

FOREWORD

These accounts have been prepared 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

Welsh Health Specialised Services Committee

The Welsh Health Specialised Services Committee was established on 1 April 2010 and is hosted by Cwm Taf Morgannwg Local Health Board. It is responsible for the joint planning of Specialised and Tertiary Services on behalf of Local Health Boards in Wales.

Performance Management and Financial Results

In accordance with the Welsh Health Specialised Services Committee (Wales) Directions 2009 (2009 no 35), LHB's are required to establish a Joint committee for the purpose of jointly exercising its Delegated Functions and providing Relevant Services from 1st April 2010.

The Welsh Health Specialised Services committee (WHSSC) (Wales) Regulations 2009 (SI 2009 no 3097) make provision for the constitution of the "Joint Committee" including its procedures and administrative arrangements.

In accordance with the Emergency Ambulance Services Committee (Wales) Directions 2014 (2014 no 8), LHBs are required to establish a Joint committee for the purpose of jointly exercising its Delegated Functions and providing Relevant Services from 1st April 2014.

The Emergency Ambulance Services Committee (Wales) Regulations 2014 make provision for the constitution of the "Joint Committee" including its procedures and administrative arrangements.

The delegated functions of the Emergency Ambulance Services Committee include the planning and commissioning of Emergency Ambulance Services across Wales, as provided by the Wales Ambulance Services NHS Trust.

The Committees do not hold any statutory responsibility for a resource limit. Services are funded from income from Local Health Boards and accounts for all expenditure on agreed services against the income received.

The Committees must comply fully with the Treasury's Financial Reporting Manual to the extent that it is applicable. As a result the Primary Statement of in-year income and expenditure is the Statement of Comprehensive Net Expenditure. This shows the net operating cost incurred by the Committees which is funded by Local Health Boards in Wales.

Statement of Comprehensive Net Expenditure
for the year ended 31 March 2024

	Note	2023-24 £000	2022-23 £000
Expenditure on Primary Healthcare Services	3.1	0	0
Expenditure on healthcare from other providers	3.2	1,097,366	1,037,094
Expenditure on Hospital and Community Health Services	3.3	9,275	9,550
		1,106,641	1,046,644
Less: Miscellaneous Income	4	(1,106,641)	(1,046,644)
LHB net operating costs before interest and other gains and losses		0	0
Investment Revenue	5	0	0
Other (Gains) / Losses	6	0	0
Finance costs	7	0	0
Net operating costs for the financial year		0	0

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

Other Comprehensive Net Expenditure

	2023-24 £000	2022-23 £000
Net (gain) / loss on revaluation of property, plant and equipment	0	0
Net (gain)/loss on revaluation of right of use assets	0	0
Net (gain) / loss on revaluation of intangibles	0	0
(Gain) / loss on other reserves	0	0
Net (gain)/ loss on revaluation of PPE & Intangible assets held for sale	0	0
Net (gain)/loss on revaluation of financial assets held for sale	0	0
Impairment and reversals	0	0
Transfers between reserves	0	0
Transfers to / (from) other bodies within the Resource Accounting Boundary	0	0
Reclassification adjustment on disposal of available for sale financial assets	0	0
Other comprehensive net expenditure for the year	0	0
Total comprehensive net expenditure for the year	0	0

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

Statement of Financial Position as at 31 March 2024

		31 March 2024 £000	31 March 2023 £000
	Notes		
Non-current assets			
Property, plant and equipment	11	0	0
Right of Use Assets	11.3	0	0
Intangible assets	12	0	0
Trade and other receivables	15	0	0
Other financial assets	16	0	0
Total non-current assets		0	0
Current assets			
Inventories	14	0	0
Trade and other receivables	15	27,348	22,034
Other financial assets	16	0	0
Cash and cash equivalents	17	15,020	17,908
		42,368	39,942
Non-current assets classified as "Held for Sale"	11	0	0
Total current assets		42,368	39,942
Total assets		42,368	39,942
Current liabilities			
Trade and other payables	18	(54,165)	(51,424)
Other financial liabilities	19	0	0
Provisions	20	(45)	(360)
Total current liabilities		(54,210)	(51,784)
Net current assets/ (liabilities)		(11,842)	(11,842)
Non-current liabilities			
Trade and other payables	18	0	0
Other financial liabilities	19	0	0
Provisions	20	0	0
Total non-current liabilities		0	0
Total assets employed		(11,842)	(11,842)
Financed by :			
Taxpayers' equity			
General Fund		(11,842)	(11,842)
Revaluation reserve		0	0
Total taxpayers' equity		(11,842)	(11,842)

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2024

	General	Revaluation	Total
	Fund	Reserve	Reserves
	£000	£000	£000
Changes in taxpayers' equity for 2023-24			
Balance as at 31 March 2023	(11,842)	0	(11,842)
NHS Wales Transfer	0	0	0
RoU Asset Transitioning Adjustment	0	0	0
Impact of IFRS 16 on PPP/PFI Liability	0	0	0
Balance at 1 April 2023	(11,842)	0	(11,842)
Net operating cost for the year	0		0
Net gain/(loss) on revaluation of property, plant and equipment	0	0	0
Net gain/(loss) on revaluation of right of use assets	0	0	0
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	0	0	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	0	0	0
Total recognised income and expense for 2023-24	0	0	0
Net Welsh Government funding	0		0
Notional Welsh Government Funding	0		0
Balance at 31 March 2024	(11,842)	0	(11,842)

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

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2023

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Changes in taxpayers' equity for 2022-23			
Balance at 31 March 2022	(11,842)	0	(11,842)
NHS Wales Transfer	0	0	0
RoU Asset Transitioning Adjustment	0	0	0
Balance at 1 April 2022	(11,842)	0	(11,842)
Net operating cost for the year	0		0
Net gain/(loss) on revaluation of property, plant and equipment	0	0	0
Net gain/(loss) on revaluation of right of use assets	0	0	0
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	0	0	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	0	0	0
Total recognised income and expense for 2022-23	0	0	0
Net Welsh Government funding	0		0
Notional Welsh Government Funding	0		0
Balance at 31 March 2023	(11,842)	0	(11,842)

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

Statement of Cash Flows for year ended 31 March 2024

		2023-24	2022-23
		£000	£000
Cash Flows from operating activities	Notes		
Net operating cost for the financial year		0	0
Movements in Working Capital	27	(2,573)	(19,202)
Other cash flow adjustments	28	(280)	0
Provisions utilised	20	(35)	0
Net cash outflow from operating activities		(2,888)	(19,202)
Cash Flows from investing activities			
Purchase of property, plant and equipment		0	0
Proceeds from disposal of property, plant and equipment		0	0
Purchase of intangible assets		0	0
Proceeds from disposal of intangible assets		0	0
Payment for other financial assets		0	0
Proceeds from disposal of other financial assets		0	0
Payment for other assets		0	0
Proceeds from disposal of other assets		0	0
Net cash inflow/(outflow) from investing activities		0	0
Net cash inflow/(outflow) before financing		(2,888)	(19,202)
Cash Flows from financing activities			
Welsh Government funding (including capital)		0	0
Capital receipts surrendered		0	0
Capital grants received		0	0
Capital element of payments in respect of finance leases and on-SoFP PFI Schemes		0	0
Capital element of payments in respect of on-SoFP PFI		0	0
Capital element of payments in respect of Right of Use Assets		0	0
Cash transferred (to)/ from other NHS bodies		0	0
Net financing		0	0
Net increase/(decrease) in cash and cash equivalents		(2,888)	(19,202)
Cash and cash equivalents (and bank overdrafts) at 1 April 2023		17,908	37,110
Cash and cash equivalents (and bank overdrafts) at 31 March 2024		15,020	17,908

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 2023-24 Manual for Accounts. The accounting policies contained in that manual follow the 2023-24 Financial Reporting Manual (FReM) in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, 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 committees for the purpose of giving a true and fair view has been selected. The particular policies adopted by the committees 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

Neither WHSSC nor EASC hold any statutory responsibility for a resource limit. Services are funded by income from Local Health Boards 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 Health Boards 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.

Under the establishment agreements for the committees, the host body, Cwm Taf Morgannwg Local Health Board, is held harmless for all costs with the exception of their own share which reflects their population usage of specialised and emergency ambulance services.

All allocations for services flow from the Welsh Government through the Local Health Boards. There are no direct allocations to either WHSSC or EASC. Income received from LHBs transacting with other NHS Wales bodies is always treated as miscellaneous income.

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

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

Only non-NHS income may be deferred.

1.4. Employee benefits

1.4.1. Short-term employee benefits

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

1.4.2. Retirement benefit costs

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

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

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

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

No employees are members of the Local Government Superannuation Scheme.

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 2022-23 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 therefrom 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

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration.

IFRS 16 leases is effective across public sector from 1 April 2022. The transition to IFRS 16 has been completed in accordance with paragraph C5 (b) of the Standard, applying IFRS 16 requirements retrospectively recognising the cumulative effects at the date of initial application.

In the transition to IFRS 16 a number of elections and practical expedients offered in the standard have been employed. These are as follows: The entity has applied the practical expedient offered in the standard per paragraph C3 to apply IFRS 16 to contracts or arrangements previously identified as containing a lease under the previous leasing standards IAS 17 leases and IFRIC 4 determining whether an arrangement contains a lease and not to those that were identified as not containing a lease under previous leasing standards.

On initial application [The entity] has measured the right of use assets for leases previously classified as operating leases per IFRS 16 C8 (b)(ii), at an amount equal to the lease liability adjusted for accrued or prepaid lease payments.

No adjustments have been made for operating leases in which the underlying asset is of low value per paragraph C9 (a) of the standard.

The transitional provisions have not been applied to operating leases whose terms end within 12 months of the date of initial application has been employed per paragraph C10 (c) of IFRS 16. Hindsight is used to determine the lease term when contracts or arrangements contain options to extend or terminate the lease in accordance with C10 (e) of IFRS 16.

Due to transitional provisions employed the requirements for identifying a lease within paragraphs 9 to 11 of IFRS 16 are not employed for leases in existence at the initial date of application. Leases entered into on or after **the 1st April 20xx** will be assessed under the requirements of IFRS 16. There are further expedients or election that have been employed by NHS Wales organisations in applying IFRS 16.

These include:

- the measurement requirements under IFRS 16 are not applied to leases with a term of 12 months or less under paragraph 5 (a) of IFRS 16
- the measurement requirements under IFRS 16 are not applied to leases where the underlying asset is of a low value which are identified as those assets of a value of less than £5,000, excluding any irrecoverable VAT, under paragraph 5 (b) of IFRS 16

The entity will not apply IFRS 16 to any new leases of intangible assets applying the treatment described

List any other expedients employed by the entity (such as low value 5(b) or 15 on componentisation HM Treasury have adapted the public sector approach to IFRS 16 which impacts on the identification and measurement of leasing arrangements that will be accounted for under IFRS 16

The committees are required to apply IFRS 16 to lease like arrangements entered into with other public sector entities that are in substance akin to an enforceable contract, that in their formal legal form may not be enforceable. Prior to accounting for such arrangements under IFRS 16 the committees have assessed that in all other respects these arrangements meet the definition of a lease under the standard.

The committees are required to apply IFRS 16 to lease like arrangements entered into in which consideration exchanged is nil or nominal, therefore significantly below market value. These arrangements are described as peppercorn leases. Such arrangements are again required to meet the definition of a lease in every other respect prior to inclusion in the scope of IFRS 16. The accounting for peppercorn arrangements aligns to that identified for donated assets. Peppercorn leases are different in substance to arrangements in which consideration is below market value but not significantly below market value.

The nature of the accounting policy change for the lessee is more significant than for the lessor under IFRS 16. IFRS 16 introduces a singular lessee approach to measurement and classification in which lessees recognise a right of use asset.

For the lessor leases remain classified as finance leases when substantially all the risks and rewards incidental to ownership of an underlying asset are transferred to the lessee. When this transfer does not occur, leases are classified as operating leases.

1.11.1 The entity as lessee

At the commencement date for the leasing arrangement a lessee shall recognise a right of use asset and corresponding lease liability. The committees employ a revaluation model for the subsequent measurement of right of use assets unless cost is considered to be an appropriate proxy for current value in existing use or fair value in line with the accounting policy for owned assets. Where consideration exchanged is identified as below market value, cost is not considered to be an appropriate proxy to value the right of use asset.

Irrecoverable VAT is expensed in the period to which it relates and therefore not included in the measurement of the lease liability and consequently the value of the right of use asset.

The incremental borrowing rate of **XX** has been applied to the lease liabilities recognised at the date of initial application of IFRS 16.

Where changes in future lease payments result from a change in an index or rate or rent review, the lease liabilities are remeasured using an unchanged discount rate.

Where there is a change in a lease term or an option to purchase the underlying asset the committees apply a revised rate to the remaining lease liability.

Where existing leases are modified the committees must determine whether the arrangement constitutes a separate lease and apply the standard accordingly.

Lease payments are recognised as an expense on a straight-line or another systematic basis over the lease term, where the lease term is in substance 12 months or less, or is elected as a lease containing low value underlying asset by the committees.

1.11.2 The entity as lessor

A lessor shall classify each of its leases as an operating or finance lease. A lease is classified as finance lease when the lease substantially transfers all the risks and rewards incidental to ownership of an underlying asset. Where substantially all the risks and rewards are not transferred, a lease is classified as an operating lease.

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

Income from operating leases is recognised on a straight-line or another systematic 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 as an expense on a straight-line basis over the lease term.

Where the committees are an intermediate lessor, being a lessor and a lessee regarding the same underlying asset, classification of the sublease is required to be made by the intermediate lessor considering the term of the arrangement and the nature of the right of use asset arising from the head lease.

On transition the committees have reassessed the classification of all of its continuing subleasing arrangements to include peppercorn leases.

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 both 2023-24 and 2022-23. The WRP is hosted by Velindre NHS University Trust.

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, NHS Wales organisations assess 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 NHS Wales organisations become 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

Neither WHSSC or EASC have any pooled budgets

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.

For WHSSC, the critical accounting judgements and estimates within these accounts are contained within the cross border tertiary and quaternary contractual agreements with NHS England organisations. This involves a financial evaluation of the uncertainties surrounding the end of year contract flow of funds. In doing so management is required to predict performance trends for a number of low volume but exceptionally high cost procedures and treatments.

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.

1.26 Private Finance Initiative (PFI) transactions

The committees DO NOT HOLD ANY PFI ASSETS. The following is to outline the principles that may be used in this situation.

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'.

1.26.1. Services received

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

1.26.2. 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.

1.26.3. PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised.

Prior year treatment

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.

1.26.4 Impact of IFRS 16 on on-balance sheet PFI/PPP Schemes As from 1st April 2023.

On-balance sheet PPP arrangements should be based on IFRS 16 accounting principles from 2023/24.

When measuring the liability for on-balance sheet PPP contracts containing capital payments linked to a price index IFRS 16 requires that 'a lessee shall remeasure the lease liability where there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments. The lessee shall remeasure the lease liability to reflect those revised lease payments only when there is a change in the cash flows.

Initial remeasurement -the future PPP liability will need to be remeasured at 1 April 2023 to include the actual indexation-linked changes to payments for the capital/infrastructure element which have taken effect in the cash flows since the PPP agreement commenced. This should use a cumulative catch-up approach, where the cumulative effect is recognised as an adjustment to the opening balance of retained earnings.

Subsequent measurement - The PPP liability will continue to require remeasurements whenever cash payments change in response to indexation movements as set out in the individual PPP contract. The double entry for the subsequent liability remeasurement should be Debit Finance Cost, Credit PPP liability.

The liability does not include estimated future indexation linked increases.

1.26.5. 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.

1.26.6. 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.

1.26.7. 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.

1.27. Contingencies

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

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

Where the time value of money is material, contingencies are disclosed at their present value. Remote contingent liabilities are those that are disclosed under Parliamentary reporting requirements and not under IAS 37 and, where practical, an estimate of their financial effect is required.

1.28. Absorption accounting

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

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.

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

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

IFRS14 Regulatory Deferral Accounts

Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable.

IFRS 17 Insurance Contracts, Application required for accounting periods beginning on or after 1 January 2023, Standard is not yet adopted by the FReM which is expected to be from April 2025: early adoption is not permitted.

1.30. Accounting standards issued that have been adopted early

During 2023-24 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

2. Financial Duties Performance

The National Health Service Finance (Wales) Act 2014 came into effect from 1 April 2014. The Act amended the financial duties of Local Health Boards under section 175 of the National Health Service (Wales) Act 2006. From 1 April 2014 section 175 of the National Health Service (Wales) Act places two financial duties on Local Health Boards:

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

The first assessment of performance against the 3 year statutory duty under section 175 (1) was at the end of 2016 -17, being the first 3 year period of assessment.

