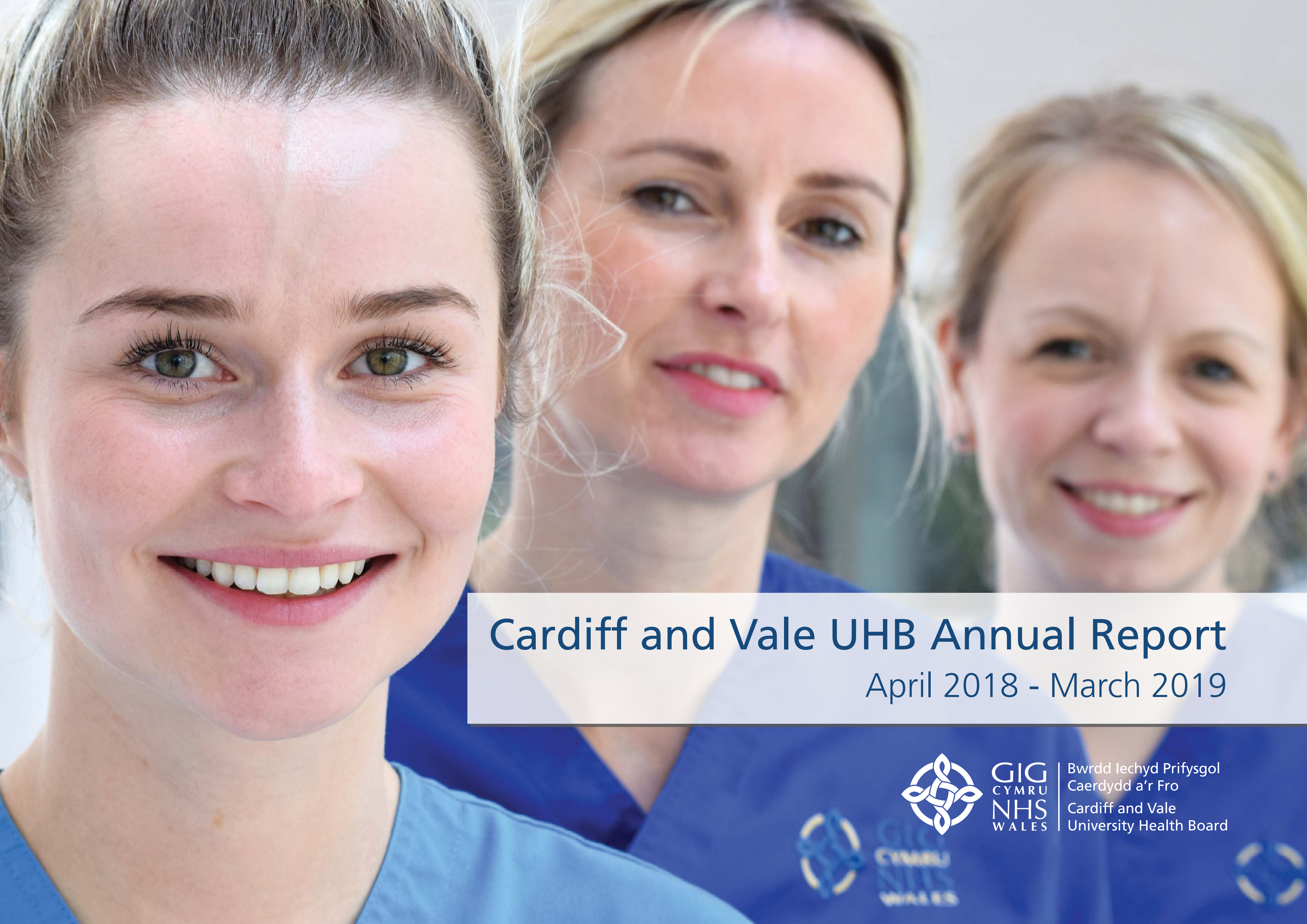

Cardiff and Vale UHB Annual Report

April 2018 - March 2019

GIG CYMRU NHS WALES | Bwrdd Iechyd Prifysgol Caerdydd a'r Fro
Cardiff and Vale University Health Board

About

At Cardiff and Vale University Health Board our aim is to care for people and keep people well. The Annual Report will outline the work of Cardiff and Vale University Health Board (CAV UHB), highlight some of our key achievements and demonstrate how we are listening to the views and needs of our population, implementing many of these as part of our ambitious 10 year strategy: "Shaping our Future Wellbeing Strategy".

Our priorities, key objectives and plans are set out in our Integrated Medium Term Plan (IMTP), and the Annual Quality Statement provides us with an overview of what we are doing well and how we are listening to our public, patients and staff in order to achieve the strategy.

Finally we produce an Annual Governance statement which sets out:

Shaping our Future Wellbeing Strategy

Annual Quality Statement

Integrated Medium Term Plan

Director of Public Health Annual Report

Accessibility

If you require any of the publications referred to above in printed or alternative formats, please contact us using the details below:

Directorate of Corporate Governance
Cardiff and Vale University Health Board,
Corporate Headquarters
Woodland House
Maes-y-Coed Road
Heath
Cardiff
CF14 4TT

Telephone: **029 2036 012**

Email: governanceadvice.cav@wales.nhs.uk

Website: www.cardiffandvaleuhb.wales.nhs.uk/

A full PDF version is available on our website.

Contact us

Email: news@wales.nhs.uk

Website: www.cardiffandvaleuhb.wales.nhs.uk

Twitter: @CV_UHB

Facebook: www.facebook.com/cardiffandvaleuhb

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Joint Chair and CEO foreword

We are delighted to bring you our Annual Report 2018-2019. The whole year has been a celebration of 70 years of what is good and great about our much loved NHS and the contribution the staff and volunteers in the NHS make to our communities.

Cardiff and Vale University Health Board is amongst the best performing Health Boards in Wales and we are proud of the services that we deliver; providing outcomes that matter to people and their families. We have made significant steps this year in tackling health inequalities and have developed health services that focus on keeping people well and in their own homes, living independently for as long as possible.

Last year saw the launch of a Healthier Wales, Welsh Government's response to the Parliamentary Review and we are keen as a Health Board to implement the key principles of the document which aligns with our own 10 year strategy: Shaping our Future Wellbeing.

As one of the busiest Health Boards in Wales we recognise that we are best able to deliver services that matter to people through our partnership working with the two Local Authorities, local universities and a whole host of charity and third sector organisations and Welsh Government. It is the collaboration of the Regional Partnerships Boards that has enabled us to develop primary care services locally to our communities and is an integral part of the approach to caring for people and keeping them well.

In February this year we took a significant step forward and improved our position in line with Welsh Governments escalation and intervention arrangements with the announcement that the UHB was being taken out of "targeted Intervention" this was a significant step forward and demonstrates the progress the UHB has made in relation to our performance and financial situation.

A month later in March we were delighted to have received approval of our Integrated Medium Term Plan (IMTP) from Welsh Government. This plan sets the operational direction of the UHB, how we align our resources to it and continue to deliver our strategy. We were pleased that Welsh Government's confidence in us as a UHB was acknowledged and while we still have a long way to go it is recognition of the hard work of our Clinical Boards and staff across the UHB.

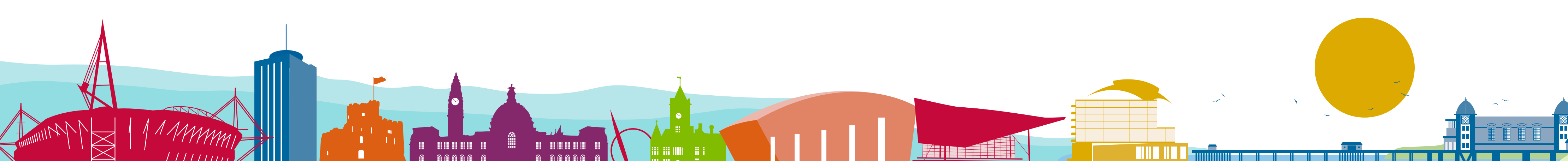
At Cardiff and Vale we are fortunate to have a diverse workforce of skilled people clinical and non-clinical, this year Brexit has cast uncertainty over the long term future of EU citizens living and working in Wales. We have been very clear that our doors remain open to and welcome all cultures and nationalities of both our staff and patients and we pride ourselves on our diversity and inclusivity.

Our staff are regularly recognised by national and international awarding organisations and their professional bodies and we consistently win awards and commendations for the work undertaken here. Our patients continuously tell us about the excellent care they receive at Cardiff and Vale University Health Board and this is down to the hard work and commitment of our staff and volunteers, we are always keen to hear what our patient's experience has been whether good or could have been better and as a learning organisation we take the opportunity to listen and put the learning to good use.

As a continuously aspiring Health Board we will continue to improve this position further and have embarked upon an ambitious Transformation programme and have developed an Alliancing Partnership with Canterbury District Health Board, New Zealand. The Transformation programme is already bringing clinical and digital improvements to the organisation that will ensure "Wyn"- our notional patient remains at the heart of our decision making and everything that we do.

We have made a lot of progress with improving and developing the sustainability of our Primary Care developing new organisational models for population health management at GP cluster level and are pleased to see the progress made with Maelfa, Penarth and Parkview Wellbeing Hubs and the phased development of the Cardiff Royal Infirmary as a Health and Wellbeing Centre.

In terms of performance; our waiting times, which we call "referral to treatment or RTT", have consistently improved and we have ended the year in a good position but with further room for improvement. At Cardiff and Vale we have the busiest Emergency Unit or A&E in Wales and



regularly see between 400-500 patients a day. Despite the additional pressures we remain the lowest volume of 12 hour waits across Wales for Unscheduled Care.

Despite the increased number of patients attending A&E, we saw and treated 8,451 more patients within the four hours compared to the previous year and four hour performance this year was 2.6% higher than last year, with an overall performance rate of 86.3% of patients being seen within four hours.

A total of 689 patients waited longer than 12 hours, which is 377 fewer patients than the previous year. While that is a significant 35% reduction, we believe that from Wyn's perspective we should have no 12 hour waits.

For patients with us for planned care, we continued to reduce the number of those waiting more than 36 weeks. In real terms this meant 456 fewer patients waited more than 36 weeks for their referral to treatment - a huge 58% reduction from 783 patients to 327.

There was also a significant achievement in diagnostics, where we narrowly missed completely eradicating patients waiting longer than eight weeks for diagnostic tests by 40 patients. That's a reduction of 840 patients, equating to a 95% reduction.

We also ended the year with no patients waiting greater than 14 weeks for therapies. This is 126 fewer patients than the previous year, our best reported position for nine years.

Financially we are in a much better position too and we have managed to achieve the target set for us by Welsh Government of delivering a planned £9.9 million deficit. Whilst still a deficit, this has again been a significant achievement for managing our £1.4 billion budget but at the same time maintaining quality and safety for our patients across the UHB.

While this is good news for patients, we believe we can and should improve on this approach even further and reduced waiting times should extend to all parts of our unscheduled pathway and in particular the Lounge, Minor Assessment Unit and Surgical Assessment Unit.

Next year promises to be equally as busy with some exciting developments including the opening of the Major Trauma Centre, the move of Rookwood Hospital to University Hospital Llandough, the further development of our Clinical Services Plan and development of Community Services, all of this is done with continuous engagement with our communities to ensure that we are delivering what matters to people.

As a Health Board we recognise that there are many successful stories of innovation and positive outcomes for patients. We achieve this due to the dedication and commitment of all of our staff at all levels of the organisation, clinical and non-clinical. In its 70th year it is right that we celebrate the outstanding success of the NHS as a much loved and successful national institution. We are incredibly proud of our UHB and we would like to pay tribute to and thank all of our staff, patients stakeholders and our hundreds of volunteers for contributing to Cardiff and Vale University Health Board.

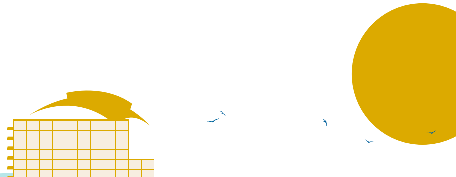
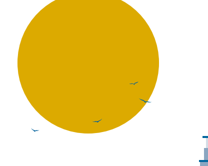
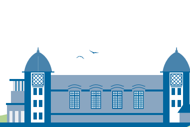
We would also like to welcome you to join us at our Annual General meeting on 25 July 2019, where our communities are invited to hear and see the great work that we do at Cardiff and Vale, a short video of our year in review can be viewed here.

This is my last Chair's Annual Report. I have been honoured to serve Cardiff and the Vale for almost eight years and privileged and humbled to have worked with such dedicated caring and resilient colleagues across the UHB. I will be sad to leave but also happy to stay in the NHS and take up the post as chair of Hywel dda University Health Board.

I would like to thank everyone for their support and their dedication. Cardiff and the Vale UHB is in a much stronger place in terms of performance, culture and values than when I joined and that is a credit to everyone. I wish the health board well in its continuing improvement and transformation.

Maria Battle
Cadeirydd
Chair

Len Richards
Prif Weithedwr
Chief Executive

The information in our Annual Report

At Cardiff and Vale University Health Board our aim is to care for people and keep people well.

The Annual Report will outline the work of Cardiff and Vale University Health Board (CAV UHB), highlight some of our key achievements and demonstrate how we are listening to the views and needs of our population, implementing many of these as part of our ambitious 10 year strategy: **"Shaping our Future Wellbeing Strategy"**.

Our priorities, key objectives and plans are set out in our Integrated Medium Term Plan (IMTP), and the Annual Quality Statement provides us with an overview of what we are doing well and how we are listening to our public, patients and staff in order to achieve the strategy.

The Annual Report includes the following documents:

Part 1 - A Performance Report

Part 2 - An Accountability Report which includes A Corporate Governance Statement, A(Insert hyperlinks)

Annual Quality Statement

Shaping our Future Wellbeing Strategy

Integrated Medium Term Plan

Director of Public Health Annual Report

Chapter 1

About Us

Cardiff and Vale University Health Board is one of the largest NHS organisations in Europe. Founded in 2009, it provides a range of health and wellbeing services to its population.

We spend around £1.4 billion every year on providing our communities with the full range of health and wellbeing services including:

- Primary and community based services
  GP practices, Dentists, Pharmacy and Optometry and a host of community led therapy services via community health teams.
- Acute services through our two main University Hospitals and Children's Hospital
  Providing a broad range of medical and surgical treatments and interventions.
- Public Health
  We support the communities of Cardiff and Vale with a range of public health and preventative health advice and guidance.
- Tertiary centre
  We also serve a wider population across Wales and often the UK with specialist treatment and complex services such as neuro-surgery and cardiac services.