Welsh Health Circular WHC/2016/054 "Statutory and Financial Duties of Local Health Boards and NHS Trusts" clarifies the statutory financial duties of NHS Wales bodies effective from 2016-17.

2.1 Revenue Resource Performance

	Annual financial performance			
	2021-22 £000	2022-23 £000	2023-24 £000	Total £000
Net operating costs for the year	0	0	0	0
Less general ophthalmic services expenditure and other non-cash limited expenditure	0	0	0	0
Less unfunded revenue consequences of bringing PFI schemes onto SoFP	0	0	0	0
Less any non funded revenue consequences of IFRS 16	0	0	0	0
Total operating expenses	0	0	0	0
Revenue Resource Allocation	0	0	0	0
Under /(over) spend against Allocation	0	0	0	0

2.2 Capital Resource Performance

	2021-22 £000	2022-23 £000	2023-24 £000	Total £000
Gross capital expenditure	0	0	0	0
Add: Losses on disposal of donated assets	0	0	0	0
Less NBV of property, plant and equipment, right of use and intangible assets	0	0	0	0
Less capital grants received	0	0	0	0
Less donations received	0	0	0	0
Less IFRS16 Peppercorn income	0	0	0	0
Less initial recognition of RoU Asset Dilapidations	0	0	0	0
Charge against Capital Resource Allocation	0	0	0	0
Capital Resource Allocation	0	0	0	0
(Over) / Underspend against Capital Resource Allocation	0	0	0	0

2.3 Duty to prepare a 3 year integrated plan

Each year Welsh Government issues planning guidance that places a requirement on organisations within NHS Wales, for the development of integrated plans, that seek to align; service, workforce and finance. The Integrated Commissioning plans of both EASC and WHSSC respond to that guidance, and seek to present cohesive plans for the commissioning of Specialised Services and Emergency Ambulance Services for the people of Wales. The plans are developed on behalf of the seven Health Boards in Wales, and are the basis upon which HBs plan for specialist and emergency ambulance services provision within their Integrated Medium Term Plans (IMTPs).

The WHSSC Joint Committee of Health Boards approved the 2023-27 Integrated Commissioning Plan on the 13th February 2023, the approved plan was subsequently submitted to Welsh Government and accepted by confirmation letter on 2nd October 2023 .

On the 19th March 2024, the WHSSC Joint Committee approved the ongoing 2024-27 Integrated Commissioning Plan which has been submitted to Welsh Government. Confirmation of acceptance is still awaited at the date of these accounts.

The EASC Joint Committee of Health Boards approved the 2023-27 Integrated Commissioning Plan on the 14th March 2023, the approved plan was subsequently submitted to Welsh Government and accepted by confirmation letter on 2nd October 2023 .

On the 19th March 2024, the EASC Joint Committee approved the ongoing 2024-27 Integrated Commissioning Plan which has been submitted to Welsh Government. Confirmation of acceptance is still awaited at the date of these

2.4 Creditor payment

The committees are 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 committees have achieved the following results:

	2023-24	2022-23
Total number of non-NHS bills paid	5,469	5,781
Total number of non-NHS bills paid within target	5,417	5,644
Percentage of non-NHS bills paid within target	99.0%	97.6%

The committees have met the required target.

3. Analysis of gross operating costs

3.1 Expenditure on Primary Healthcare Services

	Cash limited £000	Non-cash limited £000	2023-24 Total £000	2022-23 Total £000
General Medical Services	0		0	0
Pharmaceutical Services	0	0	0	0
General Dental Services	0		0	0
General Ophthalmic Services	0	0	0	0
Other Primary Health Care expenditure	0		0	0
Prescribed drugs and appliances	0		0	0
Total	0	0	0	0

3.2 Expenditure on healthcare from other providers

	2023-24 £000	2022-23 £000
Goods and services from other NHS Wales Health Boards	579,493	541,548
Goods and services from other NHS Wales Trusts	303,704	283,543
Goods and services from Welsh Special Health Authorities	166	131
Goods and services from other non Welsh NHS bodies	177,444	175,889
Goods and services from WHSSC / EASC	0	0
Local Authorities	0	0
Voluntary organisations	2,771	2,227
NHS Funded Nursing Care	0	0
Continuing Care	0	0
Private providers	33,788	33,756
Specific projects funded by the Welsh Government	0	0
Other	0	0
Total	1,097,366	1,037,094

3.3 Expenditure on Hospital and Community Health Services

	2023-24	2022-23
	£000	£000
Directors' costs	0	0
Operational Staff costs	8,266	7,668
Single lead employer Staff Trainee Cost	0	0
Collaborative Bank Staff Cost	0	0
Supplies and services - clinical	0	0
Supplies and services - general	0	0
Consultancy Services	136	605
Establishment	320	197
Transport	0	0
Premises	436	737
External Contractors	0	0
Depreciation	0	0
Depreciation Right of Use assets (RoU)	0	0
Amortisation	0	0
Fixed asset impairments and reversals (Property, plant & equipment)	0	0
Fixed asset impairments and reversals (RoU Assets)	0	0
Fixed asset impairments and reversals (Intangible assets)	0	0
Impairments & reversals of financial assets	0	0
Impairments & reversals of non-current assets held for sale	0	0
Audit fees	59	59
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	35	260
Research and Development	0	0
Expense related to short-term leases	0	0
Expense related to low-value asset leases (excluding short-term leases)	0	0
Other operating expenses	23	24
Total	9,275	9,550

3.4 Losses, special payments and irrecoverable debts: charges to operating expenses

	2023-24	2022-23
	£000	£000
Increase/(decrease) in provision for future payments:		
Clinical negligence;		
Secondary care	0	0
Primary care	0	0
Redress Secondary Care	0	0
Redress Primary Care	0	0
Personal injury	0	0
All other losses and special payments	35	258
Defence legal fees and other administrative costs	0	2
Gross increase/(decrease) in provision for future payments	35	260
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	0	0
Less: income received/due from Welsh Risk Pool	0	0
Total	35	260

	2023-24	2022-23
	£	£
Permanent injury included within personal injury £:	0	0

4. Miscellaneous Income

	2023-24 £000	2022-23 £000
Local Health Boards	1,104,534	1,044,245
Welsh Health Specialised Services Committee (WHSSC)/Emergency Ambulance Services Committee (EASC)	0	0
NHS Wales trusts	267	801
Welsh Special Health Authorities	0	11
Foundation Trusts	0	0
Other NHS England bodies	0	0
Other NHS Bodies	0	0
Local authorities	0	0
Welsh Government	27	0
Welsh Government Hosted bodies	0	0
Non NHS:		
Prescription charge income	0	0
Dental fee income	0	0
Private patient income	0	0
Overseas patients (non-reciprocal)	0	0
Injury Costs Recovery (ICR) Scheme	0	0
Other income from activities	1,813	1,587
Patient transport services	0	0
Education, training and research	0	0
Charitable and other contributions to expenditure	0	0
Receipt of NWSSP Covid centrally purchased assets	0	0
Receipt of Covid centrally purchased assets from other organisations	0	0
Receipt of donated assets	0	0
Receipt of Government granted assets	0	0
Right of Use Grant (Peppercorn Lease)	0	0
Non-patient care income generation schemes	0	0
NHS Wales Shared Services Partnership (NWSSP)	0	0
Deferred income released to revenue	0	0
Right of Use Asset Sub-leasing rental income	0	0
Contingent rental income from finance leases	0	0
Rental income from operating leases	0	0
Other income:		
Provision of laundry, pathology, payroll services	0	0
Accommodation and catering charges	0	0
Mortuary fees	0	0
Staff payments for use of cars	0	0
Business Unit	0	0
Scheme Pays Reimbursement Notional	0	0
Other	0	0
Total	1,106,641	1,046,644
Other income Includes;		
	0	0
	0	0
	0	0
	0	0
	0	0
	0	0
	0	0
Total	0	0

Injury Cost Recovery (ICR) Scheme income

	2023-24 %	2022-23 %
To reflect expected rates of collection ICR income is subject to a provision for impairment of:	0.00	0.00

5. Investment Revenue

	2023-24	2022-23
	£000	£000
Rental revenue :		
PFI Finance lease income		
planned	0	0
contingent	0	0
Other finance lease revenue	0	0
Interest revenue :		
Bank accounts	0	0
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	0	0
Total	0	0

6. Other gains and losses

	2023-24	2022-23
	£000	£000
Gain/(loss) on disposal of property, plant and equipment	0	0
Gain/(loss) on disposal other than by sale of right of use assets	0	0
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	0	0

7. Finance costs

	2023-24	2022-23
	£000	£000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	0	0
Interest on obligations under Right of Use Leases	0	0
Interest on obligations under PFI contracts;		
main finance cost	0	0
contingent finance cost	0	0
Impact of IFRS 16 on PPP/PFI contracts	0	0
Interest on late payment of commercial debt	0	0
Other interest expense	0	0
Total interest expense	0	0
Provisions unwinding of discount	0	0
Other finance costs	0	0
Total	0	0

8. Future charges to Statement of Comprehensive Net Expenditure (SoCNE)

LHB as lessee

WHSSC

Unit G1 The Willowford

5 years to break clause from 10th June 2019

EASC

Unit 1 Charnwood Court

10 years from 23rd March 2017

	2023-24	2023-24	2023-24	2022-23
	Low Value & Short Term	Other	Total	Total
Payments recognised as an expense				
	£000	£000	£000	£000
Minimum lease payments	0	176	176	176
Contingent rents	0	0	0	0
Sub-lease payments	0	0	0	0
Total	0	176	176	176

Total future minimum lease payments

Payable	£000	£000	£000	£000
Not later than one year	0	195	195	176
Between one and five years	0	654	654	448
After 5 years	0	27	27	0
Total	0	876	876	624

The lease on Unit G1, The Willowford will reach its 5 year break date on 10th June 2024

After that date the lease will continue for a further 5 years to the agreed end date

From 10th June 2024 in agreement with the landlord and in line with the original lease document

the lease payments will increase to an annual value of £126,000 per financial year

The IFRS 16 compliance for these leases is undertaken by the host LHB on behalf of the Joint Committees

This schedule is for information and to aid understanding only.

LHB as lessor

	2023-24	2022-23
Rental revenue	£000	£000
Rent	0	0
Contingent rents	0	0
Total revenue rental	0	0

Total future minimum lease payments

Receivable	£000	£000
Not later than one year	0	0
Between one and five years	0	0
After 5 years	0	0
Total	0	0

9. Employee benefits and staff numbers

9.1 Employee costs	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2022-23
	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	6,322	151	9	0	0	0	6,482	5,996
Social security costs	697	18	0	0	0	0	715	700
Employer contributions to NHS Pension Scheme	1,048	21	0	0	0	0	1,069	972
Other pension costs	0	0	0	0	0	0	0	0
Other employment benefits	0	0	0	0	0	0	0	0
Termination benefits	0	0	0	0	0	0	0	0
Total	8,067	190	9	0	0	0	8,266	7,668
Charged to capital						0	0	0
Charged to revenue						8,266	7,668	
						8,266	7,668	
Net movement in accrued employee benefits (untaken staff leave)						0	0	

9.2 Average number of employees

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2022-23
	Number	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	93	2	0	0	0	0	95	88
Medical and dental	4	0	0	0	0	0	4	5
Nursing, midwifery registered	8	0	0	0	0	0	8	9
Professional, Scientific, and technical staff	4	0	0	0	0	0	4	3
Additional Clinical Services	0	0	0	0	0	0	0	2
Allied Health Professions	0	0	0	0	0	0	0	0
Healthcare Scientists	0	0	0	0	0	0	0	0
Estates and Ancillary	0	0	0	0	0	0	0	0
Students	0	0	0	0	0	0	0	0
Total	108	2	0	0	0	0	110	106

9.3. Retirements due to ill-health

	2023-24	2022-24
Number	0	0
Estimated additional pension costs £	0	0

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

WHSSC does not have an employee benefit scheme

Additional information regarding Note 9.1 - average number of employees	Total	2022-23
WHSSC only	75.87	67.58
EASC (including NCCU and QAIT)	34.30	38.63
	110.17	106.21

9.5 Reporting of other compensation schemes - exit packages

	2023-24	2023-24	2023-24	2023-24	2022-23
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	0	0	0	0
£25,000 to £50,000	0	1	1	0	0
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	1
more than £200,000	0	0	0	0	0
Total	0	1	1	0	1

	2023-24	2023-24	2023-24	2023-24	2022-23
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
	£	£	£	£	£
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	35	35	0	0
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	150
more than £200,000	0	0	0	0	0
Total	0	35	35	0	150

Exit costs paid in year of departure	Total paid in year	Total paid in year
	2023-24	2022-23
	£	£
Exit costs paid in year	0	150
Total	0	150

1 exit package was approved in 2023-2024 but was not signed or transacted until April 2024.

9.6 Fair Pay disclosures

9.6.1 Remuneration Relationship

WHSSC and EASC are not statutory bodies and hold no statutory responsibility. The directors of WHSSC and EASC are directors in name only and are not directors of any statutory body. The statutory reporting body is the host organisation, Cwm Taf Morgannwg Health Board. The directors of WHSSC and EASC are not recognised as directors within the organisational structure of Cwm Taf Morgannwg Health Board.

	2023-24 £000 Chief	2023-24 £000 Employee	2023-24 £000 Ratio	2022-23 £000 Chief	2022-23 £000 Employee	2022-23 £000 Ratio
Total pay and benefits	Executive	Employee	Ratio	Executive	Employee	Ratio
25th percentile pay ratio	0	0	X/Y25:1	0	0	X/Y25:1
Median pay	0	0	X/Y50:1	0	0	X/Y50:1
75th percentile pay ratio	0	0	X/Y75:1	0	0	X/Y75:1
Salary component of total pay and benefits						
25th percentile pay ratio	0	0		0	0	
Median pay	0	0		0	0	
75th percentile pay ratio	0	0		0	0	
	Highest Paid Director	Employee	Ratio	Highest Paid Director	Employee	Ratio
Total pay and benefits						
25th percentile pay ratio	0	0	X/Y25:1	0	0	X/Y25:1
Median pay	0	0	X/Y50:1	0	0	X/Y50:1
75th percentile pay ratio	0	0	X/Y75:1	0	0	X/Y75:1
Salary component of total pay and benefits						
25th percentile pay ratio	0	0		0	0	
Median pay	0	0		0	0	
75th percentile pay ratio	0	0		0	0	

9.6.2 Percentage Changes

	2022-23 to 2023-24	2021-22 to 2022-23
% Change from previous financial year in respect of Chief Executive	%	%
Salary and allowances	0	0
Performance pay and bonuses	0	0
% Change from previous financial year in respect of highest paid director		
Salary and allowances	0	0
Performance pay and bonuses	0	0
Average % Change from previous financial year in respect of employees takes as a whole		
Salary and allowances	0	0
Performance pay and bonuses	0	0

9.7 Pension costs

Past and present employees are covered by the provisions of the 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 the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. 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 2024, is based on valuation data as 31 March 2023, updated to 31 March 2024 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 Statement by the Actuary, which forms part of the annual NHS Pension Scheme Annual Report and 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 2020. The results of this valuation set the employer contribution rate payable from 1 April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

c) National Employment Savings Trust (NEST)

NEST is a workplace pension scheme, which was set up by legislation and is treated as a trust-based scheme. The Trustee responsible for running the scheme is NEST Corporation. It's a non-departmental public body (NDPB) that operates at arm's length from government and is accountable to Parliament through the Department for Work and Pensions (DWP).

NEST Corporation has agreed a loan with the Department for Work and Pensions (DWP). This has paid for the scheme to be set up and will cover expected shortfalls in scheme costs during the earlier years while membership is growing.

NEST Corporation aims for the scheme to become self-financing while providing consistently low charges to members.

Using qualifying earnings to calculate contributions, currently the legal minimum level of contributions is 8% of a jobholder's qualifying earnings, for employers whose legal duties have started. The employer must pay at least 3% of this.

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £6,240 and £50,270 for the 2023-24 tax year (2022-23 £6,240 and £50,270).

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 Health Board financial targets a requirement to pay 95% of the number of non-NHS creditors within 30 days of delivery.