Public Health	Improving the health of our population and reducing inequalities. Providing preventative health care information and advice including access to health and well-being services.
Primary, Community and Intermediate Care	Offering first line health services at GP surgeries, dentists, optomtetrists, pharmacists and a range of therapy and community based services accessible as close to home as possible.
Acute and Tertiary Care	Providing unscheduled or emergency care. Elective care and specialist services to a wider population across Wales, including diagnostics and therapeutic services.
Corporate Services	Providing the support services required to run an integrated health system across Cardiff and Wales ensuring patient safety, governance, quality assurance, performance and excellent delivery of all services.

Our Board

The UHB Board consists of 24 members including Chair, Vice Chair and Chief Executive. The UHB has 11 Independent Members, all of whom are appointed by the Cabinet Secretary for Health, Social Services and Sport and four Associate Members.

The 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 by holding its meetings in public.

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 Board is supported by a number of Committees, each chaired by an Independent Member. All Committees are constituted to comply with The Welsh Government Good Practice Guide – Effective Board Committees. The Committees, which meet in public, provide their minutes to each Board meeting that contribute to its assessment of assurance and provide scrutiny against the delivery of objectives.

Copies of the papers and minutes are available from the Director of Corporate Governance and are also on the Health Board's website. The website also contains a summary of each Committee's responsibilities and Terms of Reference. All action required by the Board and Committees are included on an Action Log and at each meeting progress is monitored, these Action Logs are also published on the Health Board's website.

All Committees annually review their Terms of Reference and Work Plans to support the Board's business.

Committees also work together on behalf of the Board to ensure that work is planned cohesively and focusses on matters of greatest risk that would prevent us from meeting our mission and objectives. To ensure consistency and links between Committees, the Health Board has a Governance Co-ordinating Group, chaired by the Chair of the UHB.

Maria Battle
Cadeirydd
Chair

Len Richards
Prif Weithedwr
Chief Executive

Charles Janczewski
Is-Cadeirydd
Vice Chair

Eileen Brandreth
Aelodau Annibynnol Technoleg Gwybodaeth Gyfrifiadurol
Independent Member Information Computer Technology

Steve Curry
Gweithredol I'r Prif Swyddog Gweithredu
Chief Operating Officer

Bob Chadwick
Cyfarwyddwr Cyllid Gweithredol
Executive Director of Finance

Dawn Ward
Aelod Annibynnol Undeb Llafur
Independent Member Trade Union

John Union
Aelodau Annibynnol Cyllid
Independent Member Finance

Martin Driscoll
Cyfarwyddwr Gweithredol Gweithlu a Datblygu Sefydliadol
Executive Director of Workforce and Organisational Development

Abigail Harris
Cyfarwyddwr Gweithredol Cynllunio Strategol
Executive Director of Strategic Planning

Sara Moseley
Aelodau Annibynnol Trydydd Sector
Independent Member Third Sector

John Antoniazzi
Aelod Annibynnol Cynllunio ac Ystadau
Independent Member Planning and Estates

Dr Sharon Hopkins
Dirprwy Brif Weithredwr / Cyfarwyddwr Gweithredol Iechyd y Cyhoedd
Deputy Chief Executive / Executive Director of Public Health

Dr Fiona Jenkins
Cyfarwyddwr Therapiau a Gwyddor Iechyd Gweithredol
Executive Director of Therapies and Health Sciences

Susan Elsmore
Swydd wag - Aelodau Annibynnol Awdurdod Lleol
Independent Member Local Authority

Akmal Hanuk
Aelod Annibynnol Cymunedol
Independent Member Community

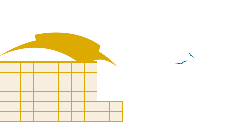
Stuart Walker
Cyfarwyddwr Meddygol Gweithredol
Executive Medical Director

Ruth Walker
Brif Nyrs/Cyfarwyddwr Nyrsio Gweithredol
Chief Nurse/Executive Nurse Director

Michael Imperato
Aelodau Annibynnol Cyfreithiol
Independent Member Legal

Nicola Foreman
Cyfarwyddwr Llywodraeth Corfforaethol
Director of Corporate Governance

Fiona Kinghorn
Cyfarwyddwr Gweithredol Iechyd y Cyhoedd
Executive Director of Public Health



Our Structure

We have a workforce of around 14,500 staff who consistently deliver high quality services to all of our patients.

Our organisation is structured and designed into eight Clinical Boards which cover the four areas above and much more.

The eight Clinical Boards were created in June 2013 and have been successful in providing strong leadership in clinical areas and have resulted in the acceleration of operational decision-making, greatly enhancing the outcomes for patients in their care.

The Boards are held to account via the Executive Directors and a process of scrutiny is ensured through monthly performance boards and a robust authorisation process.

More detail can be found on the Clinical Boards via the following diagram:

Cardiff and Vale University Health Board

Public Health

Corporate Services

- Children and Women Clinical Board
- Clinical Diagnostics and Therapeutics Clinical Board
- Dental Clinical Board
- Medicine Clinical Board
- Mental Health Clinical Board
- Specialist Services Clinical Board
- Surgery Clinical Board

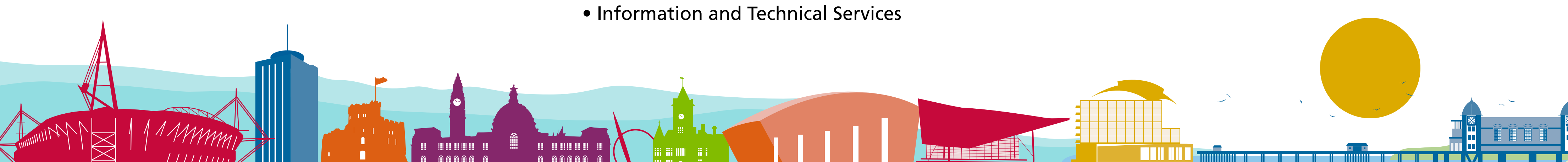
Primary, Community and Intermediate Care Clinical Board

- General Medical Services
- General Dental Services
- Community Pharmacy Services
- Optometry Services
- North West Clusters
- South East Cardiff Clusters
- Vale Clusters

Our corporate and planning services are an integral part of the overall structure and smooth running of the UHB and include:

- Strategy and Planning
- Finance and Performance
- Human Resources
- Estates and Facilities
- Information and Technical Services
- Communications and Engagement
- Corporate Governance

The progress and scrutiny of the Corporate Services directorates are through a combination of governance, executive director and senior management accountability and progress mapped against key projects within their areas of expertise.



The Population we Serve

Understanding the needs of our population is essential for robust and effective planning. Our Population Needs Assessment developed with our regional partners provides a collective view of the population challenges on which we must build our plans. It is important we look beyond simply understanding the health needs of our citizens, but look at the wellbeing of our population which encompasses environmental, social, economic, and cultural wellbeing.

Population growth

The population of Cardiff is growing rapidly at nearly 1% per year, or around 36,000 people over the next 10 years. While overall numbers in the Vale are relatively static, the total population of Cardiff and Vale is expected to exceed 500,000 for the first time in 2020.

Ageing population

The average age of people in both Cardiff and the Vale is increasing steadily, with a projected increase in people aged 85 and over in the Vale of 15% over the next 5 years and nearly 40% over 10 years.

Health inequalities

There is considerable variation in healthy behaviours and health outcomes in our area - for example smoking rates vary between 12% and 31% in Cardiff, with similar patterns seen in physical activity, diet and rates of overweight and obesity. Uptake of childhood vaccinations is also lower in more disadvantaged areas. Life expectancy is around ten years lower in our most deprived areas compared with our least deprived, and for healthy life expectancy the gap is more than double this. Deprivation is higher in neighbourhoods in South Cardiff, and in Central Vale.

Changing patterns of disease

There are an increasing number of people in our area with diabetes, as well as more people with dementia in our area as the population ages. The number of people with more than one long-term illness is increasing.

Tobacco

One in six adults (15%) in our area smoke. While this number continues to fall, which is encouraging, tobacco use remains a significant risk factor for many diseases, including cardiovascular disease and lung cancer, and early death.

Food

Over two thirds of people in our area don't eat sufficient fruit and vegetables, and over half of adults are overweight or obese. In some disadvantaged areas access to healthy, affordable food is more difficult and food insecurity is becoming more prevalent due to increasing living costs and low wages.

Physical activity

Over 40% of adults in our area don't undertake regular physical activity, including a quarter (27%) who are considered inactive.

Social isolation and loneliness

Around a quarter of vulnerable people in our area report being lonely some or all of the time. Social isolation is associated with reduced mental well-being and life expectancy.

Welsh language

The proportion of Cardiff and Vale residents of all ages who have one or more language skills in the Vale (10.8%) identifying themselves as fluent. However, over one in four young people aged 15 and under speak Welsh in our area (26.7% in Cardiff and 29.6% in the Vale of Glamorgan).

Cardiff has one of the most ethnically diverse populations in Wales, with one in five people from a black or minority ethnic (BME) background. 'White other' and Indian ethnicities are the second and third most common ethnic groups after White British.

Clinical Diagnostics and Therapeutics Clinical Board

Staff: 2000 wte

Budget: £111m

The Clinical Diagnostics and Therapeutics Clinical Board comprises of seven directorates:

- Laboratory Medicine Directorate
- Media Resources Directorate
- Outpatients/Patient Administration Directorate
- Pharmacy and Medicines Management Directorate
- Radiology and Medical Physics/Clinical Engineering Directorate/CEDAR
- Therapies Directorate
- Therapeutics and Toxicology Directorate

Service Improvement

- Laboratory Genetics, Medical Biochemistry, Haematology and Cellular Pathology have maintained ISO 01518 accreditation in 2018.
- A regional Interventional Radiology 24/7 service was implemented in February 2019.
- Within Podiatry, older children were seen at Park View Health Centre and younger children at UHL. Following the closure of Park View, accommodation was secured for all children at UHL. The move resulted in more capacity and the team utilised this opportunity to work differently and more flexibly. A self-referral follow-up system was implemented which empowers patients to access the service when required. This has released capacity and enabled re-accessing patients to be seen more quickly and also for more new patients to be seen. A rapid access service for children in pain has also been implemented. A text reminder service was introduced for parents which significantly reduced missed appointments. Currently Podopaediatric-MSK patients are being seen within a few weeks. The Podiatry service has also improved podiatry education at Cardiff Metropolitan University for aspiring podiatrists. Sessions are being held at the Wales Centre for Podiatric Studies, where students see children with musculoskeletal problems, which seldom happened before. This will future-proof Podopaediatrics and encourage new podiatrists to consider preventative-practice thinking.

Awards

- The Clinical Board was celebrating success at the UHB Staff Recognition Awards:
    - Paul Harrison, Acting Head of Podiatry was winner of Manager of the Year Award.
    - Paul Twose, Clinical Specialist Physiotherapist was winner of Quality, Sustainability and Efficiency Award.
    - Occupational Therapy Technician Service were runners up of the Health and Wellbeing at Work Award.
    - Paul Harrison was winner of Star of the Year Award for contributions to the Cardiff & Vale Health Charity.
- The UHB Tracheostomy MDT Team received an Outstanding Achievement Award at the Fourth International Tracheostomy Symposium & Global Tracheostomy Collaborative (GTC) 2018.
- Cardiff and Vale UHB Dietitians, Physiotherapists and Occupational Therapists have been working collaboratively with other therapists across Wales on this innovative service for people with cancer and The National Lung Cancer Prehabilitation and Optimisation Programme won the Macmillan Award for Leadership and Innovation in Cancer Rehabilitation at the Advancing Healthcare Awards on Friday 20th April 2018.
- The filing libraries on both the UHW and UHL sites are in the best condition they have been for quite

some time and the Clinical Board recognised the hard work undertaken by staff by presenting them with a Special Staff Recognition Award.

- The Pulmonary Rehab Team won the Excellence in Health Award at the Action on Hearing Loss Excellence Wales Awards 2018 for their inclusivity of hearing loss patients in this setting.
- The Physiotherapy Team were winners of the Team Award 'You Changed My Life' at the National Ankylosing Spondylitis Society (NASS) 2018 Patient Choice Awards.

Case Study

Walking Aid Refurbishment

Cardiff and Vale UHB has undertaken an innovative Walking Aid Project which focuses on raising public awareness of the importance of returning, and refurbishing walking aids.

It utilises social media to launch periodic walking aid amnesties, and information sharing both within and across organisations on how to do this.

This prudent approach incorporates a collaborative partnership with the Probation Service Community Rehabilitation Company, Community Pay Back Service to refurbish walking aids.

This means that offenders positively contribute by recycling walking aids for the NHS, thus helping make best use of public resources, reducing waste, improving our environmental footprint and helping to build a sustainable future together in line with the Well-being of Future Generations (Wales) Objectives.

Walking aids keep people mobile either following surgery or if someone has a long term condition such as arthritis.

The growing and aging population means that there is an increase in demand for these, but often only for short term use.

Refurbishing these both reduces waste and costs which can be better spent elsewhere in the NHS. It is reliant on an awareness and willingness to return equipment and the project has demonstrated that if patients and the general public know how and where to return equipment then they would.

The project has been shortlisted as a finalist in the HSJ Value Awards 2019 for the Workforce Efficiency Award.

Medicine Clinical Board

Staff: 1729 wte

Budget: £113.3m

The Medicine Clinical Board encompasses a diverse range of clinical services for Acute and Emergency Medicine, Internal Medicine, Clinical Gerontology, Gastroenterology and Dermatology and Rheumatology. The Directorates manage services across multiple sites including University Hospital of Wales, University Hospital Llandough, St David's Hospital, Rookwood Hospital and Barry Hospital. Our services deliver both planned care and unplanned care across these sites and include tertiary services including the All Wales Cystic Fibrosis Centre and Stroke services.

Digital Project benefits patients

Patients on a ward in Barry Hospital have benefitted from a Digital Health pilot through Digital Communities Wales. The Sam Davies Ward is a rehabilitation ward for older patients welcomed pupils from Bro Morgannwg Primary School to teach their patients digital skills every Friday.

This intergenerational community project has seen extremely positive outcomes for patients and health care providers. Pupils and patients would interact through the use of digital tools like iPads where patients could search their interests and hobbies. It also taught the patients how

to use Skype to keep in touch with friends and family during their hospital stay.

The use of music, dementia friendly apps and reminiscence websites had positive outcomes for the patients including improved engagement and increased brain stimulation. This led to a reduction in medication for some patients. The project as whole had a positive impact on people's mental health and their recovery process.

Improving Diabetes Care

The Health Board's diabetes team based at University Hospital Llandough has been revolutionising the way patients with type 2 diabetes are cared for. Diabetes affects around 5.6% of the population of Cardiff and the Vale. Approximately 9 out of 10 people with diabetes have type 2 diabetes, a condition caused by problems with the production of the hormone insulin.

The Diabetes Team found that many patients were being prescribed a type of laboratory-created insulin, known as analogue insulin, which has been genetically altered to be fast-acting or to act for longer than regular insulin (human insulin). However, the cost of prescribing analogue insulin is around 30% greater than for Human Insulin.

By providing education and support and a switch to human insulin there have been significant improvements in patients' health and wellbeing and proved to be more cost effective. As a result as part of an 'invest to save' scheme the Diabetes team have been able to provide additional Diabetes Specialist Nurses based in the community.

With dedicated help and support in their local communities, patients were able to make the switch from analogue to human insulin. Very quickly, the savings made more than paid for the community nurses' time allowing them to provide vital services in a convenient location for patients, simultaneously improving their experience and easing some of the pressure on hospital sites.

Safe and Clinically effective care

The Medicine Clinical Board have implemented and well embedded an Enhanced Supervision Framework which supports a patient risk assessment and levels of observation. This has provided positive outcomes for patients and the Clinical Board, with the reduction of 1:1 intervention when needed, and improved overall communication with all members of staff in reducing patient risk and harm as a consequence of falls.

Other initiatives have included engagement in 'End PJ Paralysis' and 'Get Up, Get Dressed, Get Moving' as a means of preventing de-conditioning.

In the outpatient setting the Day Hospital at UHL in partnership with Physiotherapy colleagues have completed series of intergenerational interaction, by inviting children of different age groups to take part in activities, including exercises with patients who attend day hospital. This has proved extremely beneficial for those patients with anxieties around mobilizing and engaging in activities, as a means of preventing deconditioning and improving overall patient confidence.

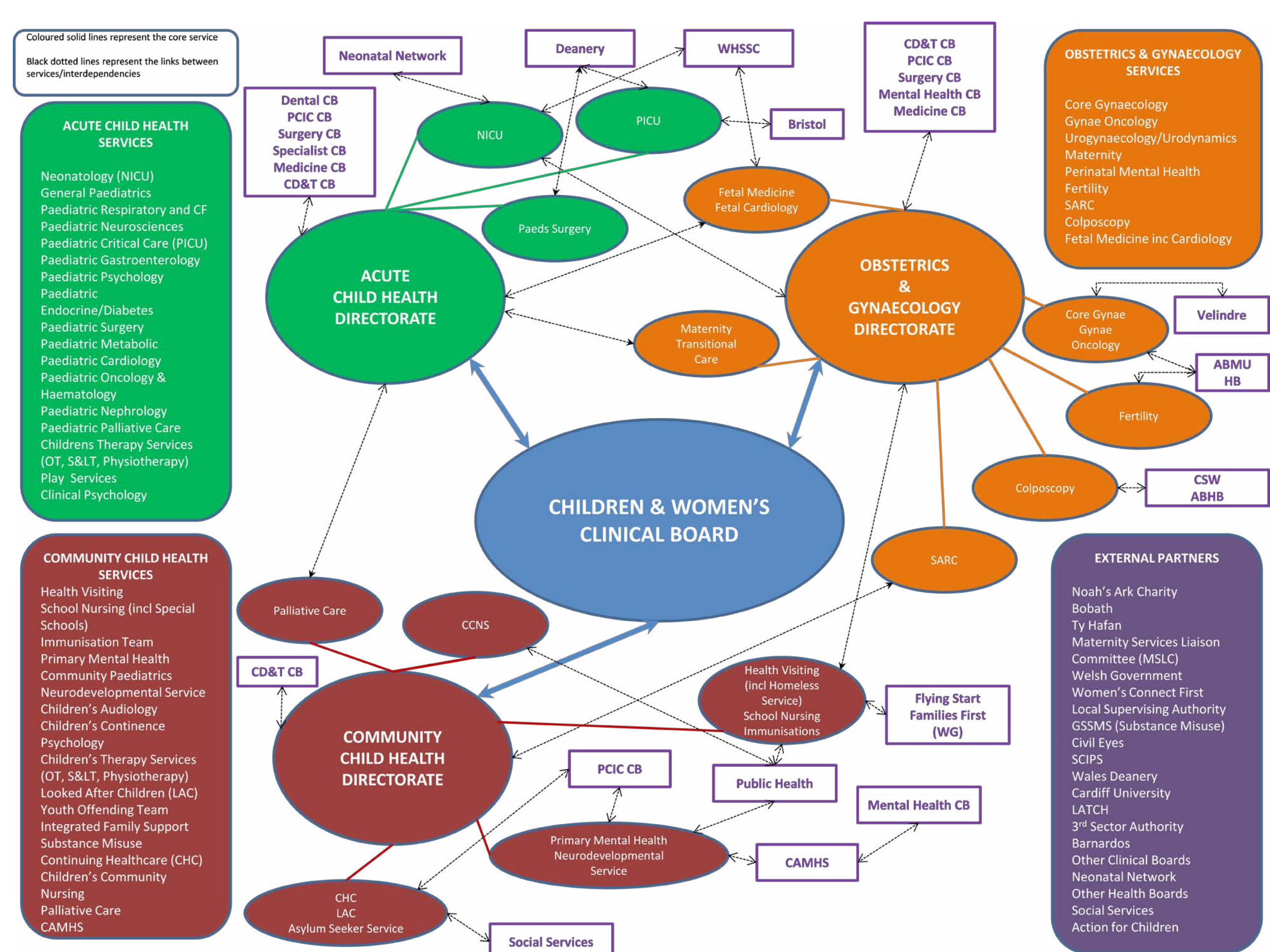
Children and Women Clinical Board

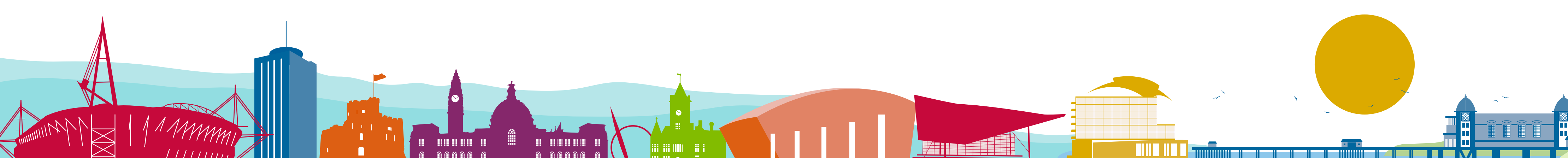
Staff: 2100 wte

Budget: £90m

The Clinical Board delivers care across the whole patient pathway and has responsibility for tertiary specialist services, local secondary services and universal and targeted services. These support health, wellbeing, education, development and public health amongst the population of children, young people, parents, families, women and their partners. This includes national and local partnership family focused initiatives and safeguarding priorities.

The diagram opposite provides a snapshot of the core services that are provided within the Children and Women's Clinical Board as well as the many links and interdependencies between services. It is worth noting that some services are provided for the whole of Wales and this is of particular relevance when considering the strategic importance of Child Health services and the future configuration of services for the Noah's Ark Children's Hospital for Wales. Similarly when considering service change, WHSSC remains a commissioner of our services on behalf of other LHBs in Wales. There are also services provided on behalf of or in conjunction with local authority partners.



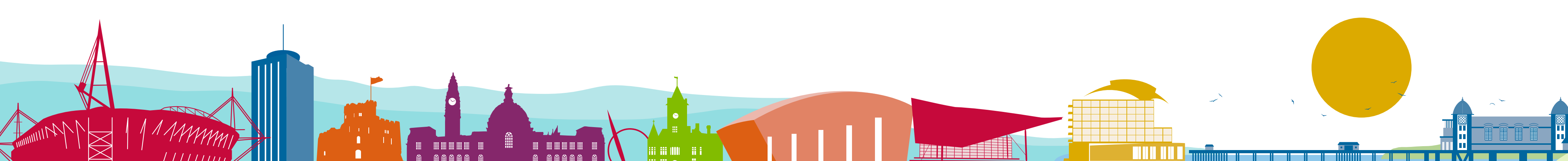


Achievements

- Excellent number of nominees, winners and runner's up at the recent UHB Staff Recognition Awards which showcased the continued commitment of staff to their roles and services in order to provide our patients and their families with the best possible care.
- Successful BSUG accreditation as Mesh Excision Centre in Wales.
- Implemented the findings from BUMPES into action and increased our normal birth rate for this group of women.
- Recruited midwifery staffing to become BR+ compliant by October 2018.
- Embedded a preparation for practice programme for newly qualified midwives.
- Worked with HEIs to offer pre-qualifying placements for student midwives in order to ease their transition to becoming a NQM in Cardiff and Vale UHB.
- PROMPT – successfully implemented PROMPT multi professional emergency drills within C&V. PROMPT Wales are now looking to our team to develop the community emergency drills module.
- Developed multi professional leadership days for the MDT based on Values & Behaviours, respecting others roles, mental toughness and resilience.
- Health and Wellbeing weeks for staff including recipes for healthy eating.
- Implemented and sustained healthy pregnancy pathway for women with a BMI of 35-39.9.
- Gynae oncology nurse practitioner development role has been successfully completed and evaluated positively.
- Accreditation as specialist Endometriosis centre achieved in 2018.
- Reduced SSI infection rates to the lowest in Wales with the highest compliance. Electronic reporting introduced via the E3 maternity information system.
- Implemented the all wales standards for fetal surveillance. In addition, we have developed a fetal surveillance care bundle which looks at human factors. We've also introduced multi professional CTG case review meetings weekly to increase to twice weekly from April.
- Sandra Hall and Kath Azzopardi 2 of our CNS won the Suzanne Goodall category in the RCN (Wales) Nurse of the year awards.
- Community Child Health, Health Visiting undertook a service Patient Satisfaction Questionnaire which demonstrated a very positive response. They designed an animation video to convey the results.
- The Community Child Health Psychology Directorate has worked in Partnership with the Mental Health Foundation and Education Wellbeing team to successfully obtain transformation funding to roll out an Adverse Child Hood aware approach in schools.

Service Developments

- Repatriation of Cardiff and Vale CAMHS from Cwm Taf Health Board back to Cardiff and Vale University Health Board from 1st April 2019. The project to repatriate the Specialist CAMHS team has been very successful and excellent stakeholder work with parents, young people and third sector partners has been established.
- Opened a 2nd bereavement room - based within the obstetric delivery suite for women who are too unwell to move to the Teardrop room.
- Set up a Rainbow Baby next pregnancy following loss clinic to ensure continuity of care for this group of women.
- Opened a dignity and memory making area within obstetric delivery suite as an area where stillborn babies can be hosted with dignity and respect should their parents not wish the baby to be with them but aren't ready to say goodbye.
- Bev Curtis, Highly Specialist Speech and Language Therapist at Cardiff and Vale University Health Board has recently been awarded a Fellowship by the Bevan Commission, to progress her work on developing a Paediatric Dysphagia outcome measurement tool.
- Telephone contacts project awarded to become paper-lite and ensure all contacts are recorded within the electronic patient record.
- New way of looking after the children coming in for MRIs has been developed. They are being treated on the daybeds of Gwdihw which means they do not have to take an inpatient bed for their admission.



Case Study

"Championing Children's Rights – Launch of Children's Charter and Youth Board in Cardiff and Vale University Health Board"

As a health board, significant work has been taking place in partnership with Cardiff Council and the wider Cardiff Public Service Board to contribute to the Child Friendly Cardiff Strategy. The strategy, sets out a shared vision for the city and identifies a clear set of goals to be delivered. 2 pledges were made to the Children's Commissioner in June 2018:

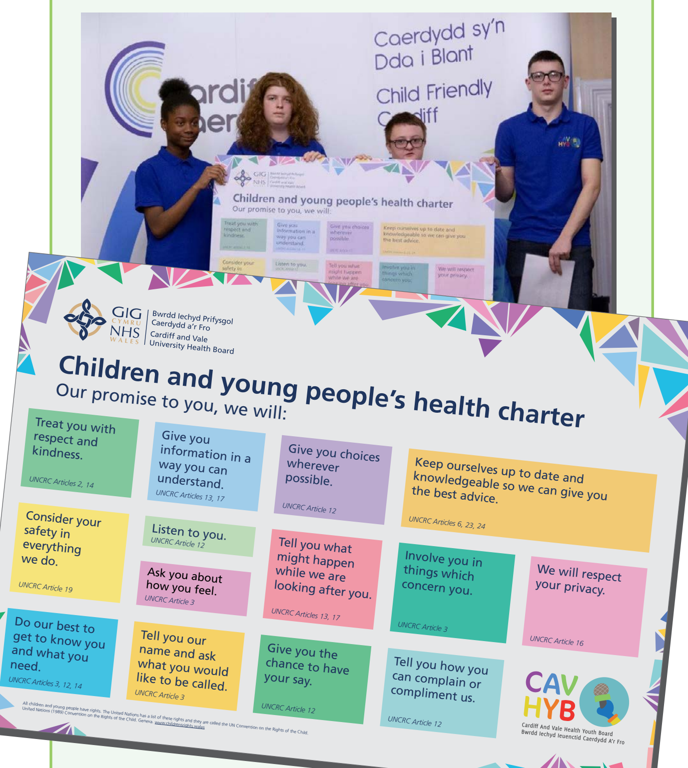
1. **To develop a Children & Young People's Charter**
2. **Recruit to a Youth Advisory Board**

Scoping was undertaken across Cardiff and Vale - over 200 CYP met with informally in groups to discuss the concept of a Charter and Youth Board. They were asked about their experiences of using the Health Board were and what was good, what should change etc. This covered the diverse population in C&V. Vulnerable groups such as Looked After Children and CYP from Travelling Families included.

The above provided feedback through a young person's lens which was grouped into themes. This has been fed back through the newly established UHB Children's Rights Operational Group which is led by C&W Clinical Board. This group has representation from Maria Battle, as our UHB Children's Champion, in addition to reps from UHB Safeguarding, UHB Equality Advisor, Learning & Education Department EU, Comms CAMHS and Public Health WALES. There is also support from Youth Services in Cardiff Council who are engaged in the Cardiff Child Friendly City programme with UNICEF.

We have worked closely with colleagues in Cardiff and the Vale local authorities and the third sector to promote a Children's Right's Approach. As part of ensuring the health board is delivering on the charter, a Youth Board has now been developed. This has been very successful with many children and young people between the ages of 14-23 signing up to be part of the Board.