	2023-24	2023-24	2022-23	2022-23
	Number	£000	Number	£000
NHS				
Total bills paid	2,011	1,061,321	2,243	1,002,667
Total bills paid within target	1,948	1,054,668	2,159	994,727
Percentage of bills paid within target	96.9%	99.4%	96.3%	99.2%
Non-NHS				
Total bills paid	5,469	38,333	5,781	33,470
Total bills paid within target	5,417	37,755	5,644	32,719
Percentage of bills paid within target	99.0%	98.5%	97.6%	97.8%
Total				
Total bills paid	7,480	1,099,654	8,024	1,036,137
Total bills paid within target	7,365	1,092,423	7,803	1,027,446
Percentage of bills paid within target	98.5%	99.3%	97.2%	99.2%

Data Source: provided by and compliance validated by NHS Wales Shared Services Partnership

10.2 The Late Payment of Commercial Debts (Interest) Act 1998

	2023-24	2022-23
	£	£
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

2023-24

	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 at 31 March bf	0	0	0	0	0	0	0	0	0
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Prepayments	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
Cost or valuation at 1 April 2023	0	0	0	0	0	0	0	0	0
Indexation	0	0	0	0	0	0	0	0	0
Additions									
- purchased	0	0	0	0	0	0	0	0	0
- donated	0	0	0	0	0	0	0	0	0
- government granted	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
At 31 March 2024	0	0	0	0	0	0	0	0	0
Depreciation at 31 March bf	0	0	0	0	0	0	0	0	0
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
Depreciation at 1 April 2023	0	0	0	0	0	0	0	0	0
Indexation	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	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	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
Provided during the year	0	0	0	0	0	0	0	0	0
At 31 March 2024	0	0	0	0	0	0	0	0	0
Net book value at 1 April 2023	0	0	0	0	0	0	0	0	0
Net book value at 31 March 2024	0	0	0	0	0	0	0	0	0
Net book value at 31 March 2024 comprises :									
Purchased	0	0	0	0	0	0	0	0	0
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2024	0	0	0	0	0	0	0	0	0
Asset financing :									
Owned	0	0	0	0	0	0	0	0	0
On-SoFP MIMS Funded PPP contracts	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2024	0	0	0	0	0	0	0	0	0

The net book value of land, buildings and dwellings at 31 March 2024 comprises :

	£000
Freehold	0
Long Leasehold	0
Short Leasehold	0
	0

Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account.

0

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards. LHBs 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

2022-23

	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 at 31 March bf	0	0	0	0	0	0	0	0	0
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Prepayments	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
Cost or valuation at 1 April 2022	0	0	0	0	0	0	0	0	0
Indexation	0	0	0	0	0	0	0	0	0
Additions									
- purchased	0	0	0	0	0	0	0	0	0
- donated	0	0	0	0	0	0	0	0	0
- government granted	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
At 31 March 2023	0	0	0	0	0	0	0	0	0
Depreciation at 31 March bf	0	0	0	0	0	0	0	0	0
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
Depreciation at 1 April 2022	0	0	0	0	0	0	0	0	0
Indexation	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	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	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
Provided during the year	0	0	0	0	0	0	0	0	0
At 31 March 2023	0	0	0	0	0	0	0	0	0
Net book value at 1 April 2022	0	0	0	0	0	0	0	0	0
Net book value at 31 March 2023	0	0	0	0	0	0	0	0	0
Net book value at 31 March 2023 comprises :									
Purchased	0	0	0	0	0	0	0	0	0
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2023	0	0	0	0	0	0	0	0	0
Asset financing :									
Owned	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2023	0	0	0	0	0	0	0	0	0

The net book value of land, buildings and dwellings at 31 March 2023 comprises :

	£000
Freehold	0
Long Leasehold	0
Short Leasehold	0
	<u>0</u>

Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account.

0

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards. LHB s are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

11. Property, plant and equipment (continued)

The committees do not receive a Capital Resource Limit

Therefore, neither WHSSC nor EASC hold any property, plant or equipment.

Any necessary equipment purchases or lease contracts are made through Cwm Taf UHB as the host organisation, and are capitalised, managed and held on its asset register on behalf of the Joint Committees.

As a result the Host LHB undertakes, on behalf of the committees, the responsibility for compliance with requirements of IFRS 16

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 2023	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 2024	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Balance brought forward 1 April 2022	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 2023	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

11.3 Right of Use Assets

2023-24	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 31 March	0	0	0	0	0	0	0	0	0
Lease prepayments in relation to RoU Assets	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases from PPE Note	0	0	0	0	0	0	0	0	0
Operating Leases Transitioning	0	0	0	0	0	0	0	0	0
Cost or valuation at 1 April	0	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	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	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	0	0	0	0	0
At 31 March	0	0	0	0	0	0	0	0	0
Depreciation at 31 March	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases from PPE Note	0	0	0	0	0	0	0	0	0
Operating Leases Transitioning	0	0	0	0	0	0	0	0	0
Depreciation at 1 April	0	0	0	0	0	0	0	0	0
Recognition	0	0	0	0	0	0	0	0	0
Transfers from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	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	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	0	0	0	0	0
Provided during the year	0	0	0	0	0	0	0	0	0
At 31 March	0	0	0	0	0	0	0	0	0
Net book value at 1 April	0	0	0	0	0	0	0	0	0
Net book value at 31 March	0	0	0	0	0	0	0	0	0
RoU Asset Total Value Split by Lessor									
Lessor	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
NHS Wales Peppercorn Leases	0	0	0	0	0	0	0	0	0
NHS Wales Market Value Leases	0	0	0	0	0	0	0	0	0
Other Public Sector Peppercorn Leases	0	0	0	0	0	0	0	0	0
Other Public Sector Market Value Leases	0	0	0	0	0	0	0	0	0
Private Sector Peppercorn Leases	0	0	0	0	0	0	0	0	0
Private Sector Market Value Leases	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0

11.3 Right of Use Assets

2022-23	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 31 March	0	0	0	0	0	0	0	0	0
Lease prepayments in relation to RoU Assets	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases from PPE Note	0	0	0	0	0	0	0	0	0
Operating Leases Transitioning	0	0	0	0	0	0	0	0	0
Cost or valuation at 1 April	0	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	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	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	0	0	0	0	0
At 31 March	0	0	0	0	0	0	0	0	0
Depreciation at 31 March	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases from PPE Note	0	0	0	0	0	0	0	0	0
Operating Leases Transitioning	0	0	0	0	0	0	0	0	0
Depreciation at 1 April	0	0	0	0	0	0	0	0	0
Recognition	0	0	0	0	0	0	0	0	0
Transfers from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	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	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	0	0	0	0	0
Provided during the year	0	0	0	0	0	0	0	0	0
At 31 March	0	0	0	0	0	0	0	0	0
Net book value at 1 April	0	0	0	0	0	0	0	0	0
Net book value at 31 March	0	0	0	0	0	0	0	0	0
RoU Asset Total Value Split by Lessor									
Lessor	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
NHS Wales Peppercorn Leases	0	0	0	0	0	0	0	0	0
NHS Wales Market Value Leases	0	0	0	0	0	0	0	0	0
Other Public Sector Peppercorn Leases	0	0	0	0	0	0	0	0	0
Other Public Sector Market Value Leases	0	0	0	0	0	0	0	0	0
Private Sector Peppercorn Leases	0	0	0	0	0	0	0	0	0
Private Sector Market Value Leases	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0

11.3 Right of Use Assets continued

Quantitative disclosures

	2023-24	2023-24	2023-24	2023-24	2022-23
Maturity analysis	LAND	BUILDINGS	OTHER	TOTAL	
Contractual undiscounted cash flows relating to lease liabilities	£000	£000	£000	£000	£000
Less than 1 year	0	0	0	0	0
2-5 years	0	0	0	0	0
> 5 years	0	0	0	0	0
Total	0	0	0	0	0
Lease Liabilities (net of irrecoverable VAT)				2023-24	2022-23
Current				0	0
Non-Current				0	0
Total				0	0
Amounts Recognised in Statement of Comprehensive Net Expenditure				2023-24	2022-23
Depreciation				0	0
Impairment				0	0
Variable lease payments not included in lease liabilities - Interest expense				0	0
Sub-leasing income				0	0
Expense related to short-term leases				0	0
Expense related to low-value asset leases (excluding short-term leases)				0	0
Amounts Recognised in Statement of Cashflows (net of irrecoverable VAT)					
Interest expense				0	0
Repayments of principal on leases				0	0
Total				0	0

12. Intangible non-current assets

2023-24

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2023	0	0	0	0	0	0	0
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	0	0	0	0	0
Additions- internally generated	0	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Gross cost at 31 March 2024	0	0	0	0	0	0	0
Amortisation at 1 April 2023	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Amortisation at 31 March 2024	0	0	0	0	0	0	0
Net book value at 1 April 2023	0	0	0	0	0	0	0
Net book value at 31 March 2024	0	0	0	0	0	0	0
NBV at 31 March 2024							
Purchased	0	0	0	0	0	0	0
Donated	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0	0
Total at 31 March 2024	0	0	0	0	0	0	0

12. Intangible non-current assets

2022-23

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2022	0	0	0	0	0	0	0
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	0	0	0	0	0
Additions- internally generated	0	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Gross cost at 31 March 2023	0	0	0	0	0	0	0
Amortisation at 31 March bf	0	0	0	0	0	0	0
NHS Wales Transfers	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0
Amortisation at 1 April 2022	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Amortisation at 31 March 2023	0	0	0	0	0	0	0
Net book value at 1 April 2022	0	0	0	0	0	0	0
Net book value at 31 March 2023	0	0	0	0	0	0	0
NBV at 31 March 2023							
Purchased	0	0	0	0	0	0	0
Donated	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0	0
Total at 31 March 2023	0	0	0	0	0	0	0

Additional Disclosures re Intangible Assets

13 . Impairments

	2023-24	2023-24	2023-24	2022-23	2022-23	2022-23
	Property, plant	Right of	Intangible	Property, plant	Right of	Intangible
	& equipment	Use Assets	assets	& equipment	Use Assets	assets
	£000	£000	£000	£000	£000	£000
Impairments arising from :						
Loss or damage from normal operations	0	0	0	0	0	0
Abandonment in the course of construction	0	0	0	0	0	0
Over specification of assets (Gold Plating)	0	0	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0	0	0
Unforeseen obsolescence	0	0	0	0	0	0
Changes in market price	0	0	0	0	0	0
Others (specify)	0	0	0	0	0	0
Reversal of Impairments	0	0	0	0	0	0
Total of all impairments	0	0	0	0	0	0
Analysis of impairments charged to reserves in year :						
Charged to the Statement of Comprehensive Net Expenditure	0	0	0	0	0	0
Impairments as a result of a loss of economic value or service potential Charged to Revaluation Reserve	0	0	0	0	0	0
Total	0	0	0	0	0	0

14.1 Inventories

	31 March 2024 £000	31 March 2023 £000
Drugs	0	0
Consumables	0	0
Energy	0	0
Work in progress	0	0
Other	0	0
Total	0	0
Of which held at realisable value	0	0

14.2 Inventories recognised in expenses

	31 March 2024 £000	31 March 2023 £000
Inventories recognised as an expense in the period	0	0
Write-down of inventories (including losses)	0	0
Reversal of write-downs that reduced the expense	0	0
Total	0	0

15. Trade and other Receivables

Current	31 March 2024 £000	31 March 2023 £000
Welsh Government	0	0
WHSSC / EASC	0	0
Welsh Health Boards	25,678	16,660
Welsh NHS Trusts	745	708
Welsh Special Health Authorities	0	11
Non - Welsh Trusts	754	3,036
Other NHS	0	0
2019-20 Scheme Pays - Welsh Government Reimbursement	0	0
Welsh Risk Pool Claim reimbursement		
NHS Wales Secondary Health Sector	0	0
NHS Wales Primary Sector FLS Reimbursement	0	0
NHS Wales Redress	0	0
Other	0	0
Local Authorities	0	0
Capital receivables - Tangible	0	0
Capital receivables - Intangible	0	0
Other receivables	10	1,441
Provision for irrecoverable debts	0	0
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	161	178
Other accrued income	0	0
Sub total	27,348	22,034
Non-current		
Welsh Government	0	0
WHSSC / EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Welsh Special Health Authorities	0	0
Non - Welsh Trusts	0	0
Other NHS	0	0
2019-20 Scheme Pays - Welsh Government Reimbursement	0	0
Welsh Risk Pool Claim reimbursement;		
NHS Wales Secondary Health Sector	0	0
NHS Wales Primary Sector FLS Reimbursement	0	0
NHS Wales Redress	0	0
Other	0	0
Local Authorities	0	0
Capital receivables - Tangible	0	0
Capital receivables - Intangible	0	0
Other receivables	0	0
Provision for irrecoverable debts	0	0
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	0	0
Other accrued income	0	0
Sub total	0	0
Total	27,348	22,034

15. Trade and other Receivables (continued)

Receivables past their due date but not impaired

	31 March 2024 £000	31 March 2023 £000
By up to three months	0	6
By three to six months	4	1
By more than six months	6	4
	<u>10</u>	<u>11</u>

Expected Credit Losses (ECL) / Provision for impairment of receivables

Balance at 1 April	0	0
Transfer to other NHS Wales body	0	0
Amount written off during the year	0	0
Amount recovered during the year	0	0
(Increase) / decrease in receivables impaired	0	0
Bad debts recovered during year	0	0
Balance at 31 March	<u>0</u>	<u>0</u>

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
Other	0	0
Total	<u>0</u>	<u>0</u>

16. Other Financial Assets

	Current		Non-current	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	£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)				
Right of Use Asset Finance Sublease	0	0	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

RoU Sub-leasing income Recognised in Statement of Comprehensive Net Expenditure	2023-24	2022-23
RoU Sub-leasing income	0	0

17. Cash and cash equivalents

	2023-24	2022-23
	£000	£000
Balance at 1 April	17,908	37,110
Net change in cash and cash equivalent balances	(2,888)	(19,202)
Balance at 31 March	15,020	17,908
Made up of:		
Cash held at GBS	15,020	17,908
Commercial banks	0	0
Cash in hand	0	0
Cash and cash equivalents as in Statement of Financial Position	15,020	17,908
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in Statement of Cash Flows	15,020	17,908

18. Trade and other payables

Current	31 March	31 March
	2024	2023
	£000	£000
Welsh Government	0	0
WHSSC / EASC	0	0
Welsh Health Boards	19,593	12,467
Welsh NHS Trusts	914	(1,687)
Welsh Special Health Authorities	0	1
Other NHS	24,025	29,292
Taxation and social security payable / refunds	82	93
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	0	0
NI contributions payable to HMRC	84	91
Non-NHS payables - Revenue	4,954	3,282
Local Authorities	0	0
Capital payables- Tangible	0	0
Capital payables- Intangible	0	0
Overdraft	0	0
Rentals due under operating leases	0	0
RoU Lease Liability	0	0
Obligations under finance leases, HP contracts		
Imputed finance lease element of on SoFP PFI contracts	0	0
Impact of IFRS 16 on SoFP PFI contracts	0	0
Pensions: staff	0	0
Non NHS Accruals	4,511	7,882
Deferred Income:		
Deferred Income brought forward	0	0
Deferred Income Additions	0	0
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	0	0
Other creditors	0	0
PFI assets –deferred credits	0	0
Payments on account	2	3
Sub Total	54,165	51,424
Non-current		
Welsh Government	0	0
WHSSC / EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Welsh Special Health Authorities	0	0
Other NHS	0	0
Taxation and social security payable / refunds	0	0
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	0	0
NI contributions payable to HMRC	0	0
Non-NHS payables - Revenue	0	0
Local Authorities	0	0
Capital payables- Tangible	0	0
Capital payables- Intangible	0	0
Overdraft	0	0
Rentals due under operating leases	0	0
RoU Lease Liability	0	0
Obligations under finance leases, HP contracts		
Imputed finance lease element of on SoFP PFI contracts	0	0
Impact of IFRS 16 on SoFP PFI contracts	0	0
Pensions: staff	0	0
Non NHS Accruals	0	0
Deferred Income :		
Deferred Income brought forward	0	0
Deferred Income Additions	0	0
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	0	0
Other creditors	0	0
PFI assets –deferred credits	0	0
Payments on account	0	0
Sub Total	0	0
Total	54,165	51,424

It is intended to pay all invoices within the 30 day period directed by the Welsh Government.