Since the launch we have focussed in establishing and working with the Young People to form the group, provide induction training and agree priorities. A membership agreement and code of conduct has been agreed in collaboration with the group. So far they have supported with signing up to UHB volunteering projects, working with Public Health on healthy lifestyle and immunisation initiatives, participating in interviews and stakeholder presentations, visiting CAMHS out patients to advise on redesign and presenting at a National School Health Nursing Conference. There is much more planned going forward which will include obtaining service user feedback in the Children's Hospital, EU and in community health services for CYP. This will support us in quality assurance and service redesign ensuring children's services are a priority and are CYP centred in the future.



Primary, Community and Intermediate Care (PCIC) Clinical Board

Staff: 900

Budget: £336m

The Primary, Community and Intermediate Care (PCIC) Clinical Board covers a wide range of services that sit outside hospital settings. These include:

- Primary Care Contractor Service
- District Nursing
- Community Resource Teams
- Specialist Community Nursing Services
- Sexual Health Services
- Services for Vulnerable People (including the Homeless Nursing Service, Prison Nursing Service, and services for asylum seekers)

The Clinical Board delivers health and wellbeing services in citizens homes, in the community and from a range of other facilities. These services support people remaining in their own homes and accessing care in their local community settings. Many of these services are aligned to the 9 Primary Care Clusters and/or 3 Localities operating within Cardiff and Vale.

Key Achievements

Improving Access

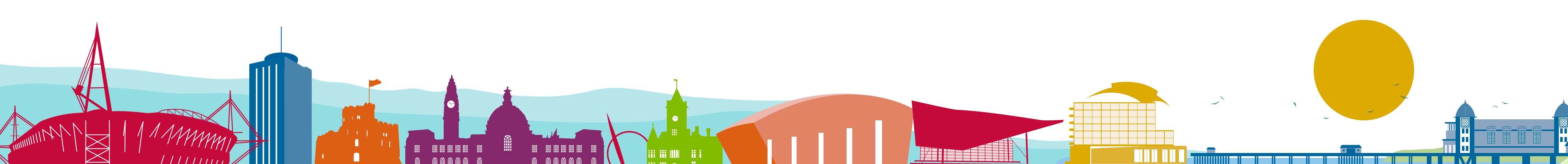
- Providing GPs with access to First Contact Practitioner Physiotherapists, to enable practices to better manage their workload, deliver safe specialist services and empower patients as partners in care.
- Increased capacity of the Hospice at Home service, in collaboration with Marie Curie, increasing the numbers of individuals supported wishing to die at home.

Pilot Schemes/Projects

- Roll-out of Care Home Integrated Support Team.
- Roll-out of Electronic Patient Record in the Department of Sexual Health.
- Development of CAVGP to support GP recruitment and promote primary care innovation and successes.
- Commissioning of the Common Ailments Service in 95 community pharmacies across Cardiff and Vale.
- Evidence-Based Interventions / Service Changes.
- Cardiff and Vale GP Practice boundary change exercise carried out to review existing practices and agree amended boundaries, supporting service sustainability in meeting the needs of the local population within Cardiff and Vale.
- Analysis of the role of the cluster pharmacists within practices in the Central Vale Cluster, with the data produced being used to influence other service development, such as mental health care practitioners.
- Focusing on improving Bowel Screening in South East Cardiff where the clusters identified this as a key population health priority.
- Integration / Collaboration.
- Establishment of the Active Healthcare Operational Group within HMP Cardiff, which has multidisciplinary engagement.
- Run a number of workshops with Primary Care independent contractors to discuss the General Medical Services (GMS) sustainability concerns and make plans to improve access to services.
- Working with the All Wales Levels of Care lead from Welsh Government in developing the District Nursing Principles (Nurse Staffing Act) and undertaking a quality audit in South and East Cardiff as part of the ongoing All Wales work.
- End of life education provided to the Urgent Primary Care Out of Hours team (OOHs) by the Palliative Medicine consultants and the Macmillan GP, through collaboration with Macmillan, City Hospice and Marie Curie Hospice.

MDT Working

- Development of the MDT working in General Practice, focused on mental health and MSK services.
- Expansion of MDT working within OOHs, including triage nurses and paramedics, advanced clinical nurse and paramedic practitioners, minor illness nurses and paramedics, and dental nurses.
- Increased use of administrative staff within clinical teams, such as District Nursing.



Exemplars

- Bevan Innovation Exemplar 2019 for the co-ordinated, needs-assessed approach taken regarding medicines management support for recently discharged patients within Cardiff West Cluster.
- Bevan Innovation Exemplar 2019 for the evaluation of an Innovative Patient Participation Group in the co-production and design of primary care services.
- Bevan Health Technology Exemplar 2019 for the use of smart ECG monitors in the development of the independent prescriber pharmacist role to improve the early detection of atrial fibrillation in the North Cardiff Cluster.
- Bevan Innovation Exemplar 2018 for the development of a cluster-based GP recruitment and retention toolkit.
- Cardiff and Vale OOHs templates and policies have been adapted throughout Wales, including: escalation protocols, capacity and demand planning, home visiting protocols, and the way in which shift fill rates are reported into Welsh Government.

Demonstrating the Impact of Achievements

- Appointment system in the Department of Sexual Health was changed to a walk-in system, which has reduced the DNA rate from 9% to 1.6%, resulting in a saving of £60,000 per annum. This change has also enabled the service to see an additional 1,050 patients.
- Working collaboratively with the All Wales Healthcare Acquired Infection Reduction Group, PCIC has achieved a 24% reduction in E-Coli incidence between March and September 2018 and developed plans for reducing C-Diff and MSSA Bacteraemia.
- A review of existing enhanced services in community pharmacies resulted in: an increase in the number of pharmacies offer Level 3 smoking cessation support; an increase in the availability of flu vaccinations via community pharmacies; and simplification of the Emergency Medicine Service through OOHs.
- Development and introduction of Collaborative Community Falls Clinics to educate patients on avoiding falls, responding to falls, and recovering from falls. These sessions are planned to help support patients in the community and reduce the need for hospital admissions.
- Continued evolution of the Social Prescribing Model across Cardiff and Vale. This enables patients to access non-medical care through Third Sector, Local Authority and other partner agencies, such as mental health support networks, mindfulness groups, and weight management groups etc.
- Cluster working in the Western Vale with community and secondary care partners to make Western Vale a Dementia Friendly Community, thus enabling patients and their families to feel better supported in their local communities and able to continue living longer at home.

Case Study

'This is Sally's story'

Sally is 28 years old and lives alone at home supported by a comprehensive package of care funded by Continuing Health Care (CHC). Sally was diagnosed with an eating disorder at 16 years of age and was admitted to a specialist unit for treatment. At the age of 18, Sally was then diagnosed with Multiple Sclerosis (MS). Due to her poor physical health from her eating disorder she could not be actively treated to prevent the onset of deterioration from the MS. Following her diagnosis Sally spent a considerable amount of time in Rookwood Hospital for rehabilitation.

Sally is significantly physically disabled as a result of the sudden and rapid onset of MS, her rehabilitation potential has been poor and she is completely dependent on others to meet her daily living and care needs. She has a history of challenging behavior, obsessive compulsive disorder, anxiety and experiences depression. Her eating disorder has remained a feature and her weight fluctuates.

Sally's relationship with her family is complex and their support to her has not been consistent. She is often non complaint with her care and treatment and has not always understood the risks she takes by not following her treatment plan.

Following her stay in Rookwood Hospital, Sally was eventually discharged home to her own bungalow where she lived alone, supported by a Continuing Health Care (CHC) funded package of care and an extended multi-disciplinary team (MDT).

The MDT included her GP, District Nurses, Nurse Assessor Team (CHC), Rehabilitation Consultant and MS Team, Mental Health Teams for the Adult Service and Eating Disorder Service and a Specialist Domiciliary care provider.

In 2015 Sally's care at home broke down and her non compliance with her care and treatment resulted in her BMI falling to an unacceptable level resulting in the development of an extensive non healing grade 4 pressure ulcer to her sacrum. She was admitted to University Hospital Llandough where IV antibiotics and recovery care was provided.

Sally wished to be discharged home very quickly but her capacity was reviewed by those teams involved in her care and it was agreed that she lacked capacity at that time to make the decision that going home was a safe option. As an alternative, a specialist care home placement was made to Sally and agreed to be in her best interests.

Sally settled into the care home placement reasonably well but continued to ask to go home. The Deprivation of Liberty Safeguards (DOLS) team were involved and her capacity was periodically reviewed during her time at the care home with an independent advocate involved in her care and support.

Over time Sally's physical health improved significantly. Her weight improved and her pressure ulcer was healing and she again asked to return home.

Sally said "I want to return home, being cared for at the care home is not helping my wellbeing, progress and recovery, I would feel more in control of my life at home".

Sally's capacity was reviewed and the MDT agreed that she was now able to decide where her care was best met and that she understood the consequences of non compliance with her care and treatment. After one year of being at the care home, Sally returned home in 2017.

She said "I have learnt my lessons from not complying with my care and treatment, being placed in the care home has made me turn a corner. I will never let myself get back to that stage again. I want to be fit and healthy, I am nearly at my goal weight, I am happy with myself."

Sally has been living at home in the community for the last two years with a comprehensive care package in place from a care agency and her nursing needs are met by the District Nurses. Sally also receives regular respite in a specialist care home for younger people. Her pressure ulcer has healed and she is now able to spend more time in her wheelchair. Sally's weight has remained stable over the last two years, her BMI is within normal limits and she is eating normally which has led to her discharge from the Community Mental Health Team. The level of Sally's health needs has decreased and she is awaiting a reassessment to find out if she continues to meet the criteria for Continuing Health Care funding.

She continued "Since I have been at home my confidence has grown and I feel more relaxed. I didn't like being in the care home but I recognised that I wasn't helping myself and that I was really low when I went into hospital.

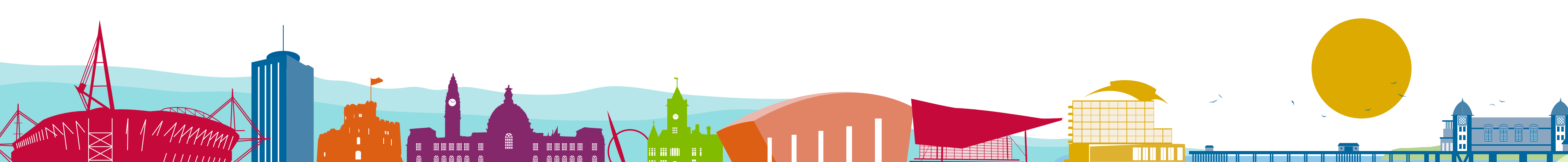
"I just couldn't talk about how I was feeling. I try not to think about the past but I have learned lots of lessons from it and I feel I have moved on. I try not to let my MS take over my life and I don't dwell on things now.

"There have been so many positive things since I came home. I'm actually going out and making my own choices about what food I buy and helping the carers with the cooking, which is something I never thought I'd be able to do. I love being more independent.

"I get a bit anxious when I am going in for respite but I understand why this is arranged and I made an agreement that I would go when I came home. I promised to help myself and I understand how it gives me a break from my normal routine. I can talk to the staff there about my feelings which really helps me to cope with things.

"If someone offered me a million pounds to go back or to stay at home; I would chose to stay at home every time. Being at home and keeping my independence is the most important thing in the world to me.

"I am looking towards the future and I would love to be able to do some voluntary work and make some new friends."



Mental Health Clinical Board

Mental Health Clinical Board covers Adult Mental Health and Mental Health Services for Older People.

The service offers a wide range of support, care and therapies including:

- Young Onset Dementia
- Crisis Teams
- Community Mental Health Teams
- Eating Disorders
- Primary Mental Health Service
- Addictions
- In patient services at Hafan y Coed

Case Study

With 1 in 4 people estimated to have a mental health issue, support, signposting and care is important in reaching people at the start of their journey before they reach crisis point.

The Mental Health Clinical Board developed a partnership clinical service model with Cardiff East GP cluster. The cluster has areas of high deprivation with high rates of unresolved chronic depression, pressurising GP caseloads with mental health related problems.

Cardiff East cluster which has four practices with a population of 54,867 funded two band 7 Mental Health Practitioners (MHP) to work as part of an extended GP service with the support of secondary mental health services for supervision, professional development, management and governance.

This meant that patients could access support at the GP stage with a mental health practitioner, and also meant that GPs time was freed up to see more acute patient needs.

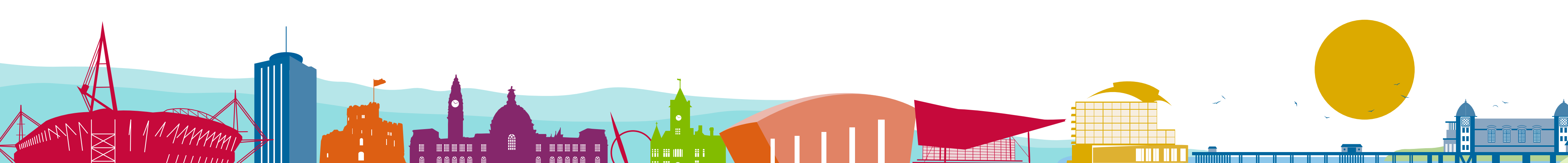
It has been estimated by GPs that a fifth of their workload is dealing with mental health issues and the addition of a Mental Health Practitioner to the team has been a huge benefit to the Primary Care service.

The mental health practitioners can take direct referrals from the GP screening service as well as from GPs and can also see individuals on a follow up basis.

Appointment times are approximately 20 minutes and has had a positive impact on the patient experience as they feel they have been listened to and are being supported without waiting weeks for an assessment of their need, and this all happens within their regular GP practice.

The 12 month pilot also found significant reductions in referrals through to all mental health specialist services such as Primary Mental Health Support Service, Counselling and the Community Mental Health Teams and received positive feedback from all stakeholders.

As a result of the positive impact of this service, the Health Board has committed to funding the addition of Mental Health Practitioners in GP Practices throughout the clusters in Cardiff and Vale so that patients get the support and signposting they need at an earlier stage.



Surgery Clinical Board

Staff: 1800 wte

Budget: £120m

Between April 2018- March 2019 the Surgery Clinical Board had 5 Directorates which provide a significant number of emergency and elective services to Cardiff and Vale residents which include Trauma and Orthopaedics, General Surgery, Urology, ENT, Maxillo-Facial Surgery and Ophthalmology. In addition to direct service provision for the local community of Cardiff the Surgery Clinical Board provides a significant number of services beyond the local population at both the University Hospital of Wales and University Hospital Llandough such as Spinal Surgery and Hepatobiliary Surgery.

The Surgery Clinical Board also supports the activities of all other Clinical Boards within the Health Board through the provision of services provided by the Perioperative care Directorate, which includes Anaesthesia, Pain Management, Operating Theatres, Pre-Assessment and Sterile Services. Whilst the majority of services provided by the Surgery Clinical Board are core activities, due to the high volume of activity and the diversity of its services, risk in the Clinical Board is high. Therefore robust risk management arrangements are in place to reduce and manage these in order that our service users and staff are kept safe.

Key Quality Improvement Projects

- New build modular orthopaedic theatre in UHL has been completed and surgery is now being undertaken in that theatre.
- First in the UK to implement a new treatment pathway called electrostatic pressurised intraperitoneal aerosol chemotherapy (ePIPAC) for use in palliative treatment of advanced peritoneal malignancy.
- 10% reduction in mortality rates for emergency laparotomy as highlighted in the National Emergency Laparotomy Audit.
- Implementation of a surgical pathway for patients from across South Wales with suspected cancer on their kidneys to be operated on using the state-of-the-art technology of the Da Vinci robot resulting in reduction of length of stay to 2 days on average, as opposed to the 6 days required for the traditional open procedure.

Awards won in 2018/19

- Winner of the RCN Nurse year award for the Mental Health and Learning Disabilities Category (Andy Jones)
- Winner of the RCN General Registered Nurse Award Category (Suzanne Thomas)
- Runner up in the RCN Nurse of the Year Awards - Supporting Improvement through Research Award. (Angela Jones)
- Planned Care Sustainability award for Patient Knows Best initiative (PKB)

Case Study

Direct Access to Audiology for Adults with Learning Disabilities (AWLD)

People with learning disabilities have a much higher incidence rate of hearing loss in comparison to the general population due to co-morbidities. Hearing loss is often left undiagnosed because unusual behaviours and inconsistent responses are attributed to the learning disability rather than an indication of a hearing loss. In the past, assumptions were made that the individual would not be able to cooperate with testing and testing was not modified adequately for the individual's needs. In 2015, 100% of patients with a learning disability who were newly referred to Audiology, were found to have some degree of hearing loss. Only 5% of carers had concerns before testing.

Audiology was approached by Maggie Higgins, Communication Development Officer from ABMU in 2015 about creating a direct access service for AWLD patients in Cardiff & Vale. At the end of 2017 we obtained new electrophysiology kit which would allow AWLD patients to be tested objectively. An advanced audiology practitioner also took over the lead of co-ordinating and testing on the clinic and was trained in micro-suction techniques as well as advanced electrophysiology.

By raising awareness of the issue among staff

and carers, introducing a direct referral system into audiology for AWLD, modifying testing techniques to maximise patient cooperation including home visiting, working with the University Dental Hospital to carry out testing under general anaesthetic, and developing easy-read resources for those with limited literary skills, we have seen an increase in referrals, an increase in accurate test results and an increase in requests for deaf awareness and learning disabilities training.

As of September 2018, 1 clinic per month with two audiologists has been increased to five clinics per month. Four patients have been tested and had wax removal under GA successfully by the advanced practitioner since liaison with the dental team began. Three patients had satisfactory hearing levels and one was referred for a hearing aid. A total of 48 AWLD patients have been seen in the audiology-led AWLD clinic in 2018.

Our view for the future is to develop an AWLD service with specially trained logists to perform non-routine diagnostic hearing assessments with this population, including setting up a screening programme, and implementing facilities which are autism friendly including micro-suction equipment (which is much quieter than current portable suction). Future screening clinics can be held in the community or in patient's residences.

AWLD patients need to be followed up every two years according to the Scottish guidelines for adults with learning disabilities and also in the NICE guidance for adult hearing loss. An influx of referrals have been received in September and October 2018 due to increased awareness of our clinic and due to promoting wellness in older adults.

Specialist Services Clinical Board

Staff: 1690

Budget: £157m

The Specialist Services Clinical Board comprises a number of highly-specialised areas serving both the South East region and wider all Wales population. The services also generally provide secondary care services to the local Cardiff and Vale population. For certain specialities, services are provided on a south Wales and All Wales basis.

The services provided by the Clinical Board are predominantly commissioned by the Welsh Health Specialised Services Committee (WHSSC) and provide for the wider regional and Welsh population. Services are currently structured through the 7 Directorates:

Cardiothoracic Services provide outpatient, specialist diagnostic, day case and inpatient services to both the local Cardiff and Vale and also the wider South East Wales populations.

Critical Care provides adult critical care services at both UHW and UHL. Demand fluctuates significantly, and whilst the majority of patients are admitted through the secondary and tertiary emergency streams, there is an element of pre-booked highly complex elective surgery on both sites.

Haematology & Clinical Immunology is based primarily in UHW (with a supporting Haematology Day Unit in UHL) and provides outpatient, day treatment and inpatient services to both the local Cardiff and Vale, and also the wider South East Wales populations. The Haematology service is the only Level 4 centre in Wales. There is a dedicated Haematology Day Unit, and a highly specialised ward on ward B4 at UHW. The Teenage Cancer Trust Unit, a stand-alone unit for children and young people with cancer, provides inpatient treatment for up to eight patients.

Medical Genetics provides an All Wales clinical genetics service to all 7 LHBs. The service is outpatient and lab based with a small but highly specialised workforce of consultants and genetic counsellors.

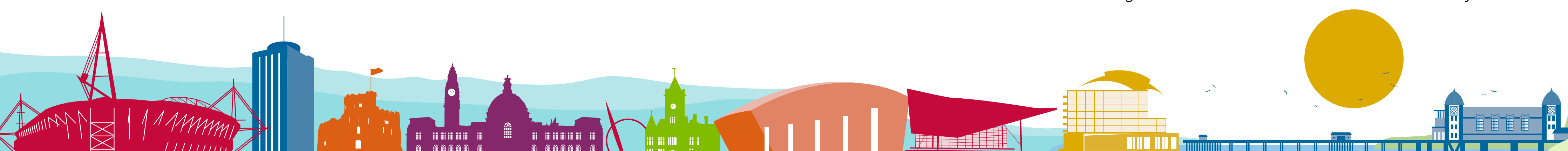
Nephrology and Transplant Services are based at UHW and provide outpatient, specialist diagnostic, dialysis and inpatient services to both the local Cardiff and Vale, and also the wider South East Wales populations. The Directorate is also responsible for the management of the multiple dialysis units across the South East Wales region, and are jointly contracted by NHS Blood and Transplant (NHSBT) with Birmingham Foundation Trust to provide the National Organ Retrieval Service (NORS) for Wales and South West England.

Neurosciences is based primarily at UHW. The Neurology service is based on ward C4 and the Neurosurgery service consists of 3 wards. The regional Neuro-rehabilitation and Spinal Injuries services are currently based in Rookwood Hospital with outpatient and inpatient (as well as specialist therapy) services.

The Artificial Limb and Appliance Centre (ALAC) is based on the Rookwood Hospital site with a depot at Treforest. ALAC provides outpatient, specialist diagnostic/assessment, prosthetic and wheelchair services to both the local Cardiff and Vale, and also the wider South East Wales populations.

Summary of Key Achievements 2018/19

- Opened six additional Critical Care beds at UHW to support increasing demand.
- Successful bid for Cardiff and Vale to become the Major Trauma Centre for South & West Wales and South Powys.
- Won a national award for our work on patients with neutropenic sepsis in Haematology.
- Haematology Staff recognised at Health & Care Awards - Dr Keith Wilson, Consultant Haematologist won 'health care professional of the year' and the Trials Unit were nominated for 'hospital team of the year'.
- B4 Haematology Ward won best placement award September 2018.
- Reduced average length of stay on Ward B5 by 3 days
- Refurbishment of Suite 19 Dialysis Unit.
- Newly commissioned cardiology outpatients department on T1.
- New enhanced recovery pathway initiated for thoracic surgery.
- ALAS were awarded the best student placement by Cardiff University - Physiotherapy Service.
- Neurology recognised as one of the best providers of undergraduate medical education in Cardiff University.



Case Study

Highly specialised seating for Inseparable Conjoined Twins

A pair of inseparable conjoined twins needed specialised, bespoke seating as they were unable to sustain position without support.

They had fused pelvises with two independent spines and ribs. Due to the high complexity of the twins' skeletal system and their limited life expectancy the priority was for comfort and mobility. They were initially transported in a shop bought buggy in a supine position.

Casting bags were used to create a seat mould that supported the twins in a sitting position by providing a stable pelvic base with lateral and rear torso support. A recess was made at the top of the back support to accommodate the joined central arm.

Lateral head support was built into the seat but kept to minimum to allow head movement. A customised harness was made to aid posture and keep the twins from falling out of the seat.

The twins' condition and prognosis improved considerably not long after the buggy and seating was issued. They quickly reached the capacity of the bespoke seating so a new seat was cast.

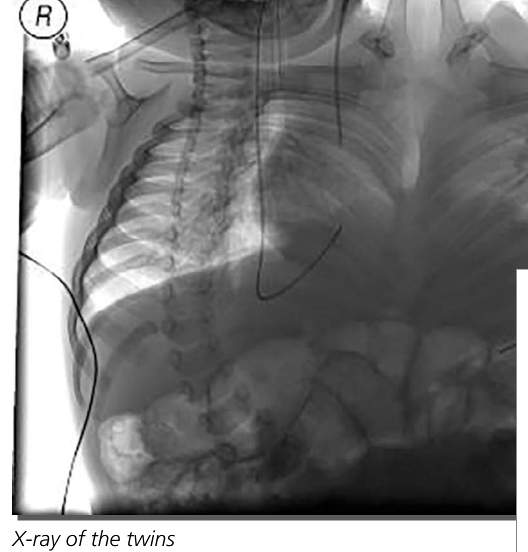
The challenge of the seating was to provide adequate head support while still allowing room for the functioning joined arm.

The new seat and buggy are expected to last 4-6 months before a larger system is required.

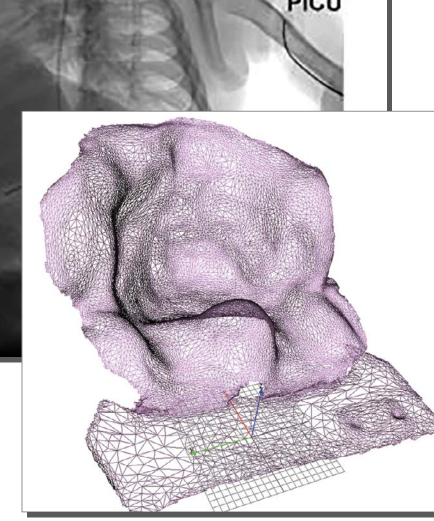
Work has already begun on the next solution to minimise delay. This will be another larger buggy that will provide posture and mobility for at least a further 18 months and hopefully longer.

Regular review will be essential to pre-empt growth as each solution is likely to take some time to create.

The twins in their new seat



X-ray of the twins



3D model of seat

Dental Clinical Board

Staff: 388 wte

Budget: £18m

The University Dental Hospital provides a full range of specialist dental services including, restorative dentistry, paediatric dentistry, orthodontics, oral and maxillofacial surgery, exam and emergency dentistry, oral pathology and oral medicine, all of which are provided within an acute setting.

The clinical board also provides the Community Dental Service which is based across 19 clinics throughout Cardiff and the Vale of Glamorgan.

The Dental Clinical Board has two Directorates:
The University Dental Hospital is a teaching facility to provide the future dental workforce for Wales alongside specialist dental care for our population in a hospital setting.

The Community Dental Service which provides treatment for people who may not otherwise seek or receive dental care, such as people with learning disabilities, elderly, housebound or with mental or physical health problems.

Case Study

University Dental Hospital improves accessibility for patients with sensory loss

In May 2018, the University Dental Hospital was awarded the "Louder than Words Accreditation" from Action on Hearing Loss. It was the first NHS hospital in the UK to receive this prestigious accreditation.

The Dental Clinical Board worked towards this accolade over a number of months prior to May 2018, including initially raising awareness of sensory loss, providing training to staff and establishing sensory loss champions in each department. Hearing loops and Sonido listening devices are now installed in all areas and staff trained on their use.

People who have hearing loss experience communication barriers when accessing services and this can have far-reaching consequences, leading to isolation and exclusion.

Louder than Words is a nationally recognised accreditation for organisations striving to offer excellent levels of service and accessibility for customers and employees who are deaf or have a hearing loss.

This accreditation shows that the Dental Clinical Board have promoted a greater understanding of those suffering a sensory loss and deliver the best possible service for patients to meet their healthcare needs.

In order to increase accessibility to patients with sensory loss, the clinical board recently applied for funds through the Cardiff & Vale Health Charity to install a braille embosser.

The embosser was introduced to reduce inequalities and allow staff to provide all of our patients with the same standard of healthcare information in an accessible format.

Being able to communicate effectively with patients with sight loss will help the University Dental Hospital to meet the All Wales Standards for Accessibility, enhance the patient experience, and break down barriers for these patients.

Capital, Estates and Facilities Service Board

Staff: 1246

Revenue Budget - £56.733m

Capital Budget - £41.974m

The Capital, Estates and Facilities Service Board's mission is to deliver a high quality service to ensure the patient is treated within a high quality safe environment whilst delivering a high quality patient experience. The Service Board works across all eight Clinical Boards and has worked proactively to develop these partnerships to ensure all of the Health Board's objectives are met in a collaborative manner.

The Service Board is structured between four Directorates:

- Facilities
- Commercial Services
- Discretionary Capital & Compliance
- Major Capital

The Capital, Estates and Facilities Service Board has been working with all colleagues across the Health Board to make major improvements to our services across Cardiff and the Vale of Glamorgan. This work is now known as Service Improvement Project (SIP) and since it started in 2018, the team has successfully kick started a number of initiatives, including:

Request a Porter Help Desk

Developed in collaboration with porters at University Hospital Llandough, the Request a Porter Help Desk is a fully automated IT system that allows wards and departments to book a porter online, with jobs issued to porters based upon proximity and priority. It's had a significant impact upon response time; 95% of calls are now responded to within 15 minutes, compared to 68% before the system was introduced. It's currently implemented at UHL with great success and work has commenced to introduce the system at the University Hospital of Wales.

Enhanced Communication

Teamphoria, an app created to improve team communication and engagement, has been introduced to staff across the Capital, Estates and Facilities service board. It allows team members to send awards to each other in recognition of their great work and allows managers to disseminate news in real time. Suggestion boxes have also been implemented to encourage all staff members to get involved in idea generation for service improvements.