18. Trade and other payables (continued).

Amounts falling due more than one year are expected to be settled as follows:	31 March	31 March
	2024	2023
	£000	£000
Between one and two years	0	0
Between two and five years	0	0
In five years or more	0	0
Sub-total	0	0

19. Other financial liabilities

Financial liabilities	Current		Non-current	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	£000	£000	£000	£000
Financial Guarantees:				
At amortised cost	0	0	0	0
At fair value through SoCNE	0	0	0	0
Derivatives at fair value through SoCNE	0	0	0	0
Other:				
At amortised cost	0	0	0	0
At fair value through SoCNE	0	0	0	0
Total	0	0	0	0

20. Provisions

	At 1 April 2023	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 2024
Current	£000	£000	£000	£000	£000	£000	£000	£000	£000
Clinical negligence:-									
Secondary care	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	35	(35)	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0	0		0
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	360		0	0	0	0	(315)		45
Total	360	0	0	0	35	(35)	(315)	0	45
Non Current									
Clinical negligence:-									
Secondary care	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0	0		0
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
Total	0	0	0	0	0	0	0	0	0
TOTAL									
Clinical negligence:-									
Secondary care	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	35	(35)	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0	0		0
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	360		0	0	0	0	(315)		45
Total	360	0	0	0	35	(35)	(315)	0	45

Expected timing of cash flows:

	In year to 31 March 2025	Between 1 April 2025 31 March 2029	Thereafter	Total
				£000
Clinical negligence:-				
Secondary care	0	0	0	0
Primary care	0	0	0	0
Redress Secondary care	0	0	0	0
Redress Primary care	0	0	0	0
Personal injury	0	0	0	0
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	0	0	0	0
Pensions relating to former directors	0	0	0	0
Pensions relating to other staff	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0	0	0	0
Restructuring	0	0	0	0
RoU Asset Dilapidations CAME	0	0	0	0
Other Capital Provisions	0	0	0	0
Other	45	0	0	45
Total	45	0	0	45

20. Provisions (continued)

	At 1 April 2022	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 2023
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current									
Clinical negligence:-									
Secondary care	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0	0		0
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	360		0	0	0	0	0		360
Total	360	0	0	0	0	0	0	0	360
Non Current									
Clinical negligence:-									
Secondary care	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0	0		0
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
Total	0	0	0	0	0	0	0	0	0
TOTAL									
Clinical negligence:-									
Secondary care	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0	0		0
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	360		0	0	0	0	0		360
Total	360	0	0	0	0	0	0	0	360

21. Contingencies

21.1 Contingent liabilities

	2023-24 £'000	2022-23 £'000
Provisions have not been made in these accounts for the following amounts :		
Legal claims for alleged medical or employer negligence:-		
Secondary care	0	0
Primary care	0	0
Redress Secondary care	0	0
Redress Primary care	0	0
Doubtful debts	0	0
Equal Pay costs	0	0
Defence costs	0	0
Continuing Health Care costs	0	0
Other	25	0
Total value of disputed claims	25	0
Amounts (recovered) in the event of claims being successful	0	0
Net contingent liability	25	0

21.2 Remote Contingent liabilities

	2023-24 £000	2022-23 £000
Guarantees	0	0
Indemnities	0	0
Letters of Comfort	0	0
Total	0	0

21.3 Contingent assets

	2023-24 £000	2022-23 £000
	0	0
Total	0	0

22. Capital commitments

Contracted capital commitments at 31 March

The disclosure of future capital commitments not already disclosed as liabilities in the accounts.

	2023-24 £000	2022-23 £000
Property, plant and equipment	0	0
Right of Use Assets	0	0
Intangible assets	0	0
Total	0	0

24. Right of Use leases obligations

24.1 Obligations (as lessee)

Amounts payable under right of use asset leases:

2023-24

	LAND	BUILDINGS	OTHER	TOTAL
	31 March	31 March	31 March	31 March
	2024	2024	2024	2024
	£000	£000	£000	£000
Minimum lease payments				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0
Minimum lease payments	0	0	0	0
Included in:				
Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
	0	0	0	0
Present value of minimum lease payments				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Present value of minimum lease payments	0	0	0	0
Included in:				
Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
	0	0	0	0

2022-23

	LAND	BUILDINGS	OTHER	TOTAL
	31 March	31 March	31 March	31 March
	2023	2023	2023	2023
	£000	£000	£000	£000
Minimum lease payments				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0
Minimum lease payments	0	0	0	0
Included in:				
Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
	0	0	0	0
Present value of minimum lease payments				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Present value of minimum lease payments	0	0	0	0
Included in:				
Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
	0	0	0	0

24.3 Right of Use Assets lease receivables (as lessor)

The Committees have no RoU leases receivable as a lessor.

Amounts receivable under right of use assets leases:	2023-24	2022-23
	31 March	31 March
	2024	2023
	£000	£000
Gross Investment in leases		
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

Neither WHSSC nor EASC have Private Finance Initiative Contracts

Commitments under off-SoFP PFI contracts	Off-SoFP PFI contracts	Off-SoFP PFI contracts
	31 March 2024	31 March 2023
	£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
	0
Contract start date:	xx xx xxxx
Contract end date:	xx xx xxxx

Total obligations for on-Statement of Financial Position PFI contracts due:

	On SoFP PFI Capital element	On SoFP PFI Imputed interest	On SoFP PFI Service charges
	31 March 2024	31 March 2024	31 March 2024
	£000	£000	£000
Total payments due within one year	0	0	0
Total payments due between 1 and 5 years	0	0	0
Total payments due thereafter	0	0	0
Total future payments in relation to PFI contracts	0	0	0

	On SoFP PFI Capital element	On SoFP PFI Imputed interest	On SoFP PFI Service charges
	31 March 2023	31 March 2023	31 March 2023
	£000	£000	£000
Total payments due within one year	0	0	0
Total payments due between 1 and 5 years	0	0	0
Total payments due thereafter	0	0	0
Total future payments in relation to PFI contracts	0	0	0

	31/03/2024
	£000
Total present value of obligations for on-SoFP PFI contracts	0

25.3 Charges to expenditure

	2023-24	2022-23
	£000	£000
Service charges for On Statement of Financial Position PFI contracts (excl interest costs)	0	0
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	0	0

The LHB is committed to the following annual charges

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	0	0
Total	0	0

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	0	0
Number of PFI contracts which individually have a total commitment > £500m	0	0

PFI Contract

Number of PFI contracts which individually have a total commitment > £500m	0

PFI Contract

On/Off

25.5 The committees have 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. WHSSC and EASC are 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. WHSSC and EASC have 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 committees in undertaking their activities.

Currency risk

WHSSC and EASC are principally domestic organisations with the great majority of transactions, assets and liabilities being in the UK and Sterling based. They have no overseas operations. WHSSC and EASC therefore have low exposure to currency rate fluctuations.

Interest rate risk

WHSSC and EASC are not permitted to borrow. WHSSC and EASC therefore have low exposure to interest rate fluctuations.

Credit risk

Because the majority of the funding for WHSSC and EASC derives from funds voted by the Welsh Government the committees have low exposure to credit risk.

Liquidity risk

WHSSC and EASC are required to operate within cash limits set through the approved financial plan for the year. The committees are not, therefore, exposed to significant liquidity risks.

27. Movements in working capital

	2023-24 £000	2022-23 £000
(Increase)/decrease in inventories	0	0
(Increase)/decrease in trade and other receivables - non-current	0	0
(Increase)/decrease in trade and other receivables - current	(5,314)	(4,966)
Increase/(decrease) in trade and other payables - non-current	0	0
Increase/(decrease) in trade and other payables - current	2,741	(14,236)
Total	(2,573)	(19,202)
Adjustment for accrual movements in fixed assets - creditors	0	0
Adjustment for accrual movements in fixed assets - debtors	0	0
Adjustment for accrual movements in right of use assets - creditors	0	0
Adjustment for accrual movements in right of use assets - debtors	0	0
Other adjustments	0	0
	(2,573)	(19,202)

28. Other cash flow adjustments

	2023-24 £000	2022-23 £000
Depreciation	0	0
Amortisation	0	0
(Gains)/Loss on Disposal	0	0
Impairments and reversals	0	0
Release of PFI deferred credits	0	0
NWSSP Covid assets issued debited to expenditure but non-cash	0	0
Covid assets received credited to revenue but non-cash	0	0
Donated assets received credited to revenue but non-cash	0	0
Government Grant assets received credited to revenue but non-cash	0	0
Right of Use Grant (Peppercorn Lease) credited to revenue but non cash	0	0
Non-cash movements in right of use assets	0	
Non-cash movements in provisions	(280)	0
Other movements	0	0
Total	(280)	0

29. Events after the Reporting Period

From 1st April 2024 the Joint Committees of WHSSC and EASC ceased to exist. In their place is a new commissioning committee of LHBSs to be known as the NHS Wales Joint Commissioning Committee.

The NWJCC was established in response to the findings of an independent review commissioned by Welsh Government into the national commissioning arrangements undertaken by the Emergency Ambulance Services Committee and the Welsh Health Specialised Services Committee.

From 1st April 2024, the NWJCC replaces EASC and WHSSC and will assume responsibility for the services previously commissioned by these committees, together with the commissioning of NHS 111 Wales services, and the Sexual Assault Referral Centres for Wales.

This new committee was created under Welsh Government Directive, Welsh Statutory Instruments 2024 No 135 (W.29) National Health Service Wales. The National Health Service Joint Commissioning Committee (Wales) Regulations 2024, Welsh Subordinate Legislation WG 24-06 National Health Service Wales; The National Health Service Joint Commissioning Committee (Wales) Directions 2024, makes provision for the establishment of the JCC and revokes the previous WHSSC and EASC Directions.

All assets and liabilities of WHSSC and EASC transferred on 1st April 2024.

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 2023/2024, 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 2023/2024 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 Ambulance 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) £000's	Debtor (Note 15) £000's	Creditor (Note 18) £000's
Cardiff and Vale UHB	177,278	355,165	56	5,148	8,642
Aneurin Bevan UHB	208,689	13,904	45	4,681	2,911
Betsi Cadwalladr UHB	243,093	51,636		6,362	1,936
Swansea Bay UHB	134,543	143,521	25	2,473	5,087
Cwm Taf Morgannwg UHB	158,885	11,924	581	4,083	508
Hywel Dda UHB	129,259	3,289	102	2,316	362
Powys Teaching HB	52,787	54	57	615	147
Public Health Wales NHS Trust		232			82
Velindre NHS Trust	217	59,884		217	785
Welsh Ambulance Services NHS Trust	50	243,588		528	47
	1,104,801	883,197	866	26,423	20,507

See over leaf for membership of the Joint Committees and voting rights

30. Related Party Transactions (continued)

Members of the Joint Committees for 2023/2024

LHB Chief Executives have voting rights on the committee while Trust Chief Executives are associate members only			During 2023/2024 WHSSC and EASC have entered into material transactions with the organisations represented as listed above		HB/Trust Related Party	Other Declared Related Party Organisation	Relationship Declared	Value of Transactions in 2023-2024 £
Nicola Prygodzicz	Member WHSSC & EASC				Chief Executive Aneurin Bevan UHB			
Hayley Thomas	Member WHSSC & EASC	From May 2023			Interim Chief Executive Powys Teaching			
		From February 2024			Chief Executive Powys Teaching HB			
Carol Shillabeer	Member WHSSC & EASC	Until May 2023			Chief Executive Powys Teaching HB			
		From May 2023			Interim Chief Executive Betsi Cadwaladr			
		from February 2024			Chief Executive Betsi Cadwaladr UHB			
Paul Mears	Member WHSSC & EASC				Chief Executive Cwm Taf Morgannwg UHB			
Steve Moore	Member WHSSC & EASC	Until end January 2024			Chief Executive Hywel Dda UHB			
Philip Kloer	Member WHSSC & EASC	From February 2024			Interim Chief Executive Hywel Dda UHB			
Mark Hackett	Member WHSSC & EASC	Until 31 August 2023			Interim Chief Executive Swansea Bay UHB	Robert Jones & Agnes Hunt Orthopaedic Hospital NHS Foundation Trust	Spouse is a Non Executive Director	£767k including £138k outstanding on March 31st 2024
Richard Evans	Member WHSSC & EASC	From September 2023			Interim Chief Executive Swansea Bay UHB			
Suzanne Rankin	Member WHSSC & EASC				Chief Executive Cardiff and Vale UHB	Cardiff University	University Council, Lay Member	£3.648m including £605k outstanding on March 31st 2024

The following are Associate Members of the Joint Committees and therefore have no voting rights.

Tracey Cooper	Associate Member WHSSC & EASC		Chief Executive Public Health Wales NHS Trust,
Steve Ham	Associate Member WHSSC & EASC		Chief Executive Velindre NHS Trust
Jason Killens	Associate Member EASC		Chief Executive, Welsh Ambulance Services University NHS Trust

The following are officers with voting rights on the Joint Committee

WHSSC			
Sian Lewis	Managing Director WHSSC		No declared related party interests
Stuart Davies	Director of Finance WHSSC & EASC	Until July 2023	No declared related party interests
James Leaves	Acting Director of Finance WHSSC & EASC	From August 2023 to October 2023	No declared related party interests
Stacey Taylor	Director of Finance WHSSC & EASC	From October 2023	No declared related party interests
Iolo Doull	Medical Director WHSSC		
EASC			
Stephen Harrihy	Chief Ambulance Services Commissioner		No declared related party interests

The following are officers with no voting rights on the Joint Committee but are regular attendees who may present recommendation papers.

WHSSC Only			
Carole Bell	Nurse Director WHSSC		No declared related party interests
Nicola Johnson	Director of Planning & Performance WHSSC		No declared related party interests
Jacqueline Maunder-Evans	Committee Secretary WHSSC		No declared related party interests

EASC and / or WHSSC			
Stuart Davies	Director of Finance WHSSC & EASC	Until July 2023	No declared related party interests
James Leaves	Acting Director of Finance WHSSC & EASC	From August 2023 to October 2023	No declared related party interests
Stacey Taylor	Director of Finance WHSSC & EASC	From October 2023	No declared related party interests
Gwenan Roberts	Committee Secretary EASC		No declared related party interests

WHSSC Independent Members With a Declared Interest

Kate Eden	Chair WHSSC		Chair, Public Health Wales NHS Trust
Ceri Phillips	Independent Member WHSSC and Vice Chair	Until June 2023	Independent Board Member, Cardiff and Vale UHB
Chantal Patel	Independent Member WHSSC	From September 2023	Independent Board Member, Hywel Dda University Health Board
Steve Spill	Independent Member WHSSC and Audit Lead		Independent Board Member, Swansea Bay University Health Board
Carolyn Donoghue	Independent Member WHSSC	From July 2023	Independent Board Member, Cwm Taf Morgannwg UHB

EASC Independent Members With a Declared Interest

Chris Turner	Chair EASC		No related party transactions

31. Third Party assets

The committees do not hold any cash balances on behalf of patients or any other 3rd party

32. Pooled budgets

Neither WHSSC nor EASC have any pooled budgets.

33. Operating segments

	WHSSC		EASC	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	£000	£000	£000	£000
Miscellaneous Income				
Income from Local Health Boards	848,859	802,134	255,675	242,111
Income from Wales NHS Trusts	217	744	50	57
Welsh Special Health Authorities		0		11
Income from Welsh Government		0	27	0
EASC	55	55		0
WHSSC		0	220	220
Other Income from Activities	1,636	1,432	177	155
Total Income	850,767	804,365	256,149	242,554
Expenditure on Healthcare from Other Providers				
Other NHS Wales LHBS	570,660	533,370	8,833	8,178
Other NHS Wales Trusts	59,919	53,034	243,785	230,509
Special Health Authorities	166	131		0
EASC	220	220		0
WHSSC		0	55	55
Other Non Welsh NHS Bodies	177,444	175,889		0
Voluntary Organisations	2,222	2,076	549	151
Private Providers	34,094	33,662	(306)	94
Total Expenditure on Healthcare	844,725	798,382	252,916	238,987
Expenditure on Hospital and Community Services				
Staff costs	5,590	4,865	2,676	2,803
Consultancy	33	352	103	253
Establishment	151	50	169	147
Premises	156	527	280	210
Audit Fees	59	59		0
Losses and Special Payments	35	110		150
Other Operating Expenses	18	20	5	4
Total Expenditure on Hospital and Community Services	6,042	5,983	3,233	3,567
Net Operating Costs of the Committees	0	0	0	0
Trade and Other Receivables				
Welsh Government		0		0
Welsh Health Boards	24,645	14,033	1,033	2,627
Welsh NHS Trusts	217	0	528	708
Welsh Special Health Authorities		0		11
Non - Welsh Trusts	754	3,036		0
Other Debtors	3	1,436	7	5
Other Prepayments	86	102	75	76
Total Receivables	25,705	18,607	1,643	3,427
Liabilities				
Welsh Government		0		0
Welsh Health Boards	18,580	11,520	1,013	947
Welsh NHS Trusts	789	(1,754)	125	67
Special Health Authorities		0		1
Other NHS	24,016	29,280	9	12
Taxation and social security payable	82	93		0
NI contributions payable to HMRC	84	91		0
Non-NHS creditors	4,863	3,229	91	53
Accruals	3,842	7,283	669	599
Payments on account	2	3		0
Provisions	45	360		0
Total Liabilities	52,303	50,105	1,907	1,679
Cash Balances Held	14,756	19,656	264	(1,748)
Taxpayer's Equity in the Committees	(11,842)	(11,842)	0	0

34. Other Information

34.1. 6.3% Staff Employer Pension Contributions - Notional Element

Notional Welsh Government funding split;

The value of notional transactions is based on estimated costs for the twelve month period 1 April 2023 to 31 March 2024. This has been calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions between April 2023 and February 2024 alongside Health Board/Trust/SHA data for March 2023.