Improved hand drying facilities

140 hand dryers have been fitted across UHW and UHL, allowing for bins to be removed from 150 non-clinical areas. This has reduced the need for plastic bags and ties, in turn decreasing the amount of waste to landfill while freeing up housekeeping resource for the floor cleaning team in UHW. Over 2600 hand roll dispensers have also been installed, which hold four times more hand towels than the previous sleeve dispensers. This creates a reduction in cardboard waste, it makes housekeepers' time more efficient, and the black dispensers are dementia friendly.

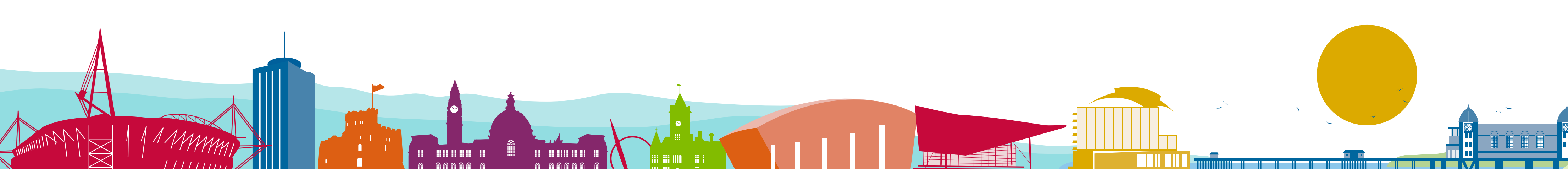
All-In-One Cleanser

Housekeepers at Rookwood are trialling a solution that prevents the need for multiple detergents. The results have been impressive and Barry Hospital is to follow soon.

Water less Urinals

Waterless urinals are now being trialled in the UHW concourse and UHL plaza to reduce water usage, prevent problems with flooding and blocked drains, and create a better service experience for both staff and patients.

Looking ahead to 2019, SIP's major campaigns for the year include the implementation of a catering IT system that allows patients to choose their preferred meals, thus reducing food wastage and allowing the catering team to more accurately project the ingredients that need to be ordered. 2019 also sees the introduction of new smart bins that compact waste on site in restaurant café services, and the implementation of Request a Porter at UHW, Rookwood and Barry Hospital.



Human Rights

The Health Board has an Equality, Diversity and Human Rights Policy which sets 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.

Cardiff and Vale Community Health Council

We work closely with Cardiff and Vale Community Health Council (CHC), an independent statutory organisation that acts as a voice for patients and the public. It is also an NHS watchdog for all aspects of health care.

We work together to discuss the delivery and development of the services we provide. We welcome reports from the CHC and are grateful for their on-going advice, challenge and support.

For more information, please contact:

Chapter 5
Unit 3, Pro-Copy Business Centre
Parc T Glas, Llanishen, Cardiff
CF14 5DU

Telephone: 02920 750112
Email: Cavog.chiefofficer@waleschc.org.uk

Principles of Remedy

The Health Board has fully embraced the regulations which guide the handling and response to concerns (complaints and incidents) launched by Welsh Government in April 2011. In addition, the UHB's approach to dealing with concerns very much reflects the 'Principles of Remedy' published by the Public Services Ombudsman for Wales.

1. Getting it right

- We acknowledge when we identify things that could have been improved.
- We consider all relevant factors when deciding the appropriate remedy, ensuring fairness for the complainant and, where appropriate, for others who have suffered injustice or hardship as a result of the same maladministration or poor service.
- We apologise and explaining the maladministration or poor service.
- We try to understand and manage people's expectations and needs.
- We always try to deal with people professionally and sensitively.

2. Being customer focused

3. Being open and accountable

- We try to be open and transparent
- We strive to treating people without bias, unlawful discrimination or prejudice.

4. Acting fairly and proportionately

We consider all forms of remedy (such as an apology, an explanation, remedial action, or financial compensation).

5. Putting things right

We are focussed upon using information on the outcome and themes from concerns to improve services.

6. Seeking continuous improvement

We seek to offer a proportionate, reasonable investigation and response that aims to identify the opportunities for service improvement.

Cardiff & Vale Health Charity

Cardiff & Vale Health Charity is the official charity of Cardiff and Vale University Health Board.

Every donation helps to make healthcare better, with the commitment to improving the experiences of people using the Health Board's services, in hospitals and the local communities.

Registered Charity No. 1056544

During the past financial year, the Health Charity has had an income of £1.46m from generous donations, heart-felt legacies and returns on financial investments.

First Cardiff Bay Bed Push Challenge and 5k/10k run

Sixteen teams took part in the first ever NHS at 70 bed push challenge at Cardiff Bay Barrage, with beautifully decorated beds and plenty of team spirit.

Almost 300 people took part in the 5k and 10k run around the Bay raising over £12,000 for the PROP Appeal, which supports those suffering from brain injuries.

First Blue Tie Ball

The first ever Blue Tie Ball was held at Cardiff City Stadium in October 2018. The event raised a fantastic £14,000 for the PROP Appeal. Almost 400 people attended, dressed in blue ties or evening dresses, with the sole intention of raising money for the PROP Appeal.

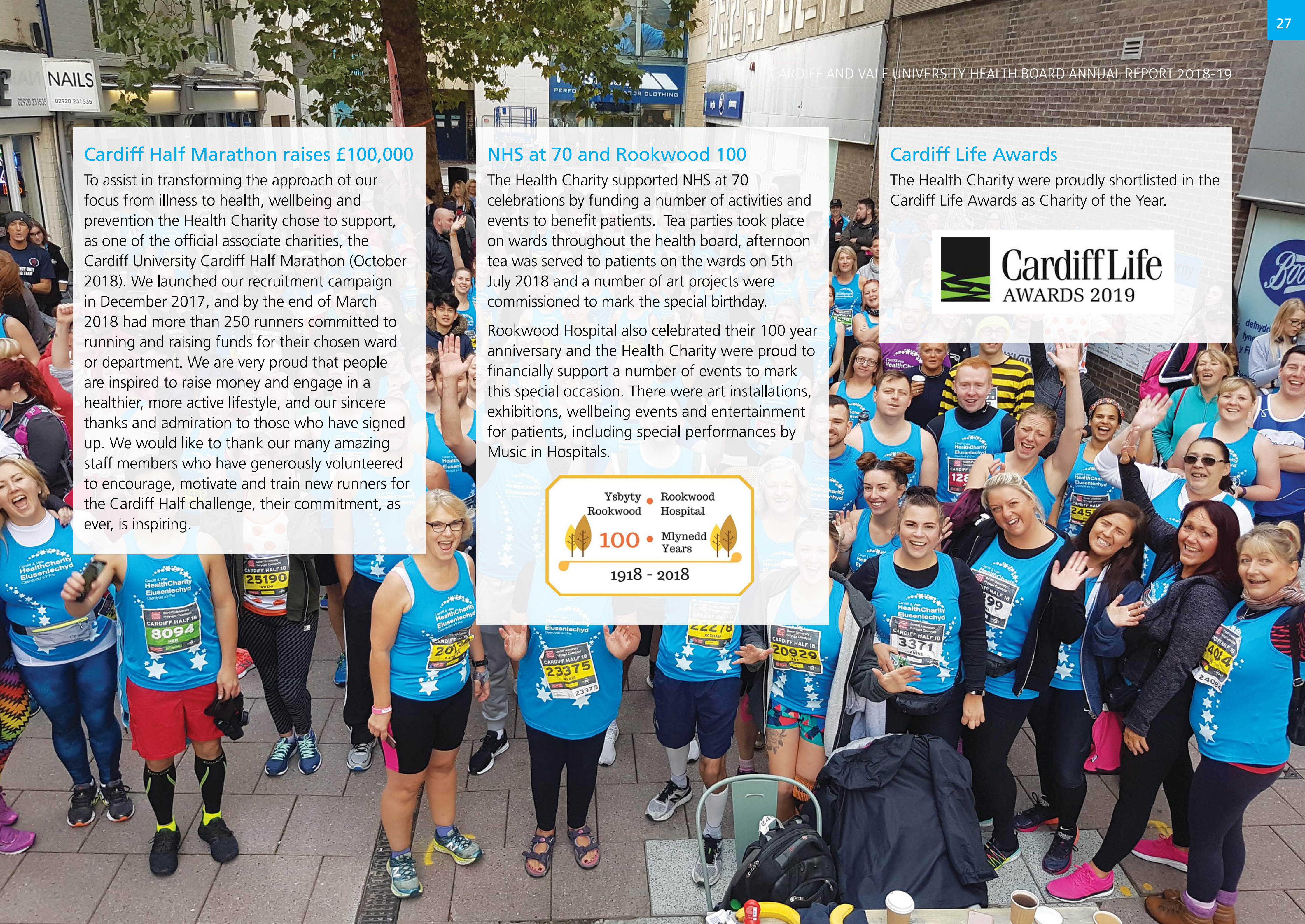
Pink Tie Ball

Another successful Pink Tie Ball was held in December 2018 for The Breast Centre. Hundreds of people turned out in the pink to raise more than £6,000 for those going through breast cancer treatment and recovery.

Len's Challenge

Len Richards, the Chief Executive of Cardiff and Vale UHB, launched his first challenge in June 2018 of walking the entire 177 miles of the Offa's Dyke path over the course of 10 days, with funds going to Cardiff & Vale Health Charity and Improving Chances.

Over 100 NHS colleagues, staff and partners joined Len on his challenge, which helped to mark the NHS at 70.



Cardiff Half Marathon raises £100,000

To assist in transforming the approach of our focus from illness to health, wellbeing and prevention the Health Charity chose to support, as one of the official associate charities, the Cardiff University Cardiff Half Marathon (October 2018). We launched our recruitment campaign in December 2017, and by the end of March 2018 had more than 250 runners committed to running and raising funds for their chosen ward or department. We are very proud that people are inspired to raise money and engage in a healthier, more active lifestyle, and our sincere thanks and admiration to those who have signed up. We would like to thank our many amazing staff members who have generously volunteered to encourage, motivate and train new runners for the Cardiff Half challenge, their commitment, as ever, is inspiring.

NHS at 70 and Rookwood 100

The Health Charity supported NHS at 70 celebrations by funding a number of activities and events to benefit patients. Tea parties took place on wards throughout the health board, afternoon tea was served to patients on the wards on 5th July 2018 and a number of art projects were commissioned to mark the special birthday.

Rookwood Hospital also celebrated their 100 year anniversary and the Health Charity were proud to financially support a number of events to mark this special occasion. There were art installations, exhibitions, wellbeing events and entertainment for patients, including special performances by Music in Hospitals.

Cardiff Life Awards

The Health Charity were proudly shortlisted in the Cardiff Life Awards as Charity of the Year.

Arts for Health and Wellbeing

There is a wealth of evidence that shows the benefit of arts in health and social care settings, improving the quality of care as well as mental and physical wellbeing for staff, patients and their families. The way in which we care for people has evolved as we aim to offer a more holistic approach to healthcare, improving the overall experience and improving outcomes. Despite the current financial pressures on healthcare providers, we know that embedding the arts into our care environments is essential.

We already have an impressive variety of programmes through which we integrate the arts into how we care for people, including environmental, performance and visual arts, much of it championed by enthusiastic and committed staff. We are dedicated to supporting all who wish to incorporate art into our care environments for the benefit of our patients, visitors and local communities, allowing us all to benefit from more positive and stimulating experiences.

We are committed to demonstrating the added value of the creative arts to the health and wellbeing of our population in Cardiff and the Vale of Glamorgan.

The importance of arts in healthcare

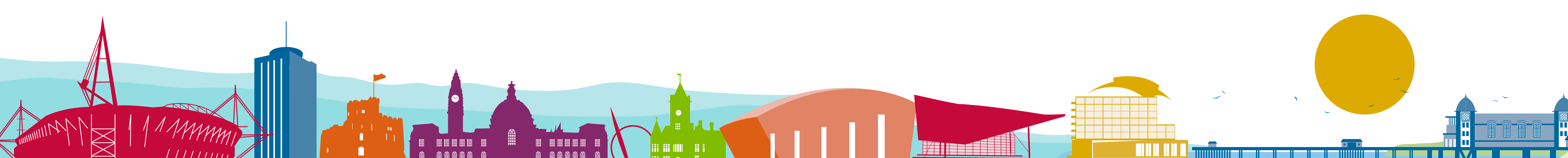
Access to arts opportunities and participation in the arts can dramatically improve health outcomes and patient wellbeing, counter inequalities and increase social engagement. As a supplement to medicine and care, evidence suggests that engagement with the arts can improve a person's physical and mental wellbeing. The benefits of arts activities are being seen beyond traditional settings, and their role in supporting communities and individuals who would otherwise be excluded is increasingly being recognised.

The incorporation of the arts into healthcare has a positive impact on patient health outcomes. The arts benefit patients by supporting their physical, mental, and emotional recovery, relieving anxiety and decreasing the perception of pain.

In an environment where the patient often feels out of control, the arts can serve as a healing tool, reducing stress and loneliness and providing opportunities for self-expression.