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:

Notional 6.3% staff employer pension £316,795
Pensions Annual Allowance Charge Compensation Scheme (PAACCS) £NIL

	2023-24	2022-23
	£000	£000
Statement of Comprehensive Net Expenditure for the year ended 31 March 2024		
Expenditure on Hospital and Community Health Services	317	268
4. Miscellaneous Income		
Local Health Boards	317	268
Reflecting the transfer of the resource allocation from the host org:	0	0
3. Analysis of gross operating costs		
3.3 Expenditure on Hospital and Community Health Services		
Staff costs	317	268
9.1 Employee costs		
Permanent Staff		
Employer contributions to NHS Pension Scheme	317	268
Charged to revenue	317	268

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.

Head of Internal Audit Opinion & Annual Report 2023/2024

July 2024

Cwm Taf Morgannwg University Health Board



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NHS
WALES

Partneriaeth
Cydwasaethau
Gwasanaethau Archwilio a Sicrwydd
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Cwm Taf Morgannwg
University Health Board



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Appendix A Conformance with Internal Audit Standards

Appendix B Audit Assurance Ratings

Report status: Final

Draft report issued: 07 June 2024

Final report issued: 03 July 2024

Author: Head of Internal Audit

Lead Executive: Director of Governance

Audit Committee: July 2024

Disclaimer notice - please note

This audit report has been prepared for internal use only. Audit and Assurance Services reports are prepared, in accordance with the agreed audit brief, and the Audit Charter as approved by the Audit and Risk Committee.

Audit reports are prepared by the staff of the NHS Wales Audit and Assurance Services, and addressed to Independent Members or officers including those designated as Accountable Officer. They are prepared for the sole use of Cwm Taf Morgannwg University Health Board and no responsibility is taken by the Audit and Assurance Services Internal Auditors to any director or officer in their individual capacity, or to any third party.

1. EXECUTIVE SUMMARY

1.1 Purpose of this Report

Cwm Taf Morgannwg University Health Board’s (the ‘Health Board’ or the ‘organisation’) Board is accountable for maintaining a sound system of internal control that supports the achievement of the organisation’s objectives and is also responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system. A key element in that flow of assurance is the overall assurance opinion from the Head of Internal Audit.

This report sets out the Head of Internal Audit Opinion together with the summarised results of the internal audit work performed during the year. The report also includes a summary of audit performance and an assessment of conformance with the Public Sector Internal Audit Standards.

1.2 Head of Internal Audit Opinion 2023-24

The purpose of the annual Head of Internal Audit opinion is to contribute to the assurances available to the Chief Executive as Accountable Officer and the Board which underpin the Board’s own assessment of the effectiveness of the system of internal control. The approved Internal Audit plan is focused on risk and therefore the Board will need to integrate these results with other sources of assurance when making a rounded assessment of control for the purposes of the Annual Governance Statement. The overall opinion for 2023/24 is that:

Reasonable assurance		The Board can take Reasonable Assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.

1.3 Delivery of the Audit Plan

Our internal audit plan is agile and responsive to ensure that key developing risks to the organisation are covered. As a result of this approach, and with the support of officers and independent members across the Health Board, the plan has been delivered substantially in accordance with the agreed schedule and changes required during the year, as approved by the Audit & Risk Committee (the ‘Audit Committee’). In addition, regular audit progress reports have been submitted to the Audit Committee. Although changes have been made to the plan during the year, we can confirm that we have undertaken sufficient audit work during the year to be able to give

an overall opinion in line with the requirements of the Public Sector Internal Audit Standards.

The Internal Audit Plan for 2023/24 year was presented to the Audit Committee in April 2023. Some changes to the plan have been made during the course of the year and these changes have been reported to the Committee as part of our regular progress reporting.

There are, as in previous years, audits undertaken at NWSSP, DHCW, WHSSC and EASC that support the overall opinion for NHS Wales health bodies (see section 3).

Our latest External Quality Assessment (EQA), conducted by the Chartered Institute of Public Finance and Accountancy (in March 2023), and our own annual Quality Assurance and Improvement Programme (QAIP) have both confirmed that our internal audit work 'fully conforms' to the requirements of the Public Sector Internal Audit Standards (PSIAS) for 2023/24. We are able to state that our service 'conforms to the IIA's professional standards and to PSIAS.'

1.4 Summary of Audit Assignments

This report summarises the outcomes from our work undertaken in the year. In some cases, audit work from previous years may also be included and where this is the case, details are given. This report also references assurances received through the internal audit of control systems operated by other NHS Wales organisations (again, see section 3).

The audit coverage in the plan agreed with management has been deliberately focused on key strategic and operational risk areas; the outcome of these audit reviews may therefore highlight control weaknesses that impact on the overall assurance opinion.

Overall, we can provide the following assurances to the Board that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively in the areas in the table below.

Where we have given Limited Assurance, management are aware of the specific issues identified and have agreed action plans to improve control in these areas. These planned control improvements should be referenced in the Annual Governance Statement where it is appropriate to do so.

A summary of the audits undertaken in the year and the results are summarised in table 1 below.

Table 1 – Summary of Audits 2023/24

Substantial Assurance	Reasonable Assurance
• Arrangements for financial savings – Centralised processes • PCH – Quality – site supervisor role • PCH – Validation of management actions	• Adult Mental Health CSG – Governance arrangements • Adult Mental Health CSG – Risk management • Adult Mental Health CSG – Workforce • Adult Mental Health CSG – Planning and performance • Deprivation of Liberty Safeguards (DoLS) • Arrangements for financial savings – Enabling schemes • IT infrastructure • IT service management • Leadership and management development • Management of controlled drugs • Risk management • Technical resilience • Welsh Risk Pool • Follow up – Radiology workforce • Follow up – Medical variable pay (Draft) • Follow up – Digital operating model • Follow up – Reasonable offer (Draft) • PCH – Financial management and change control • PCH – Delivery of key project objectives (Draft)
Limited Assurance	Advisory/Non-Opinion
• Decarbonisation • Estates condition (Draft) • Arrangements for financial savings – Care group processes • Gastro-Intestinal pathways – Demand management	• Annual Governance Statement

- Interventions Not Normally Undertaken (INNU) - Performance management of 4 hour target - Follow up – Patient pathway appointment management	
No Assurance	
N/A	

Please note that our overall opinion has also taken into account both the number and significance of any audits that have been deferred during the course of the year (see section 5.7) and also other information obtained during the year that we deem to be relevant to our work (see section 2.4.2).

2. HEAD OF INTERNAL AUDIT OPINION

2.1 Roles and Responsibilities

The Board is collectively accountable for maintaining a sound system of internal control that supports the achievement of the organisation’s objectives and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system.

The Annual Governance Statement is a statement made by the Accountable Officer, on behalf of the Board, setting out:

- how the individual responsibilities of the Accountable Officer are discharged with regard to maintaining a sound system of internal control that supports the achievement of policies, aims and objectives;
- the purpose of the system of internal control, as evidenced by a description of the risk management and review processes, including compliance with the Health & Care Quality Standards; and
- the conduct and results of the review of the effectiveness of the system of internal control including any disclosures of significant control failures, together with assurances that actions are or will be taken where appropriate to address issues arising.

The Health Board’s risk management process and system of assurance should bring together all of the evidence required to support the Annual Governance Statement.

In accordance with the Public Sector Internal Audit Standards (PSIAS), the Head of Internal Audit (HIA) is required to provide an annual opinion, based upon and limited to the work performed on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control. This is achieved through an audit plan that has been focussed on key strategic and operational risk areas and known

improvement opportunities, agreed with executive management and approved by the Audit Committee, which should provide an appropriate level of assurance.

The opinion does not imply that Internal Audit has reviewed all risks and assurances relating to the Health Board. The opinion is substantially derived from the conduct of risk-based audit work formulated around a selection of key organisational systems and risks. As such, it is a key component that the Board takes into account but is not intended to provide a comprehensive view.

The Board, through the Audit Committee, will need to consider the Head of Internal Audit opinion together with assurances from other sources including reports issued by other review bodies, assurances given by management and other relevant information when forming a rounded picture on governance, risk management and control for completing its Governance Statement.

2.2 Purpose of the Head of Internal Audit Opinion

The purpose of the annual Head of Internal Audit opinion is to contribute to the assurances available to the Accountable Officer and the Board of Cwm Taf Morgannwg University Health Board which underpin the Board's own assessment of the effectiveness of the organisation's system of internal control.

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

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

2.3 Assurance Rating System for the Head of Internal Audit Opinion

The overall opinion is based primarily on the outcome of the work undertaken during the course of the 2023/24 audit year. We also consider other information available to us such as our overall knowledge of the organisation, the findings of other assurance providers and inspectors, and the work we undertake at other NHS Wales organisations. The Head of Internal Audit considers the outcomes of the audit work undertaken and exercises professional judgement to arrive at the most appropriate opinion for each organisation.

A quality assurance review process has been applied by the Director of Audit & Assurance and the Head of Internal Audit in the annual reporting

process to ensure the overall opinion is consistent with the underlying audit evidence.

We take this approach into account when considering our assessment of our compliance with the requirements of PSIAS.

The assurance rating system based upon the colour-coded barometer and applied to individual audit reports remains unchanged. The descriptive narrative used in these definitions has proven effective in giving an objective and consistent measure of assurance in the context of assessed risk and associated control in those areas examined.

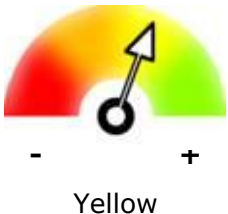
This same assurance rating system is applied to the overall Head of Internal Audit opinion on governance, risk management and control as to individual assignment audit reviews. The assurance rating system together with definitions is included at **Appendix B**.

The individual conclusions arising from detailed audits undertaken during the year have been summarised by the assurance ratings received. The aggregation of audit results gives a better picture of assurance to the Board and also provides a rational basis for drawing an overall audit opinion. However, please note that for presentational purposes we have shown the results using the eight areas that were used to frame the audit plan at its outset (see section 2.4.2).

2.4 Head of Internal Audit Opinion

2.4.1 Scope of opinion

The scope of my 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 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.

Reasonable Assurance		The Board can take reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.

This opinion will need to be reflected within the Annual Governance Statement along with confirmation of action planned to address the issues raised. Particular focus should be placed on the agreed response to any

Limited Assurance opinions issued during the year and the significance of the recommendations made (of which there were seven audits in 2023/24).

2.4.2 Basis for Forming the Opinion

The audit work undertaken during 2023/24, and reported to the Audit Committee, has been aggregated at Section 5.

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

- An assessment of the range of individual opinions and outputs arising from risk-based audit assignments contained within the Internal Audit plan that have been reported to the Audit & Risk Committee throughout the year. In addition, and where appropriate, work at either draft report stage or in progress but substantially complete has also been considered, and where this is the case then it is identified in the report. This assessment has taken account of the relative materiality of these areas and the results of any follow-up audits in progressing control improvements (see section 2.4.3).
- The results of any audit work related to the Health & Care Quality Standards including, if appropriate, the evidence available by which the Board has arrived at its declaration in respect of the self-assessment for the leadership standard.
- Other assurance reviews which impact on the Head of Internal Audit opinion including audit work performed at other organisations (see Section 3).
- Other knowledge and information that the Head of Internal Audit has obtained during the year including cumulative information and knowledge over time; observation of Board and other key committee meetings; meetings with Executive Directors, senior managers and Independent Members; the results of *ad hoc* work and support provided; liaison with other assurance providers and inspectors; research; and cumulative audit knowledge of the organisation that the Head of Internal Audit considers relevant to the Opinion for this year.

As stated above, these detailed results have been aggregated to build a picture of assurance across the Health Board.

In reaching this opinion we have identified that the majority of reviews during the year concluded positively with robust control arrangements operating in some areas.

From the opinions issued during the year, three were allocated Substantial Assurance, 19 were allocated Reasonable Assurance and seven were allocated Limited Assurance. No reports were allocated a 'no assurance' opinion. One advisory or non-opinion piece of work was also undertaken.

At the time of producing the Annual Report, the fieldwork for two audits was concluding. While we have not issued the draft reports for these audits

we have not identified any significant matters during our fieldwork that need to be considered for this year. The outcomes for these audits will feed into the opinion for 2024/25.

In addition, the Head of Internal Audit has considered residual risk exposure across those assignments where limited assurance was reported. Further, the Head of Internal Audit has considered the impact where audit assignments planned this year did not proceed to full audits following preliminary planning work and these were either: removed from the plan; removed from the plan and replaced with another audit; or deferred until a future audit year. The reasons for changes to the audit plan 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.

A summary of the findings is shown below. We have reported the findings using the eight areas of the Health Board's activities that we use to structure both our 3-year strategic and 1-year operational plans.

Corporate Governance, Risk Management and Regulatory Compliance

We have undertaken four reviews in this area.

Risk management – This year we focused our risk management work on two care groups and a corporate department of the Health Board. Our report identified one high priority matter relating to risk monitoring and escalation in one of the care groups that we tested. Overall we issued a **reasonable** assurance opinion.

Adult Mental Health Clinical Service Group – Governance arrangements – We made three medium priority recommendations and gave a **reasonable** assurance opinion.

Adult Mental Health Clinical Service Group – Risk management – We confirmed that the Datix system was used by the CSG to manage risk. We identified two medium priority recommendations that were operational in nature and issued a **reasonable** assurance opinion for this area.

Annual Governance Statement – Our review highlighted that on the whole it is consistent with our knowledge of the Health Board through the audit work performed in the Internal Audit plan and our review of other organisational documents.

Strategic Planning, Performance Management & Reporting

We have undertaken two reviews in this area.

4-hour Emergency Department performance reporting – The national 4-hour performance measure is intended to indicate the percentage of patients that have been in A&E longer than the 4-hour target period where

there was not a medical reason for keeping them there. Our review focused on the systems and process in place for capturing, recording and validating the data used to calculate the performance target. We have issued limited on this area. We issued a **limited** assurance report and identified high priority matters in relation to: the need to develop a standard operating procedure; the need for standardised training across the emergency departments; developing consistent approaches, terminology and definitions in place across sites; and ensuring that information is captured accurately and consistently.

Adult Mental Health Clinical Service Group - Planning and performance – We looked at planning arrangements and both non-financial and financial performance monitoring. We raised one medium priority finding as some improvements were needed to ensure localised monitoring takes place at ward and department levels. We provided a **reasonable** assurance opinion for this area.

Financial Governance and Management

We have undertaken five reviews in this area.

Welsh risk pool (WRP) claims – The processing of a claim against the Health Board in relation to a clinical negligence or personal injury case can take several years between the initial claim and the final settlement. Although the redress process is notably quicker, each case still requires a large amount of documentation to be completed and retained. The WRP standard requires Internal Audit to review the accuracy of a representative sample of closed compensation claims for reimbursement by Welsh Risk Pool Services. We made three medium priority recommendations and issued a **reasonable** assurance opinion.

Follow up –Medical variable pay – agency costs [Draft] – We identified six matters arising in our original review, which included five high priority recommendations, and three medium priority recommendations.

From our analysis of data, review of documentation and meetings with staff, we confirmed that seven recommendations had been implemented or partially implemented. One high priority recommendation in relation to the updating of policies and procedures remained outstanding. We issued a **reasonable** assurance opinion.

Arrangements for financial savings – centralised processes – We confirmed that there was an established process for determining savings targets for care groups and the corporate directorates that sit outside of the care group structure. Monthly progress against the savings targets was monitored and reported both at various levels within the organisation, including the Executive Leadership Group, and Welsh Government. We provided **substantial** assurance for this review.

Arrangements for financial savings – care group processes – Savings targets are allocated to clinical service groups within care groups. We raised

a high priority recommendation in relation to the assessment of savings schemes within care groups. We provide a **limited assurance** opinion on this area.

Arrangements for financial savings – enabling schemes – The Health Board has six programmes of work (enabling schemes) as part of its value and effectiveness portfolio. We looked at two enabling schemes and raised a high priority recommendation in relation to the timely development of documentation to allow activity to start and be monitored from the start of the financial year. We provided **reasonable** assurance for this review.