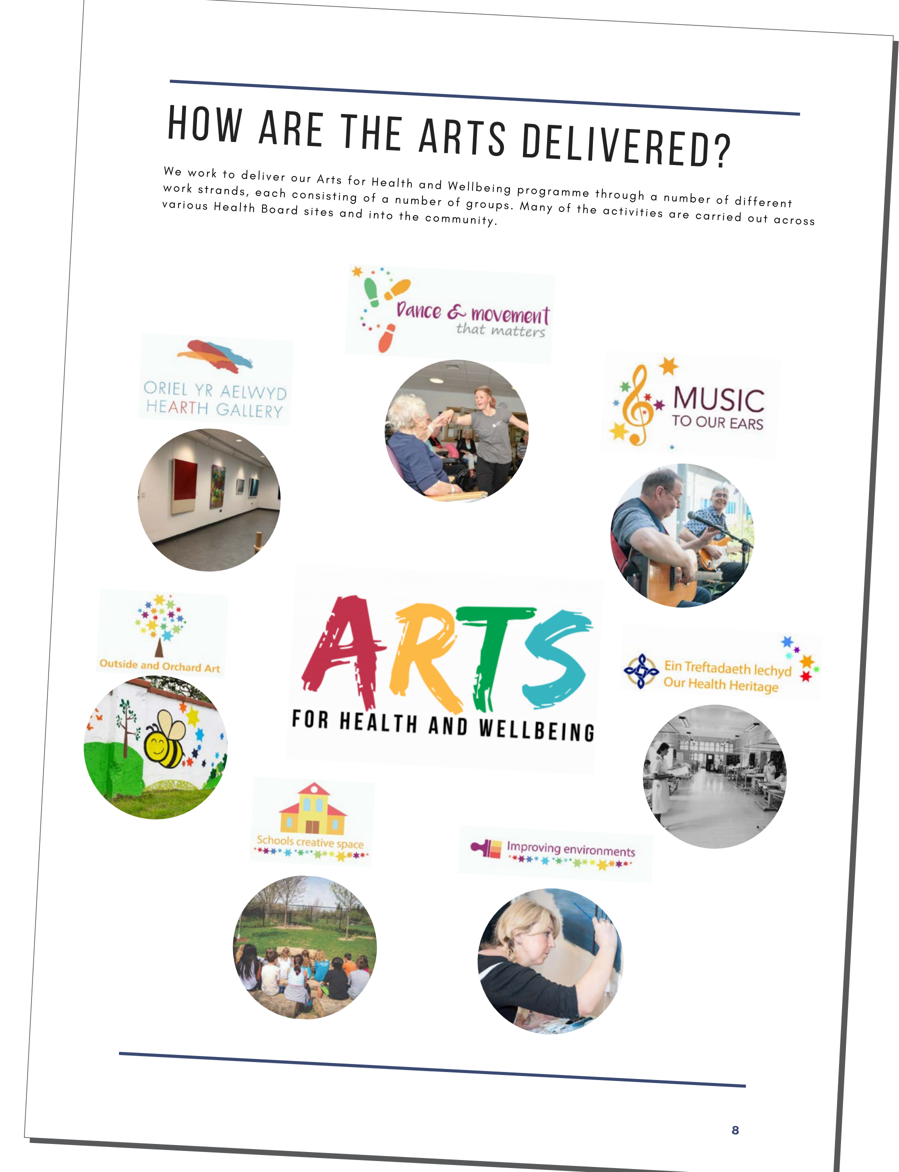
Our key Achievements

- We launched our Five-year strategy, "Improving Lives With Art" and secured funding from Cardiff & Vale Health Charity to begin enacting it.
- We designed, built and launched our brand new website (www.cardiffandvale.art) in-house with no budget. It has since received commendation from the Arts Council of Wales, tens of thousands of views and has been a platform for local artists to showcase their talent to a wide audience.
- We had a full schedule of exhibitions at the Hearth Gallery including a special show to celebrate the NHS at 70, which was attended by Cabinet Secretary for Health Vaughan Gething and Nygaire Bevan, great niece of Aneurin Bevan on her tour of the UK with the commemorative "Miner's Lamp". This exhibition went on to be shown in the National Eisteddfod in Cardiff Bay in Summer 2018.
- We submitted an exhibition by local artist Haf Weighton at the Hearth Gallery in Llandough Hospital to the Saatchi Gallery in London, which was accepted and shown in 2018.
- We supported Cardiff and Vale UHB's presence at PRIDE Cymru by recruiting a local artist, Molly May Lewis, to design and decorate a hospital bed with multi-coloured pompoms to promote fun, inclusion and the celebration of diversity.
- We began working with the Forget-me-not Chorus to bring music workshops to our patients with dementia in University Hospital Llandough.



They have been well received with some patients who would not normally speak come alive and respond verbally through song. We have also recruited the help of other musicians from the community, the charity Music in Hospitals and Care and the Welsh National Opera to bring the joy of music and song to our sites.

- We worked with Rubicon Dance and Elderfit to help our inpatients get up and get active while expressing themselves through dance and movement.
- We commissioned artwork to celebrate the 100th anniversary of Rookwood Hospital, engaging staff and patients in the hospital's varied history while bringing vibrancy and colour to its walls.
- We facilitated theatre company, Oily Cart, to put on an interactive show, "Splish Splash" in the hydrotherapy pool in Noah's Ark Children's Hospital. The performance was designed to stimulate and surprise children whose movement is restricted by transporting them from the hospital to a magical underwater kingdom.
- We worked with the theatre company, Re-Live, to bring the play Memoria and the reality of living with dementia to the executive team of Cardiff and Vale UHB.



HOW ARE THE ARTS DELIVERED?

We work to deliver our Arts for Health and Wellbeing programme through a number of different work strands, each consisting of a number of groups. Many of the activities are carried out across various Health Board sites and into the community.

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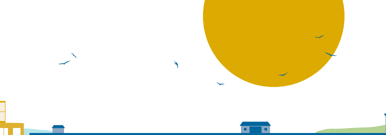


Chapter 2

Our population's health – Public Health Team

Cardiff and Vale has one of the fastest growing and ageing populations in Wales and the UK. In the next 20 years it is projected the population of Cardiff will have grown by around a quarter. In addition the population across Cardiff and Vale is living longer with increasingly complex needs, and this is placing a significant challenge on health services in our area.

It is projected that in the next two decades there will be more people aged over 65, more school age children and more working age people between the ages of 30-50. The city region in particular has a long history of being open and inclusive, and is the most ethnically diverse local authority in Wales with just over 15% of its population originating from black and minority ethnic groups.

A combination of economic factors and health behaviours means that Cardiff and Vale has some of the highest health inequalities in Wales, and the difference in healthy life expectancy between some of our most and least deprived areas is 24 years within Cardiff.

This gap is caused by a range of factors, including unhealthy behaviours which increases the risk of disease, particularly in terms of obesity, alcohol consumption, smoking and low levels of healthy eating and physical activity. The 'wider determinants' of health such as housing, household income and levels of education and access to health and healthcare services also contribute significantly to inequality in health.

As a UHB we are committed to reducing these gaps in health inequalities through a range of health improvement activity and work with partner organisations. Within the public health team the 'first order' priorities are tobacco, immunisations and healthy weight, along with a 'cross cutting' theme of tackling inequalities; other priority areas include alcohol, falls prevention, sexual health, and health at work.

Cardiff and Vale Local Public Health Plan 2018-21

Immunisation figures – page 15 and 20

Tobacco – page 20

Alcohol – page 30

Falls prevention – page 33

Dementia – page 36

Measuring outcomes – page 40

Moving Forwards: Move More, More Often

Annual Report of the Director of Public Health for Cardiff and the Vale of Glamorgan, 2018

My thanks go to everyone who has contributed to this report, including:

Anne Phillips, Kate Roberts, Victoria Hannah, Alice Puchades, Lauren Idowu, Bryn Kentish and Brian Marsh.

I would like to thank Susan Toner in particular, who has brought this whole report together and acted as chief editor

Chapter 3

Our Strategy: Shaping our Future Wellbeing

Shaping our Future Wellbeing is the 10 year strategy for transformation and improvement at Cardiff and Vale University Health Board. We believe that everyone should have the opportunity to lead longer, healthier and happier lives. But with an ageing population and changing lifestyle habits, our health and care systems are experiencing increasing demand.

We need to rapidly evolve to best serve the needs of the public and ensure that we're able to offer sustainable health services for everyone, no matter their circumstance.

To make this happen, we need to improve our current health system to ensure that it is sustainable for the future. Our strategy for achieving this is Shaping Our Future Wellbeing, a 10 year, system-wide plan that is set to transform our services for the better.

We want to achieve joined-up care based upon a 'home first' approach, empowering Cardiff and Vale citizens to feel responsible for their own health. We want to avoid harm, waste and variation in our services to make them more efficient and sustainable for the future. We want to deliver outcomes that really matter to patients and the public, ensuring that we all work together to create a health system that we're proud of.

There will be challenges along the way; we need to take a balanced approach to achieving change for our population based upon service priorities, sustainability and cultural values. But we're committed to 'Caring for People, Keeping People Well', ensuring that Cardiff and Vale University Health Board and its many citizens thrive not just today, but for the many years to come.

IMTP

In March 2019 the Health Board received confirmation from the Health and Social Care Minister, Vaughan Gething that our three year Integrated Medium Term Plan (IMTP) was approved by Welsh Government. The IMTP is a statutory document and marks a significant step forward. This is the first time on three years this has been approved by Welsh Government and alongside improving our position from targeted intervention to enhanced monitoring this is a double achievement.

Well-being of Future Generations (Wales) Act 2015

Background

The Well-being of Future Generations (WFG) Act requires named statutory bodies, including Cardiff and Vale UHB, 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.

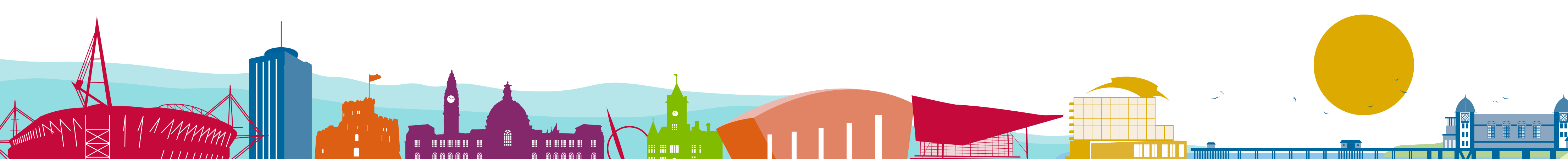
The Act introduced a number of specific statutory duties for the UHB, with responsibilities both as an individual organisation, and in partnership as a member of the two Public Services Boards (PSBs) in Cardiff and the Vale.

Governance arrangements in Cardiff and Vale UHB

A Cardiff and Vale UHB WFG Steering Group, chaired by the Executive Director of Public Health, meets regularly to determine and implement the actions required to embed the requirements into the UHB, and support the culture change required for the Health Board to implement routinely the sustainable development principle.

The Steering Group maintains and assesses progress against an action plan, and reports to the Strategy and Delivery Committee of the Board. The Vice Chair of the Board acts as the Wellbeing of Future Generations Champion for the Board. We maintain a regular dialogue with the Office of the Future Generations Commissioner.

In the partnership arena, we contribute to the statutory Well-being Plans (one for Cardiff; one for the Vale) through our participation in the PSBs and delivery of key actions in the Plans, individually and together with partner organisations.



Our well-being objectives

Within the UHB, our ten year strategy (Shaping our Future Well-being) objectives are the organisations' statutory well-being objectives under the WFG Act, and listed below. The Strategy is implemented through the annually updated three year plan, our integrated medium term plan (IMTP).

1. Reduce health inequalities
2. Deliver outcomes that matter to people
3. All take responsibility for improving our health and wellbeing
4. Offer services that deliver the population health our citizens are entitled to expect
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time
6. Have a planned care system where demand and capacity are in balance
7. Be a great place to work and learn
8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology
9. Reduce harm, waste and variation sustainably making best use of the resources available to us
10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives.

We reviewed our well-being objectives in March 2019 and confirmed that they remained appropriate and consistent with the sustainable development principle.

The Health Board's Integrated Medium Term Plan was approved by Welsh Government in March 2019, and integrates and demonstrates the five ways of working and action against the well-being goals throughout the plan. Prevention is embedded throughout our work, with additional specialist public health interventions described in the Cardiff and Vale local public health plan.

Progress against our well-being objectives

Because our corporate objectives are our well-being objectives, progress against our well-being objectives is demonstrated through our routine performance reporting against our IMTP and ten year strategy. You can find out more about our performance, and where it is reported, in the Summary of our performance and key achievements section, above.

You can read more about specific projects we have completed which demonstrate our commitment to the Act on the Well-being of Future Generations pages on our website.

Other developments

Over the course of the year we continued to raise awareness with staff around WFG and what it means for us and how we work, giving examples of where we're putting the principles into action. We held a workshop with senior leaders in September 2018 and have circulated information through a weekly email newsletter to staff, intranet stories, and the Chief Executive's update, CEO Connects. We have also started to incorporate training on WFG into training for staff at different levels of the organisation, and provided bespoke training for Finance leads.

We have developed a directory of projects and programmes of work in the UHB and with partner organisations which demonstrate different aspects of the Act in action, to improve understanding of how the Act can be put into practice and support further culture change.

The annual Staff Recognition Awards on 15 March 2019 recognised outstanding work exemplifying the sustainable development principle, through nominations in the 'Acting Today for a Better Tomorrow' category. This year's runners up were the Homeless Team. The winner was Dr Tom Porter, Consultant in Public Health Medicine, for his work developing and agreeing the Cardiff Healthy Travel Charter with 13 other leading public sector organisations in Cardiff. The Charter contains fourteen commitments to support staff and visitors to public sector sites in the City to walk, cycle and take public transport, and increase uptake of ultra-low emission vehicles. As part of the

UHB's commitment to the Charter, a programme of improvements is being made across the UHB estate to increase sustainable travel, with more detail given in the Environment and sustainability section, below.

We routinely seek and act on feedback from our patients, visitors and staff. This is done through a variety of mechanisms, co-ordinated by the Patient Experience team, and includes 'two minutes of your time' surveys and collecting patient stories. Key vehicles for listening to and working with partners include the Stakeholder Reference Group and a recently agreed Memorandum of Understanding with the local third sector in which there is a shared commitment to adopt the sustainable development principle to underpin the way we work together. We also led the development of the regional population needs assessment required for the Social Services and Well-being (Wales) Act, and provided detailed input to the well-being assessments for the Cardiff and Vale areas under the Well-being of Future Generations Act. All three assessments engaged local citizens to identify needs and assets.

Working with our partners in the Public Services Boards in Cardiff and the Vale of Glamorgan, we have been taking action to implement the Well-being plans. Through the Regional Partnership Board, we successfully secured £7m to implement our ambitious integrated health and social care programme, Me, My Home, My Community. This transformation programme aims to join up health and social care services with a greater emphasis on prevention, and a focus on care in the community.

Case study

Reusable Coffee Cups

Plastic waste is everyone's problem. Globally, around 7 million tonnes of plastic ends up in the ocean every year and is having a huge impact on sea life around the world. In the fight against excessive plastic waste, reducing the number of disposable coffee cups is an important step that we can all take. In the UK, 7 million disposable coffee cups are binned on a daily basis. That translates to a staggering 2.5 billion every year. The average usage time of each cup is only 13 minutes.

Cardiff and Vale UHB is absolutely committed to contributing to improving our environmental wellbeing and seriously considers the long-term impact that the decisions we make today will have on the communities of the future. In light of this and in response to overwhelming feedback from patients, staff and the public, in September 2018, Aroma Coffee (our in-house coffee brand) began selling reusable coffee cups.

Produced by Eco To Go, our new cups are made from organic rice husk, a by-product from the farming of rice that is usually just incinerated. They can be reused hundreds of times and, at the end of their lifespan, can simply and safely be composted.