The audits of the payment systems provided by NWSSP, which Internal Audit undertake each year to provide assurance to the Health Board all concluded with positive assurance. The four primary care contractor payment systems were given either Reasonable or Substantial Assurance, with the audits of Payroll and Accounts Payable both receiving Reasonable Assurance.

Quality & Safety

We have undertaken one review in this area. However, the Health Board's approach to quality is a consideration in all of the reviews that we undertake. Specifically, our review of deprivation of liberty safeguards (DoLS) and management of controlled drugs have had a quality consideration.

Embedding the quality framework - At the time of issuing this Head of Internal opinion and annual report our fieldwork is concluding.

Information Governance & Security

We have undertaken four reviews in this area. These are:

IT service management – Best practice for IT service management is set out within ITIL, formally an acronym for Information Technology Infrastructure Library. This is a set of detailed practices for IT service management that focuses on aligning IT services with the needs of a business. We have issued **reasonable** assurance on this area. We identified the Health Board's progress in redesigning the service catalogue, developing the service desk function, and improving knowledge management. We identified one high priority recommendation in relation to supplier management.

IT infrastructure – We have issued **reasonable** assurance on this area. There were records of the infrastructure assets, together with a process for monitoring both the state of the assets and of the network. While there was patching in place for devices, not all switches (devices that provide the network) were fully patched. We raised a high priority recommendation on this matter.

Technical resilience - Our review of technical resilience was undertaken to provide assurance of the Health Board's ability to maintain acceptable service levels through, and beyond, severe disruptions to its critical processes and the IT systems which support them.

Digital services were provided using a resilient IT architecture, and there had been recent improvements. However, we made a high priority recommendation as although there are restore instructions in place and there are disaster recovery documents in place, these are out of date due to the implementation of a new architecture. Overall, we issued a **reasonable** assurance opinion.

Follow up – Digital operating model – Progress had been made in implementing the digital operating model. There had been a review of the structure of the Digital department, with increased resource provided, in particular at the leadership level, and for change and project management skills. We also note increased development resource within the department. There was an increase in digital clinical leadership within the establishment and continued development of a digital clinical directorate. We saw increased funding provided for the updating of digital equipment which cleared some of the backlog of older equipment. Of the eight matters raised in our original report six had been closed. We issued a **reasonable** assurance opinion for the review.

Operational Service and Functional Management

We have directly reported six reviews within this domain in 2023/24. In addition, we have undertaken a review of the Adult Mental Health Care Group, which included objectives in relation to risk management and governance, performance and planning, workforce and compliance against financial control procedures. As such, we gave an assurance opinion in each of these domain areas.

Gastro-Intestinal (GI) pathways – Demand management – Our review focussed on the management of referrals, and considered if the demand for lower GI services (gastroenterology and colorectal surgery) is being managed across the three Health Board hospital sites. We issued a **limited** assurance report on this area. Our report made three high priority recommendations. Management needed to develop a policy and procedure document in respect of lower GI referral and demand management processes. There was a need to ensure that monitoring and reporting of demand was consistent and regular across the service. Finally, quality checks needed to be introduced in respect of GI clinicians' referral triage process and outcomes.

Management of controlled drugs – There is legislation in place for the management of controlled drugs. The Health Board has a statutory responsibility laid out in the regulations to ensure robust arrangements for the management and use of Controlled Drugs (CDs) to minimise patient

harm, misuse, and criminality across community, primary and secondary care. Our review had seven objectives, which included looking at training of staff, the policies in place and the approach to ordering, monitoring and reporting of controlled drugs. Overall, we issued a **reasonable** assurance report, which identified one high priority recommendation and five medium priority recommendations. The high priority recommendation related to ensuring that signatory lists were up to date so that controlled drug authorisations could be easily reconciled.

Deprivation of Liberty Safeguards (DoLS) - DoLS are an amendment to the Mental Capacity Act 2005, and provide protection for vulnerable people, in care homes or hospitals who lack capacity to consent to the care or treatment they need. Our review looked at the processes for DoLS applications to ensure they are managed in accordance with the DoLS Code of Practice, Welsh Government guidance, and Health Board procedures. We also considered the Liberty Protection Safeguards preparatory work undertaken by the Health Board, and how it is used to improve current DoLS processes. We issued a **reasonable** assurance opinion overall, but raised a high priority matter in relation to the design of the DoLS application management system, and three medium priority recommendations.

Follow up – Reasonable offer [Draft] – The Health Board has made progress against the recommendations made in our original report. Three recommendations have been closed and progress has been made on a further four. We have issued a **reasonable** assurance report.

Follow up – Patient pathway appointment management - We identified three matters arising in our original review, which included nine high priority recommendations, and one medium priority recommendation.

From our analysis of data, review of documentation and meetings with staff, we have confirmed that five recommendations had been implemented and there was ongoing work for a further three. However, there had been no progress regular reporting to the care group director group on 'outcomes not booked' or on the analysis of closed pathway data. We issued a **limited** assurance opinion.

Interventions Not Normally Undertaken (INNU) - The Health Board has identified a number of interventions that would not normally be undertaken. For example, where there is currently insufficient evidence of clinical and /or cost effectiveness, or the intervention is considered to be of relatively low priority for NHS resources. An example of an INNU would be the removal of a tattoo. The Health Board's policy suggests that these interventions should only be undertaken where set criteria have been met. We identified three high priority matters in relation to this area, which were in relation to policies, collection of evidence to support an INNU, and monitoring arrangements. We issued a **limited** assurance opinion.

Workforce Management

We have undertaken three reviews in this area.

Adult Mental Health Clinical Service Group – Workforce management – We looked at sickness absence, managing annual leave, training compliance, staff rosters, and consultant job planning. We made two high priority recommendations in relation to the management of annual leave and ensuring that consultant jobs plans were complete and up to date. Overall, we issued a **reasonable** assurance opinion.

Leadership and management development – In 2021 the Health Board began to develop a leadership and management development programme designed to shape a culture of compassionate, collaborative leadership. Our review sought to provide assurance on the management of the programmes, including the uptake and evaluation process. Overall, we issued a **reasonable** assurance opinion on this area. We identified one high priority recommendation in relation to monitoring and reporting of learner information.

Follow up - Radiology services workforce - We identified six matters arising in our original review. Our follow up work confirmed that one recommendation had been fully implemented, and there was progress to implement the remaining five recommendations. Since our original review, absence management training had been provided to staff and the number of completed consultant job plans had increased. However, further work was needed to bring training rates in line with Welsh Government and Health Board targets. Overall, we issued a **reasonable** assurance opinion.

Capital & Estates Management

This year we have undertaken seven reviews in this area. Four of the completed assignments have been delivered as a part of the Prince Charles Hospital (PCH) redevelopment project's integrated audit plan (approved at the Full Business Case and funded via the annual capital resource limit. The Estates Assurance and decarbonisation reviews formed a part of the Health Board's internal audit plan. Our programme of work reflects the extent of the Health Board's capital programme and the risks associated with large building projects.

Prince Charles Redevelopment Programme Integrated Audit Plan. – the areas we considered were as follows:

- **Validation of management actions** – This review sought to obtain assurance that appropriate management action had been taken to address the previously agreed Internal Audit recommendations. Positive progress had been made by the Health Board with all nine prior recommendations addressed in full. A **substantial** assurance assessment was determined.

-
- **Financial Assurance** – A well-defined methodology was observed for the scrutiny of monthly valuations, aligning with the requirements of the New Engineering Contract (NEC). The main recommendations related to substantiation of working hours claimed by staff, the timely processing of the time/ cost implications of changes and the need to ensure all payments complied with payment terms (including those processed via the Project Bank Account). An overall **reasonable** assurance assessment was determined.
 - **Supervisor Role** – The objective of this audit was to review the appointment of the Supervisor for the PCH redevelopment programme, including the fulfilment of the role and associated responsibilities. We were content that the supervisor was fulfilling the role but recommended improved clarity of key information contained within monthly reporting. A **substantial** assurance assessment was determined.
 - **Key Project Objectives** (Draft) - The aim of the audit was to assess the project's performance in relation to the critical aspects of time, cost, and quality. An overall **reasonable** assurance assessment was determined.
 - **Supply chain partner management** - At the time of this Head of Internal Audit opinion and annual report our fieldwork is ongoing. However, we have not identified any significant matters that need consideration for the annual opinion.

Estates Condition (Draft) – We saw some progress in addressing historic backlog maintenance to improve the condition of the estate, which has been restricted by the availability of financial resource. Our recommendations aim to aid management in identifying and prioritising the works required - recognising some of the competing pressures and risks. This position is reflected at all of the Health Boards and Trusts where we undertook this review. A **limited** level of assurance was determined.

Decarbonisation – The Health Board has a decarbonisation action plan and there is a governance structure to support implementation. However, we identified three high priority matters relating to resources, planning, and monitoring and reporting. A **limited** level of assurance was determined.

2.4.3 Approach to Follow Up of Recommendations

As part of our audit work, we consider the progress made in implementing the actions agreed from our previous reports for which we were able to give only Limited Assurance. In addition, where appropriate, we also consider progress made on high priority findings in reports where we were still able to give Reasonable Assurance. We undertake some testing on the accuracy and effectiveness of the audit recommendation tracker.

In addition, audit committees monitor the progress in implementing recommendations (this is wider than just internal audit recommendations) through their own recommendation tracker processes. We attend all audit committee meetings and observe the quality and rigour around these processes.

It remains the role of audit committees to consider and agree the adequacy of management responses and the dates for implementation, and any subsequent request for revised dates, proposed by management.

We have considered the impact of both our follow-up work and where there have been delays to the implementation of recommendations, on both our ability to give an overall opinion (in compliance with the PSIAS) and the level of overall assurance that we can give.

We have undertaken follow up work and issued five reports during the year which consider the progress made by the Health Board against the recommendations that we raised. These were:

- Follow-up: Radiology workforce – Reasonable Assurance;
- Follow-up: Medical variable pay [Draft] – Reasonable Assurance;
- Follow up: Patient pathway appointment management – Limited;
- Follow-up: Digital operating model – Reasonable Assurance; and
- Follow-up: Reasonable offer [Draft] – Reasonable Assurance.

The Health Board started to refine its recommendation tracking process during 2022/23, and this has continued through 2023/24. The Health Board continues to work to improve the accuracy and timeliness of the information contained within the tracker. We attend Audit Committee and see that the tracker is scrutinised at each meeting.

We have also undertaken work towards the end of the year to validate the stated position for a sample of recommendations within the tracker for the actions that we sampled we have concluded that there was appropriate evidence to confirm that action had been completed.

2.4.4 Limitations to the Audit Opinion

Internal control, no matter how well designed and operated, can provide only reasonable and not absolute assurance regarding the achievement of an organisation's objectives. The likelihood of achievement is affected by limitations inherent in all internal control systems.

As mentioned above the scope of the audit opinion is restricted to those areas which were the subject of audit review through the performance of the risk-based Internal Audit plan. In accordance with auditing standards, and with the agreement of senior management and the Board, Internal Audit work is deliberately prioritised according to risk and materiality. Accordingly, the Internal Audit work and reported outcomes will bias towards known weaknesses as a driver to improve governance risk

management and control. This context is important in understanding the overall opinion and balancing that across the various assurances which feature in the Annual Governance Statement.

Caution should be exercised when making comparisons with prior years. Audit coverage will vary from year to year based upon risk assessment and cyclical coverage on key control systems. In addition, the impact of COVID-19 on the programme of work in recent years makes any comparison even more difficult.

2.4.5 Period covered by the Opinion

Internal Audit provides a continuous flow of assurance to the Board and, subject to the key financials and other mandated items being completed in-year, the cut-off point for annual reporting purposes can be set by agreement with management. To enable the Head of Internal Audit opinion to be better aligned with the production of the Annual Governance Statement a pragmatic cut-off point has been applied to Internal Audit work in progress.

By previous agreement with the Health Board, audit work reported to draft stage has been included in the overall assessment, with all other work in progress rolled-forward and reported within the overall opinion for next year.

The majority of audit reviews will relate to the systems and processes in operation during 2023/24 unless otherwise stated and reflect the condition of internal controls pertaining at the point of audit assessment.

Follow-up work will provide an assessment of action taken by management on recommendations made in prior periods and will therefore provide a limited scope update on the current condition of control and a measure of direction of travel.

There are some specific assurance reviews which remain relevant to the reporting of the organisation's Annual Report required to be published after the year end. Where required, any specified assurance work would be aligned with the timeline for production of the Health Board's Annual Report and accordingly will be completed and reported to management and the Audit Committee subsequent to this Head of Internal Audit Opinion. However, the Head of Internal Audit's assessment of arrangements in these areas would be legitimately informed by drawing on the assurance work completed as part of this current year's plan.

2.5 Required Work

Please note that following discussions with Welsh Government we were not mandated to audit any areas in 2023/24.

2.6 Statement of Conformance

The Welsh Government determined that the Public Sector Internal Audit Standards (PSIAS) would apply across the NHS in Wales from 2013/14.

The provision of professional quality Internal Audit is a fundamental aim of our service delivery methodology and compliance with PSIAS is central to our audit approach. Quality is controlled by the Head of Internal Audit on an ongoing basis and monitored by the Director of Audit & Assurance. The work of Internal Audit is also subject to an annual assessment by Audit Wales. In addition, at least once every five years, we are required to have an External Quality Assessment. This was undertaken by the Chartered Institute of Public Finance and Accountancy (CIPFA) in March 2023. CIPFA concluded that NWSSP's Audit & Assurance Service fully conforms to the requirements of the PSIAS.

The NWSSP Audit and Assurance Services can assure the Audit & Risk Committee that it has conducted its audit at Health Board in conformance with the Public Sector Internal Audit Standards for 2023/24.

Our conformance statement for 2023/24 is based upon:

- the results of our internal Quality Assurance and Improvement Programme (QAIP) for 2023/24 which will be reported formally in the Summer of 2024; and
- the results of the work completed by Audit Wales.

We have set out, in **Appendix A**, the key requirements of the Public Sector Internal Audit Standards and our assessment of conformance against these requirements. The full results and actions from our QAIP will be included in the 2023/24 QAIP report. There are no significant matters arising that need to be reported in this document.

We also note that there have been no impairments to the independence of the Head of Internal Audit or to any other member of NWSSP's Audit & Assurance Service who undertook work on the Health Board's audit programme for 2023/24.

2.7 Completion of the Annual Governance Statement

While the overall Internal Audit opinion will inform the review of effectiveness for the Annual Governance Statement, the Accountable Officer and the Board need to take into account other assurances and risks when preparing their statement. These sources of assurances will have been identified within the Board's own performance management and assurance framework and will include, but are not limited to:

- direct assurances from management on the operation of internal controls through the upward chain of accountability;
- internally assessed performance against the Health & Care Quality Standards;
- results of internal compliance functions including Local Counter-Fraud, Post Payment Verification, and risk management;

- reported compliance via the Welsh Risk Pool regarding claims standards and other specialty specific standards reviewed during the period; and
- reviews completed by external regulation and inspection bodies including Audit Wales and Healthcare Inspectorate Wales.

3. OTHER WORK RELEVANT TO THE HEALTH BOARD

As our internal audit work covers all NHS Wales organisations there are a number of audits that we undertake each year which, while undertaken formally as part of a particular health organisation’s audit programme, will cover activities relating to other Health bodies. These are set about below, with relevant comments and opinions attached, and relate to work at:

- NHS Wales Shared Services Partnership;
- Digital Health & Care Wales;
- Welsh Health Specialised Services Committee; and
- Emergency Ambulance Services Committee.

While these audits do not form part of the annual plan for the Health Board, they are listed here for completeness as they do impact on the organisation’s activities. The Head of Internal Audit has considered if any issues raised in the audits could impact on the content of our annual report and concluded that there are no matters of this nature.

Full details of the NWSSP audits are included in the NWSSP Head of Internal Audit Opinion and Annual Report and are summarised in the Velindre NHS Trust Head of Internal Audit Opinion and Annual Report. DHCW audits are summarised in the DHCW Head of Internal Audit Opinion and Annual Report.

NHS Wales Shared Services Partnership (NWSSP)

As part of the internal audit programme at NHS Wales Shared Services Partnership (NWSSP), a hosted body of Velindre University NHS Trust, a number of audits were undertaken which are relevant to the Health Board. These audits of the financial systems operated by NWSSP, processing transactions on behalf of the Health Board, derived the following opinion ratings:

Audit	Opinion	Outline Scope
Accounts Payable	Reasonable	To evaluate and determine the adequacy of the systems and controls in place over the management of the NWSSP Accounts Payable service.

Audit	Opinion	Outline Scope
Payroll	Substantial	To evaluate the design and operation of the systems and controls in place within payroll services.
Primary Care (GMS)	Reasonable	To provide assurance that Primary Care Services is maintaining a robust system to facilitate timely and accurate payments to General Medical Services primary care contractors.
Procurement	TBC	To review the adequacy of the systems and controls in place for procurement of contracts above OJEU thresholds.

Please note that other audits of NWSSP activities are undertaken as part of the overall NWSSP internal audit programme. The overall Head of Internal Audit Opinion for NWSSP is Reasonable Assurance.

Digital Health & Care Wales (DHCW)

As part of the internal audit programme at DHCW, a Special Health Authority that started operating from 1 April 2021, a number of audits were undertaken which are relevant to the Health Board. These audits derived the following opinion ratings:

Audit	Opinion	Outline Scope
Benefits Realisation	Reasonable	To determine if the principles of an appropriate benefits realisation framework have been implemented to support decision making.
Programme Management	Reasonable	To provide an opinion of the project management being operated over the Digital Services for Patients and Public (DSPP) programme.
Business Continuity (Ransomware)	Reasonable	To assess the adequacy and effectiveness of business continuity arrangements, including in the event of a cyber-attack (including ransomware).

Legacy Software Modernisation	Reasonable	To review the management of risks associated with older technology.

Please note that other audits of DHCW activities are undertaken as part of the overall DHCW internal audit programme. The overall Head of Internal Audit Opinion for DHCW is Reasonable Assurance.

Welsh Health Specialised Services Committee (WHSSC) and Emergency Ambulance Services Committee (EASC)

The work at both the Welsh Health Specialist Services Committee (WHSSC) and the Emergency Ambulance Services Committee (EASC) is undertaken as part of the Cwm Taf Morgannwg internal audit plan. These audits are listed below and derived the following opinion ratings:

Audit	Opinion	Outline Scope
WHSCC – Welsh kidney network	Substantial	To consider the governance arrangements in place for the Welsh Kidney Network following the independent governance review undertaken in 2022. We also aimed to provide assurance that there are robust and effective risk management arrangements in place that strengthen and contribute to the overall governance framework.
WHSSC – Integrated commissioning plan development process	Substantial	The overall purpose of the review was to provide assurance on the processes that WHSSC has in place to develop its Integrated Commissioning Plan, with a focus on the financial planning element.
EASC – Adult critical care transfer service	Substantial	Our review focused on the governance arrangements, financial monitoring, meeting outcomes and performance monitoring, and the process to meeting longer term needs.

While these audits do not form part of the annual plan for the Health Board, they are listed here for completeness as they do impact on the organisation’s activities. The Head of Internal Audit has considered if any issues raised in the audits could impact on the content of our annual report and concluded that there are no matters of this nature.

Full details of the NWSSP audits are included in the NWSSP Head of Internal Audit Opinion and Annual Report and are summarised in the Velindre NHS Trust Head of Internal Audit Opinion and Annual Report. DHCW audits are summarised in the DHCW Head of Internal Audit Opinion and Annual Report, and the WHSSC and EASC audits are summarised in the Cwm Taf Morgannwg University Health Board Head of Internal Audit Opinion and Annual Report.

4. DELIVERY OF THE INTERNAL AUDIT PLAN

4.1 Performance against the Audit Plan

The Internal Audit Plan has been delivered substantially in accordance with the schedule agreed with the Audit Committee, subject to changes agreed as the year progressed. Regular audit progress reports have been submitted to the Audit Committee during the year. Audits that remain to be reported, but are reflected within this Annual Report, will be reported alongside audits from the 2024/25 operational audit plan.

The audit plan approved by the Committee in April 2023 contained 26 planned reviews, including our review of the Health Board’s annual governance statement and excluding the reviews for WHSSC and EASC hosted bodies. Changes have been made to the plan with one audit added and seven deferred/cancelled. All of these changes have been reported to, and approved by, the Audit Committee. In addition, we have undertaken five audits as part of our integrated audit plan for the Prince Charles hospital redevelopment. In addition, two reviews from the 2022/23 plan were delivered during 2023/24. As a result, we have delivered 27 reviews (Two remain work in progress at the time of this report).

The assignment status summary is reported at section 5.

In addition, we may respond to requests for advice and/or assistance across a variety of business areas across the Health Board. This advisory work, undertaken in addition to the assurance plan, is permitted under the standards to assist management in improving governance, risk management and control. This activity is reported during the year within our progress reports to the Audit Committee.

4.2 Service Performance Indicators

In order to monitor aspects of the service delivered by Internal Audit, a range of service performance indicators have been developed.

Indicator Reported to Audit and Risk Committee	Status	Actual	Target	Red	Amber	Green
Operational Audit Plan agreed for 2023/24	G	April 2023	By 30 June	Not agreed	Draft plan	Final plan

Indicator Reported to Audit and Risk Committee	Status	Actual	Target	Red	Amber	Green
Total assignments reported against adjusted plan for 2023/24	G	93%	100%	v>20%	10%<v<20%	v<10%
Report turnaround: time from fieldwork completion to draft reporting [10 working days]	G	79%	80%	v>20%	10%<v<20%	v<10%
Report turnaround: time taken for management response to draft report [15 working days]	R	39%	80%	v>20%	10%<v<20%	v<10%
Report turnaround: time from management response to issue of final report [10 working days]	G	100%	80%	v>20%	10%<v<20%	v<10%

Key: v = percentage variance from target performance

5. RISK BASED AUDIT ASSIGNMENTS

The overall opinion provided in Section 1 and our conclusions on individual reviews is limited to the scope and objectives of the reviews we have undertaken, detailed information on which has been provided within the individual audit reports.

5.1 Overall summary of results

In total we issued 30 assurance ratings during the year. Figure 2 below presents the assurance ratings and the number of audits derived for each.

Figure 2 Summary of audit ratings

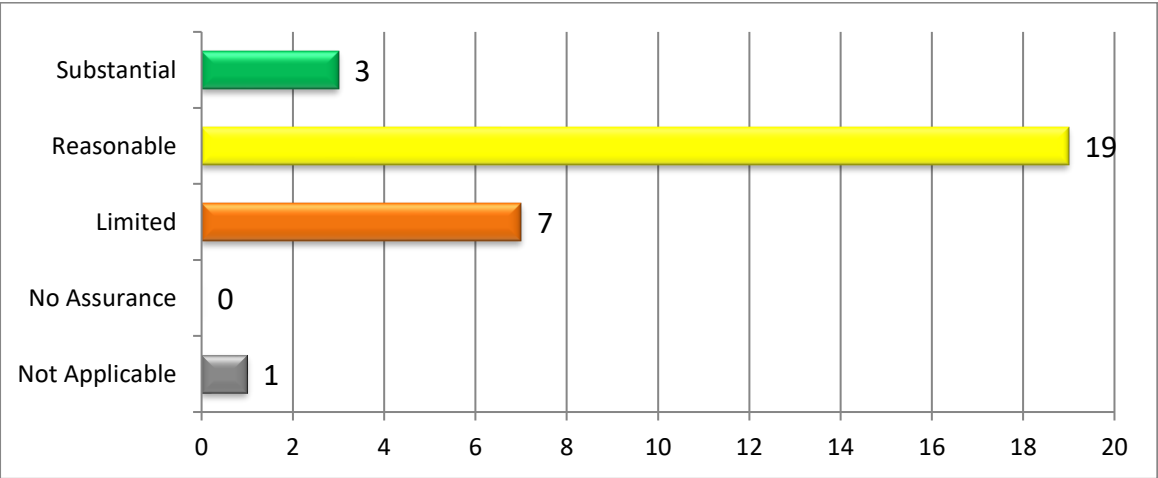


Figure 2 above does not include the audit ratings for the reviews undertaken at NWSSP, DHCW, WHSSC or EASC.

The assurance ratings and definitions used for reporting audit assignments are included in **Appendix B**.

In addition to the above, there were several audits which did not proceed following preliminary planning and agreement with management. These audits are documented in section 5.7.

The following sections provide a summary of the scope and objective for each assignment undertaken within the year along with the assurance rating.

5.2 Substantial Assurance (Green)



In the following review areas the Board can take **substantial assurance** that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively. Those few matters that may require attention are compliance or advisory in nature with low impact on residual risk exposure.

Review Title	Objective
Arrangements for financial savings – centralised processes <i>Note: the enabling schemes, care group processes, and centralised processes were issued as a combined report.</i>	To seek assurance that there are effective arrangements in place to support the achievement of the 2023/24 savings targets, including work carried out as part of the value and effectiveness enabling schemes.
PCH – Quality – site supervisor role	The objective of the audit was to review the appointment of the Supervisor for the Prince Charles Hospital (PCH) Redevelopment Programme, to gain assurance on the fulfilment of the role and associated responsibilities
PCH – Validation of management actions	The audit sought to determine the status of agreed audit recommendations contained within previous PCH Redevelopment Audit Reports.

5.3 Reasonable Assurance (Yellow)



In the following review areas the Board can take **reasonable assurance** that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively. Some matters require

management attention in either control design or operational compliance and these will have low to moderate impact on residual risk exposure until resolved.

Review Title	Objective
Risk management	Our review looked to identify the existence of effective risk management processes following the introduction of organisational Care Group structures.
Adult Mental Health Clinical Service Group (CSG) – Governance arrangements <i>Note: the governance arrangements, risk management, workforce, and planning and performance control procedures opinions were issued as a combined report.</i>	The overall objective of the audit was to evaluate and determine the adequacy of the systems and controls in place within the Adult Mental Health CSG in relation to key assurance areas.
Adult Mental Health CSG – Risk management	The overall objective of the audit was to evaluate and determine the adequacy of the systems and controls in place within the Adult Mental Health CSG in relation to key assurance areas.
Adult Mental Health CSG - Planning and performance	The overall objective of the audit was to evaluate and determine the adequacy of the systems and controls in place within the Adult Mental Health CSG in relation to key assurance areas.
Adult Mental Health CSG – Workforce	The overall objective of the audit was to evaluate and determine the adequacy of the systems and controls in place within the Adult Mental Health CSG in relation to key assurance areas.
Welsh risk pool claims	To provide assurance that the correct processes have been followed and reimbursements are compliant with the Welsh Risk Pool standard and claims are accurate.
Follow up – Medical variable pay – agency costs [Draft]	Our review followed up on the recommendations made in our previous medical variable pay – agency spend report. We sought to evaluate and determine the adequacy of the systems and controls that have been put in place to address those recommendations.
Arrangements for financial savings – enabling schemes <i>Note: the enabling schemes, care group processes, and centralised</i>	To seek assurance that there are effective arrangements in place to support the achievement of the 2023/24 savings targets, including work

Head of Internal Audit Opinion & Annual Report 2023/2024
July 2024

Review Title	Objective
<i>processes were issued as a combined report.</i>	carried out as part of the value and effectiveness enabling schemes.
IT service management	To evaluate and determine the adequacy of the systems and controls in place for IT Service Management.
IT infrastructure	The purpose of the review was to provide assurance that a process was in place for ensuring that the IT infrastructure hardware is tracked, maintained, supported, and that the network is managed sufficiently to provide services for the Health Board.
Technical resilience	The purpose of the review was to provide assurance that there is enactment of technical resilience and awareness of fault domains to ensure the Health Board is maximising the potential for resilience within the architecture.
Follow up – Digital operating model	To provide the Health Board with assurance regarding the implementation of the agreed management actions from our Digital Operating Model review.
Management of controlled drugs	To consider governance and control arrangements (storage security).
Deprivation of Liberty Safeguards (DoLS)	To ensure the current processes for DoLS applications are compliant with the DoLS Code of Practice, Welsh Government guidance and Health Board procedures.
Follow up – Reasonable offer [Draft]	To provide the Health Board with assurance regarding the implementation of the agreed management actions from our 2022/23.
Leadership and management development programme	To provide assurance on the management of the Leadership & Management Development programmes, including the uptake and evaluation process.
Follow up – Radiology workforce	Our review has followed up on the workforce recommendations made in our 2022 Radiology Service audit.
PCH – Financial management and change control	The objective of this audit was to gain assurance on the adequacy of information provided in support of the level of construction costs claimed by the Supply Chain Partner through selective testing of the monthly valuations and payments.
PCH – Delivery of key project objectives (Draft)	The audit focused on the performance of the Prince Charles Hospital (PCH) Redevelopment Programme

Review Title	Objective
	against the key project objectives of time, cost and quality.

5.4 Limited Assurance (Amber)



In the following review areas, 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.

Review Title	Objective
4-hour Emergency Department performance reporting	The overall objective of the audit was to provide assurance on the accuracy of the reporting of the Health Boards 4-hour ED performance target.
Arrangements for financial savings – care group processes <i>Note: the enabling schemes, care group processes, and centralised processes were issued as a combined report.</i>	To seek assurance that there are effective arrangements in place to support the achievement of the 2023/24 savings targets, including work carried out as part of the value and effectiveness enabling schemes.
Gastro-Intestinal (GI) pathways – Demand management	Our review looked to identify how referrals and the demand for Lower GI services are being managed across the Health Board sites.
Follow up – Patient pathways appointment management	Our review followed up on the recommendations made in our previous patient pathways follow up audit.
Decarbonisation	To determine the adequacy of management arrangements to ensure compliance with the requirements of the Welsh Government’s decarbonisation strategic delivery plan and ensure that the Health Board has appropriate controls and management arrangements in place to achieve the same.
Estates condition (Draft)	To evaluate the arrangements put in place by the Health Board to identify and manage key risks associated with the existing estate and the

Review Title	Objective
	implementation of resulting strategies to manage/mitigate the risk.
Interventions Not Normally Undertaken (INNU)	The overall objective of our review was to provide assurance that there are effective arrangements and processes in place to in relation to INNU activity across the Health Board.

5.5 Unsatisfactory (Red)



No reviews were assigned a 'no assurance' opinion.

5.6 Assurance Not Applicable (Grey)



The following review was undertaken as part of the audit plan and reported without the standard assurance rating indicator, owing to the nature of the audit approach. The level of assurance given for this review is deemed not applicable – these are reviews and other assistance to management, provided as part of the audit plan, to which the assurance definitions are not appropriate but which are relevant to the evidence base upon which the overall opinion is formed.

Review Title	Objective
Annual Governance Statement	To provide commentary on key aspects of Board Governance to underpin the completion of the statement. No formal report.

5.7 Audits not undertaken

Additionally, the following audits were deferred for the reasons outlined below. We have considered these reviews and the reason for their deferment when compiling the Head of Internal Audit Opinion.

Review Title	Reason for deferral
Charitable funds	Moved to early 2024/25 to ensure timing of fieldwork does not overlap with external audit work.
Job planning – medical pay	Management request to defer to 2024/25 due to operational pressures.

Review Title	Reason for deferral
Savings delivery	Audit Wales undertaking 'deep dive' work in this area.
Budgetary control	We undertake budget monitoring work in our care group review. To be considered as part of core financial systems scoping in 2024/25.
Regional integration fund	Moved to 2024/25 to capture projects that were embedding in 2023/24.
New care group model	Rescheduled to 2024/25 as care group model tier 2 governance recently established.
Follow up – PoW theatres	Capital project has been paused.

In addition, at the time of this annual report there were three reviews where are work is concluding. These reviews are referenced in section 2.4.2.

6. ACKNOWLEDGEMENT

In closing I would like to acknowledge the time and co-operation given by Directors and staff of the Health Board to support delivery of the Internal Audit assignments undertaken within the 2023/24 plan.

Paul Dalton
Head of Internal Audit
Audit and Assurance Services
NHS Wales Shared Services Partnership
July 2024

Appendix A - Conformance with Internal Audit Standards

ATTRIBUTE STANDARDS	
1000 Purpose, authority and responsibility	Internal Audit arrangements are derived ultimately from the NHS organisation's Standing orders and Financial Instructions. These arrangements are embodied in the Internal Audit Charter adopted by the Audit Committee on an annual basis.
1100 Independence and objectivity	Appropriate structures and reporting arrangements are in place. Internal Audit does not have any management responsibilities. Internal audit staff are required to declare any conflicts of interests. The Head of Internal Audit has direct access to the Chief Executive and Audit Committee chair. There have been no impairments to our independence during 2023/24.
1200 Proficiency and due professional care	Staff are aware of the Public Sector Internal Audit Standards and code of ethics. Appropriate staff are allocated to assignments based on knowledge and experience. Training and Development exist for all staff. The Head of Internal Audit is professionally qualified.
1300 Quality assurance and improvement programme	Head of Internal Audit undertakes quality reviews of assignments and reports as set out in internal procedures. Internal quality monitoring against standards is performed by the Head of Internal Audit and Director of Audit & Assurance. An EQA was undertaken in 2023, which confirmed that we fully comply with the PSIAS.
PERFORMANCE STANDARDS	
2000 Managing the internal audit activity	The Internal Audit activity is managed through the NHS Wales Shared Services Partnership. The audit service delivery plan forms part of the NWSSP integrated medium term plan. A risk based strategic and annual operational plan is developed for the organisation. The operational plan gives detail of specific assignments and

	sets out overall resource requirement. The audit strategy and annual plan is approved by Audit Committee. Policies and procedures which guide the Internal Audit activity are set out in an Audit Quality Manual. There is structured liaison with Audit Wales, HIW and LCFS.
2100 Nature of work	The risk based plan is developed and assignments performed in a way that allows for evaluation and improvement of governance, risk management and control processes, using a systematic and disciplined approach.
2200 Engagement planning	The Audit Quality Manual guides the planning of audit assignments which include the agreement of an audit brief with management covering scope, objectives, timing and resource allocation.
2300 Performing the engagement	The Audit Quality Manual guides the performance of each audit assignment and report is quality reviewed before issue.
2400 Communicating results	Assignment reports are issued at draft and final stages. The report includes the assignment scope, objectives, conclusions and improvement actions agreed with management. An audit progress report is presented at each meeting of the Audit Committee. An annual report and opinion is produced for the Audit Committee giving assurance on the adequacy and effectiveness of the organisation's framework of governance, risk management and control.
2500 Monitoring progress	An internal follow-up process is maintained by management to monitor progress with implementation of agreed management actions. This is reported to the Audit Committee. In addition, audit reports are followed-up by Internal Audit on a selective basis as part of the operational plan.

2600 Communicating the acceptance of risks	If Internal Audit considers that a level of inappropriate risk is being accepted by management it would be discussed and will be escalated to Board level for resolution.

Appendix B - Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	Substantial assurance	Few matters require attention and are compliance or advisory in nature. Low impact on residual risk exposure.
	Reasonable assurance	Some matters require management attention in control design or compliance. Low to moderate impact on residual risk exposure until resolved.
	Limited assurance	More significant matters require management attention. Moderate impact on residual risk exposure until resolved.
	Unsatisfactory assurance	Action is required to address the whole control framework in this area. High impact on residual risk exposure until resolved.
	Assurance not applicable	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.



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Audit of Accounts Report – Cwm Taf Morgannwg University Health Board

Audit year: 2023-24

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This document has been prepared as part of work performed in accordance with statutory functions. Further information can be found in our [Statement of Responsibilities](#).

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

About Audit Wales

Our aims and ambitions

Assure



the people of
Wales that public
money is well
managed

Explain



how public
money is being
used to meet
people's needs

Inspire



and empower
the Welsh
public sector to
improve



Fully exploit
our unique
perspective,
expertise and
depth of insight



Strengthen our
position as an
authoritative,
trusted and
independent
voice



Increase our
visibility,
influence and
relevance



Be a model
organisation for
the public sector
in Wales and
beyond

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Introduction

I have now largely completed my audit in line with my 2024 Audit Plan.
This Audit of Accounts Report summarises the main findings from my audit of your 2023-24 Annual Report and Accounts. My team has already discussed this report the relevant officers.

I am very grateful to your officers for their support in undertaking the audit.



Your audit at a glance



Audit opinions

We are proposing to give an unqualified opinion true and fair opinion, but a qualified regularity opinion on the accounts. The audit opinion in respect of the regularity of expenditure is qualified because the Health Board did not meet its revenue resource allocation over the three-year period ending 31 March 2024.

We have nothing to report under the other sections of my report, i.e. those relating to going concern; other information; other matters; or matters I report by exception.

We are also proposing to issue a substantive report regarding the Health Board’s failure to meet its two statutory financial duties under the National Health Service Finance (Wales) Act 2014.



Significant issues

There are no uncorrected non-trivial misstatements or other significant issues to report.



Materiality

Materiality £15.563 million

Reporting threshold (‘trivial’) £0.778 million

Areas of specific interest:

- Remuneration report; and
- Related party disclosures.

Financial statements' materiality



Materiality £15.563 million

My aim is to identify and correct material misstatements, i.e. those that might otherwise cause the user of the accounts to be misled.

Materiality is calculated using:

- 2023-24 gross expenditure of £1.556 billion
- Materiality percentage of 0.62%

I apply the materiality percentage to gross expenditure to calculate materiality.

I will report to you any misstatements above £0.778 million, calculated as 5% of materiality (called the 'trivial level').



Areas of specific interest

There are some areas of the accounts that may be of more importance to the user of the accounts. We set lower materiality levels for these as follows:

- Remuneration report - each person's disclosed remuneration, per the remuneration report categories (except for the pension benefits) - £1,000, or lower if a misstatement results in the wrong remuneration-banding being disclosed for an individual; and
- Related party disclosures - personal interests £10,000.

Ethical compliance



Compliance with ethical standards

We believe that:

- we have complied with the ethical standards we are required to follow in carrying out our work;
- we have remained independent of yourselves;
- our objectivity has not been comprised; and
- we have no relationships that could undermine our independence or objectivity.

Proposed audit opinion



Audit opinion

We issue a ‘qualified’ audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion.

We intend to issue an unqualified true and fair audit opinion but a qualified regularity opinion on this year’s accounts once you have provided us with a Letter of Representation (see below).

Our proposed audit report is set out in **Appendix 1**. The audit reports explains that the regularity opinion for 2023-24 is qualified. In line with prior years, the regularity opinion is qualified because the Health Board did not meet its revenue resource allocation over the three-year period ending 2023-24.

The Auditor General also intends to issue a substantive report which explains why our audit opinion in respect of the regularity of expenditure is qualified. This report will also refer to the fact that the Health Board did not meet its financial duty to have an approved three-year integrated medium-term plan for the period 2023-24 to 2025-26. The regularity opinion is not qualified for this position.



Letter of representation

A Letter of Representation is a formal letter in which you confirm to us the accuracy and completeness of information provided to us during the audit. Some of this information is specified as being necessary by auditing standards; other information may relate specifically to your audit.

The letter we are requesting you to sign is included in **Appendix 2**.

Issues arising during the audit



Misstatements

A misstatement arises where information in the accounts is not in accordance with accounting standards.

Uncorrected misstatements

There are no non-trivial uncorrected misstatements.

Corrected misstatements

We identified some non-trivial misstatements in the draft financial statements and remuneration report, which management has corrected. We draw the non-trivial corrections to your attention at **Appendix 3**.



Other significant issues

In addition to misstatements identified during the audit we also consider whether to report any other significant issues to you. There are no such issues to report.

Recommendations

Further to the certification of the annual report and accounts, we will issue a separate report with our detailed findings, audit recommendations and management's responses. The report will also provide an update on management's progress with our previous audit recommendations. The report will be considered at the next meeting of the Audit and Risk Committee.

Appendix 1

Proposed audit report

The Certificate and report of the Auditor General for Wales to the Senedd

Opinion on financial statements

I certify that I have audited the financial statements of Cwm Taf Morgannwg University Health Board for the year ended 31 March 2024 under Section 61 of the Public Audit (Wales) Act 2004.

These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Cash Flow Statement and Statement of Changes in Taxpayers' Equity and related notes, including a summary of material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the state of affairs of Cwm Taf Morgannwg University Health Board as at 31 March 2024 and of its net operating costs for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

Opinion on regularity

In my opinion, except for the matter described in the Basis for Qualified Regularity Opinion section of my report, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for Qualified Opinion on regularity

I have qualified my opinion on the regularity of the Cwm Taf Morgannwg University Health Board's financial statements because the Health Board has breached its resource limit by spending £24.200 million over the amount that it was authorised to spend in the three-year period 2021-22 to 2023-2024. This spend constitutes irregular expenditure.

Further detail is set out in my Report on page [xx](#)

Basis for opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my certificate.

My staff and I are independent of the Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for Cwm Taf Morgannwg University Health Board is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Chief Executive is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

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 parts of the Accountability Report subject to audit have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers' directions; and;

- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with Welsh Ministers' guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the Health Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

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

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements and the audited part of the Accountability Report are not in agreement with the accounting records and returns;
- information specified by HM Treasury or Welsh Ministers regarding remuneration and other transactions is not disclosed;
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made or parts of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of Directors and the Chief Executive for the financial statements

As explained more fully in the Statements of Directors' and Chief Executive's Responsibilities set out on pages xx and xx, the Directors and the Chief Executive are responsible for:

- maintaining adequate accounting records
- the preparation of financial statements and annual report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the annual report and financial statements as a whole are fair, balanced and understandable;
- ensuring the regularity of financial transactions;
- internal controls 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; and
- assessing the Health 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 the Directors and Chief Executive anticipate that the services provided by the Health Board will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the National Health Service (Wales) Act 2006.

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 a certificate that includes my opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

My procedures included the following:

- enquiring of management, the Head of Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Health Board's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals;
- obtaining an understanding of Health Board's framework of authority as well as other legal and regulatory frameworks that the Health Board operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Health Board; and
- obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit and Risk Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the

judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Health Board controls, and the nature, timing and extent of the audit procedures performed.

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

Other auditor's responsibilities

I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

Please see my Report on pages **x to x**.

Adrian Crompton
Auditor General for Wales
12 July 2024

1 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

Report of the Auditor General to the Senedd

Introduction

Under the Public Audit Wales Act 2004, I am responsible for auditing, certifying and reporting on Cwm Taf Morgannwg University Health Board's financial statements. I am reporting on these financial statements for the year ended 31 March 2024 to draw attention to two key matters for my audit. These are the failure against the first financial duty and consequential qualification of my 'regularity' opinion; and the failure of the second financial duty. I have not qualified my 'true and fair' opinion in respect of any of these matters.

Financial duties

Local Health Boards (LHBs) are required to meet two statutory financial duties – known as the first and second financial duties.

For 2023-24, Cwm Taf Morgannwg University Health Board failed to meet both the first and the second financial duties.

Failure of the first financial duty

The **first financial duty** gives additional flexibility to LHBs by allowing them to balance their income with their expenditure over a three-year rolling period. The three-year period being measured under this duty this year is 2021-2022 to 2023-2024.

As shown in Note 2.1 to the Financial Statements, Cwm Taf Morgannwg University Health Board did not manage its revenue expenditure within its resource allocation over this three-year period, exceeding its cumulative revenue resource limit of £4,012 million by £24.200 million.

Where an LHB does not balance its books over a rolling three-year period, any expenditure over the resource allocation (i.e. spending limit) for those three years exceeds the LHB's authority to spend and is therefore 'irregular'. In such circumstances, I am required to qualify my 'regularity opinion' irrespective of the value of the excess spend.

Failure of the second financial duty

The **second financial duty** requires LHBs to prepare and have approved by the Welsh Ministers a rolling three-year integrated medium-term plan. This duty is an essential foundation to the delivery of sustainable quality health services. An LHB will be deemed to have met this duty for 2023-24 if it submitted a 2023-2024 to 2025-2026 plan approved by its Board to the Welsh Ministers, who were required to review and consider approval of the plan.

As shown in Note 2.3 to the Financial Statements, Cwm Taf Morgannwg University Health Board did not meet its second financial duty to have an approved three-year integrated medium-term plan in place for the period 2023-2024 to 2025-2026.

Adrian Crompton

Auditor General for Wales

12 July 2024

Appendix 2

Letter of representation

Auditor General for Wales
Audit Wales
1 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

11 July 2024

Representations regarding the 2023-24 financial statements

This letter is provided in connection with your audit of the 2023-24 financial statements (including that part of the Remuneration Report that is subject to audit) of Cwm Taf Morgannwg University Health Board for the year ended 31 March 2024, for the purpose of expressing an opinion on their truth and fairness, their proper preparation and the regularity of income and expenditure.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

As Chief Executive and Accountable Officer I have fulfilled my responsibility for:

- preparing the financial statements in accordance with legislative requirements and the Treasury's Financial Reporting Manual. In preparing the financial statements, I am required to:
 - observe the accounts directions issued by Welsh Ministers, including the relevant accounting and disclosure requirements and apply appropriate accounting policies on a consistent basis;
 - make judgements and estimates on a reasonable basis;
 - state whether applicable accounting standards have been followed and disclosed and explain any material departures from them; and
 - prepare them on a going concern basis on the presumption that the services of the Health Board will continue in operation;
- ensuring the regularity of any expenditure and other transactions incurred; and
- the design, implementation and maintenance of internal control to prevent and detect error.

Information provided

We have provided you with:

- full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- our knowledge of fraud or suspected fraud that we are aware of and that affects the Health Board and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- the identity of all related parties and all the related party relationships and transactions of which we are aware.
- our knowledge of all possible and actual instances of irregular transactions.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. There are no non-trivial misstatements within the accounts which remain uncorrected.

Representations by the Board

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Board on 11 July 2024.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

Chief Executive

Chair

Date:11 July 2024

Date: 11 July 2024

Appendix 3

Summary of corrections made

During our audit, we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention.

Exhibit 1: summary of corrections/disclosure amendments made to the draft accounts

Statement/Disclosure Note	Nature of correction/amendment
Remuneration Report	To correct the Single Total Figure of Remuneration table and the Pension Benefits table to aggregate the three separately disclosed pension schemes, and to factor in the annual inflationary rate of 10.1% to the pension benefit. Equivalent revisions were made to the 22/23 comparative figures. To add a tabulated footnote of senior officers who had salary sacrifices that reduced their disclosed gross salaries. The adjustment affected seven officers for 2023-24. Corresponding figures were also added for 2022-23, affecting five officers. To correct the narrative disclosure for the number of employees earning more than the Chief Executive from 32 to 27 individuals.
Note 30 Related Parties	To correct twelve non-trivial local authority related party disclosures for Bridgend CBC, Rhondda Cynon Taf CBC and Merthyr Tydfil CBC. To correct the amount owed to Cwm Taf Care and Repair related party, from £0 to £59,000.
WHSSC Note 30 Related Parties Transactions	With regard to Welsh Health Specialised Services Committee (WHSSC), corrections were made to add the following material related party transactions: - Cardiff University £3.648 million; and - Robert Jones & Agnes Hunt Orthopaedic Hospital NHS Foundation Trust £0.767 million.

	Also, to remove related party disclosures where no control or significant influence over the entities that had been declared.
Cash Flow Statement	The Welsh Government's review of accounts recommended a £2.883 million change to analysis of the Right of Use asset and interest. We analysed the recommendation and agreed with the adjustment.
Notes 3.1 Primary Healthcare Services Expenditure, 3.3 Hospital and Community Healthcare Services Expenditure, 4 Miscellaneous Income	To correct Note 3.1 by £1.104 million in line with the financial information provided to Welsh Government. The adjustment and reallocation resulted in adjustments of £1.081 million and £0.024 million to Note 3.3 and Note 4 respectively. This adjustment was also made on the Statement of Comprehensive Net Expenditure.
Note 9.1 Staff Costs	To include WHSSC staff costs of £8.266 million within the note. This adjustment did not impact the core financial statements.
Note 11.1 Property, Plant and Equipment	To correct the classification of £1.041 million between owned buildings and owned dwellings. This adjustment did not impact the core financial statements.
Note 20 Provisions	To correct the disclosed classifications between non-current and current provisions by £3.214 million in relation to 'Net Clinical Negligence Damages' and 'Net Clinical Negligence Defence Legal Fees'. This adjustment was also made on the Statement of Financial Position.
Note 22 Capital Commitments	To include £2.149 million of omitted capital commitments relating to 'Prince Charles Hospital G&FF' schemes. This adjustment did not impact the core financial statements.
Note 29 Events After The Reporting Period	To disclose the pay award notified to NHS bodies on 28 June 2024, after the submission of draft accounts for audit.

Note 33 Operating
Segments

To include £1.099 million of miscellaneous income within the 'Operating Costs table'. This adjustment did not impact the core financial statements.

Audit Quality

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We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by QAD*, and our Chair acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2023](#).

Our People



The first line of assurance is formed by our staff and management who are individually and collectively responsible for achieving the standards of audit quality to which we aspire.

- Selection of right team
- Use of specialists
- Supervisions and review

Arrangements for achieving audit quality



The second line of assurance is formed by the policies, tools, learning & development, guidance, and leadership we provide to our staff to support them in achieving those standards of audit quality.

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support

Independent assurance



The third line of assurance is formed by those activities that provide independent assurance over the effectiveness of the first two lines of assurance.

- EQCRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

* QAD is the quality monitoring arm of ICAEW.

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You can find out more about Audit Wales in our [Annual Plan 2024-25](#) and [Our Strategy 2022-27](#).



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We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.