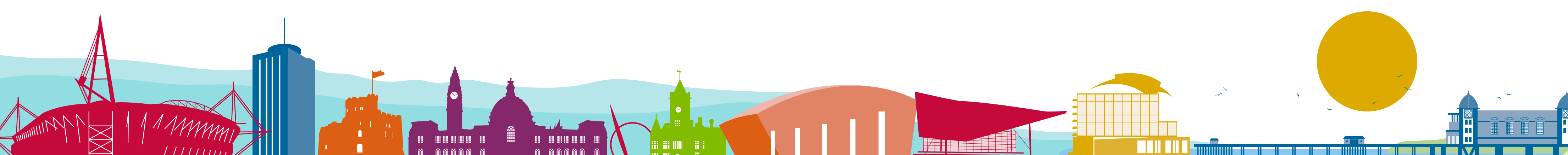
Charles Janczewski, Cardiff and Vale UHB's Vice Chair and Well-being of Future Generations Champion, is thrilled with the cups, saying, "Although it may seem like a small step, the introduction of these cups may one day prove pivotal to the well-being of our future generations. The fight for the environment is one that we collectively share and it makes me proud to work for an organisation that takes its role in this matter so seriously."

English for Speakers of Foreign Languages

Last year, Cardiff's health and education sectors came together in an attempt to reduce health inequality and increase cancer awareness and uptake of screening services in the city's black, Asian and minority ethnic communities.

Social exclusion and deprivation can affect many aspects of life, including health and life expectancy meaning that those who most need medical care are least likely to receive it. Conversely, those with least need of health care tend to use health services more (and more effectively). This phenomenon was coined as "the inverse care law" by Dr. Julian Tudor Hart some thirty years ago but continues to be relevant today.

Cardiff and the surrounding areas are no exception to this and there is great disparity between the healthy life expectancy of those living in the city's



most and least affluent areas. Similarly, there is a disparity in the number of people who engage with NHS screening services, with certain areas of Cardiff reporting some of the lowest levels of uptake across the whole of Wales.

Working in partnership with Cardiff and Vale UHB, the Screening Division of Public Health Wales and Velindre Hospital (with funds made available by the Velindre Charitable Fund), Cardiff and Vale College has developed and piloted an innovative suite of health-specific English language courses for speakers of other languages (ESOL).

The new courses will allow those for whom English is not a first language to learn and use terminology that will enable and empower them to have effective conversations with English-speaking NHS health professionals, be able to vocalise their symptoms, be more aware of free national screening programmes, and engage with preventative health promotion messages (such as the benefits of quitting smoking or doing more physical activity) that are so key to a healthy life.

The courses had a number of key aims, namely to improve awareness of healthy lifestyle choices, NHS screening services and cancer signs and symptoms, to improve the vocabulary and confidence levels of the learners thereby allowing them to reduce the stigmas that surround issues such as male cancers and vaccinations that may exist in their communities, and to improve their awareness of the different services that the NHS provides such as General Practitioners, the ambulance service, Accident and Emergency, and NHS Direct.

Dr. Siân Griffiths, Consultant in Public Health Medicine for Cardiff and Vale UHB, said, "As a team, our goal is to identify present and future population health issues, improving population health and reducing health inequality.

"I think this work has been a strong example of the five ways of working stipulated in the Wellbeing of Future Generations Act, as we pooled our existing skills and resources and created something that as a whole is much greater than the sum of the individual parts."

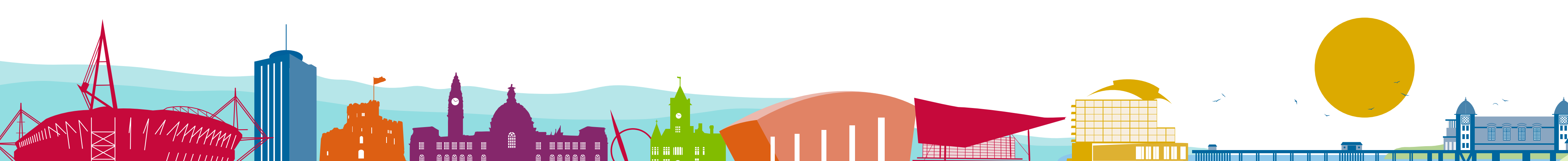
Multi-Lingual Immunisation postcards

Vaccinations are a vital part of everyone's life. They protect against an increasing number of diseases, including measles and meningitis, from infancy to old age. By making sure that you and your family are up-to-date with the vaccinations you are entitled to, you give yourselves the best chance of a healthier future.

We are encouraging everyone to check whether they, and those they care for, are up-to-date with the vaccinations they need. To help with this, we've developed a useful postcard resource which summarises the national routine immunisation schedule. This follows work undertaken with local communities which identified reasons why some children are not up-to-date with their vaccinations. The postcards are available in thirteen languages to reflect the needs of our local population. The languages include: Amharic, Arabic, Bengali, English, Farsi, French, Polish, Portuguese, Somali, Sorani, Tigrinya, Urdu, and Welsh. The postcards will be available in GP surgeries, schools, from health visitors, and in many other locations, making them accessible to parents and carers across Cardiff and the Vale of Glamorgan.

Fiona Kinghorn, Executive Director of Public Health at Cardiff and Vale UHB, is delighted with the launch of the cards, saying, "These resources really emphasize the importance of vaccinations, as we know the more people who have them, the safer we all are. The production of the postcards follows work undertaken within our local communities which identified language as one of the main barriers to childhood vaccination."

"By making these resources widely accessible to parents and carers, we are actively contributing to the key tenets of the Wellbeing of Future Generations Act, namely, "a Healthier Wales" and "a More Equal Wales."



Chapter 4

Research, Development, Innovation and Partnerships

One of the core principles of the NHS and the UHB strategy is to bring benefits to patients through Research and Development (R&D) and innovation. Effective R&D performance is essential if the UHB is to meet its values and objectives as it brings many benefits:

Benefits to patients:

- Access to latest therapies.
- Access to latest diagnostic and prognostic tests.
- Patients who are invited to participate in clinical trials show overall increased satisfaction and better outcomes when compared to patients not given this opportunity.
- Hospitals with a strong R&D portfolio have better outcomes even for patients not in trials.

Benefits to staff:

- A research-literate workforce is primed to participate in the process of continual change and service improvement required for meeting the challenges of modern healthcare delivery.
- Staff development, which leads to increased enthusiasm, motivation, and high quality recruitment into the organisation.

Benefits to the UHB:

- Fulfils the UHB's statutory responsibilities.
- Enables links with similar institutions in the rest of the world, sharing best practice and increasing the status of the UHB.
- Exemplar as the leading Health Care provider in Wales.
- Attract and retain staff.
- Financial offset of staff costs (through provision from R&D income), drug/device savings through study participation, access to commercial income through research and trial participation.
- Direct R&D income – Welsh Government.

Cardiff and Vale University Health Board (UHB) has a strong R&D ethos and historical track record. Ongoing changes to how R&D is funded and approved in Wales and the United Kingdom present major challenges but also major opportunities for the UHB. The UHB is developing a structure which encourages generation of funding and resources for R&D.

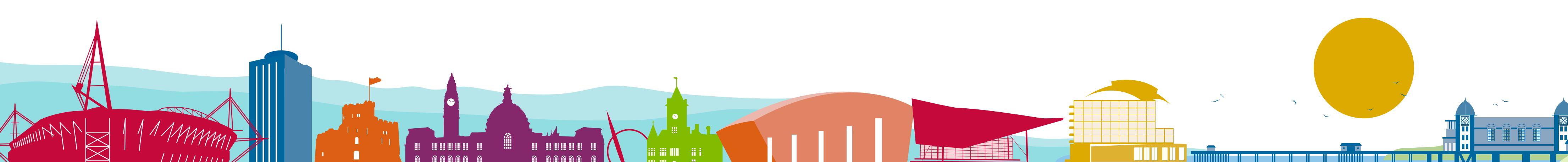
Research funding received from Health and Care Research Wales (HCRW), Welsh Government will now be centrally allocated to the R&D office for future investment with the introduction of a revised financial operating policy for R&D funding. Investment of the above funding generated as a consequence of the change in financial policy will be used to build research capacity over an initial three year period.

In addition to funding being directed to those that are successful in research as measured by Welsh Government key performance indicators, there will be active consideration of: how we can encourage a joint approach between different areas of the UHB to share costs and the associated benefits from revenue; how we can support research active individuals not only from a traditional pool of medically trained staff but also nursing and therapies staff; how we can better develop a mixed portfolio of studies of interventional, observational and large sample size studies.

The newly introduced Clinical Boards R&D performance system with quarterly reports, face to face reviews (R&D Director and Medical Director) in March and September of each year and the production of an annual UHB performance report for Executives in June of each year are proving invaluable in driving forward the R&D Agenda:

This year we have increased the number of participants taking part in research studies in comparison to previous years whilst maintaining a wide variety of studies across many disease types. CARDIFF AND VALE UHB is the highest recruiter to cancer studies in Wales and in fact recruited 46% of all patients entered into an interventional clinical study in Wales.

In October 2018 the Executive Boards of both Cardiff University and the UHB agreed to progress with the setting up of a joint R&D Office and an Implementation group is working to achieve this by Easter 2020. Cardiff University and the UHB are proud of the reputation of both institutions, their research facilities and studies



across Wales and globally. We believe this is the best option to support the further advancement of human research and will positively impact upon patient outcomes now and in the future. Also the UHB is assisting Cardiff University with its ambitions to develop a biobank to assist researchers by collecting, storing and supplying samples of human origin to scientists for use in medical research. This research may lead to the development of new medicines and other treatments. It also may lead to improving ways of detecting diseases earlier or even finding a cure.

In January 2018, UHB was a successful co-applicant with Swansea, Birmingham and Nottingham in a bid to Innovate UK for the setting up of an Advanced Therapy Treatment Centre. CARDIFF AND VALE UHB is clinically leading this for Wales with the aim of enabling access to pioneering therapies for the people of Wales.

The Clinical Research Facility (CRF) is currently supporting 26 research studies, of which 12 are phase 1 with another 12 studies in set-up. We are currently supporting a phase 1 Novartis study in which we were the only UK approved site for Novartis phase 1 haematology studies. We have 15 patients recruited to date diagnosed with Acute Myeloid Leukaemia or Myelodysplastic Syndrome, exceeding our initial recruitment target on 3 occasions. The study is looking at a combination of two immune checkpoint inhibitors with decitabine. We are also the highest recruiter to an international first in man study of a cell cycle inhibitor for patients with a variety of haematological malignancies.

The CRF has been named as highest recruiting UK site for a first in man type 1 diabetes study, in which we were also the first site in the world to dose a patient. We were also the highest recruiting site for another type 1 diabetes study involving a new investigational vaccine for new onset type 1 diabetes. Due to our success in this study Chief Investigator responsibilities have been transferred from a site in London to Cardiff.

Dr Mohammad Alhadj Ali, a CRF research fellow was awarded W T Edward Medal from Cardiff Medical Society 2018 and most recently the prestigious training award from Association of British Clinical Diabetologists 2018 as a recognition for his work on the Monopeptide-1 Trial. This study was sponsored by Cardiff University and conducted in collaboration with King's College London which was run through the CRF.

We are about to recruit to our second endoscopy study in which we will be looking at carvedilol versus variceal band ligation in primary prevention of variceal bleeding in liver cirrhosis; this study is now open to recruitment and it is hoped we will enrol our first patient within the next few weeks.

The Children and Young Adults' Research Unit (CYARU) celebrated its first birthday on 11th October 2018. The Unit, based in the Children's Hospital for Wales, provides support for commercially and non-commercially sponsored high quality child health research studies. With 15 studies already running, in December 2018 the Unit opened the USTEKID study. USTEKID is a phase II clinical trial assessing the safety of Ustekinumab in children and adolescents with newly diagnosed type 1 diabetes. The study, sponsored by Cardiff University, sees CYARU working with the adult Clinical Research Facility to offer the study to participants up to the age of 18. CYARU has already recruited 4 participants in to the study.

Case Study

World first at Cardiff and Vale UHB in new treatment for type 1 diabetes

A ground-breaking clinical trial has been launched in Cardiff to help prevent and manage the chronic autoimmune disease Type 1 diabetes.

The Clinical Research Facility (CRF) at the UHB has dosed the first patient in the world with a new investigational drug. The drug aims to help the regrowth of insulin making 'beta' cells of the pancreas, which are lost in patients living with the disease. Despite being an early phase trial, the CRF has now dosed six patients with this

new drug and we are the highest recruiting site for this study in the UK.

Type 1 diabetes is a serious, lifelong condition where blood glucose levels are too high because the body cannot make a hormone called insulin. Those with Type 1 diabetes are dependent on insulin but if this clinical trial works, the regrowth - or regeneration - of beta cells may mean those with Type 1 diabetes becoming far less dependent on insulin injections. The benefits of the new drug would reduce lifelong conditions and complications associated with the chronic disease.

Patients who have taken part in the trial so far have spoken very highly of the treatment and the overall experience they have received at the UHB. The first patient to receive the dose said; "I'm really grateful that I was given the opportunity to take part in this study. I hope that my participation will help with the management of Type 1 diabetes for future generations."

So far, the drug appears to have had no major side-effects, but it is too early to say if it has been effective. Cardiff's CRF team are hoping to attract up to eight adult volunteers to take part in the clinical trial who have had diabetes for more than two years.

Dr Mohammad Alhadj Ali, who is the sub investigator working on the study in Cardiff said: "despite everything achieved in diabetes care, advances in prevention haven't really occurred. More insulin-producing beta cells are needed for those with this form of diabetes and it is estimated that 90% of patients with Type 1 diabetes have less than 5% of insulin making cells left."

Professor Dayan, who is leading the team in Cardiff said, "the CRF team have made it possible to closely monitor the patients for 72 hours after their dose and I am proud of the team for their commitment in making sure this clinical trial happens as smoothly as possible."

Dr Graham Shortland, medical director at Cardiff and Vale UHB said: "Cardiff and Vale UHB is committed to being a leading organisation for Research and Development in Wales, the United Kingdom and wider. This development demonstrates their commitment and the exciting work being done in our dedicated Clinical Research Facility and Cardiff and Vale more generally."

The results of this innovative trial in diabetes treatment could be ground-breaking and is part of a wider programme of studies to preserve and regrow the insulin making cells in Type 1 diabetes being pursued by the Cardiff team, with trials in both adults and children.

Carys Thomas, interim director of Health and Care Research Wales, said: "developing new treatment options for patients living with diabetes is a top priority for Health and Care Research Wales. It is essential that the NHS works closely with the pharmaceutical industry on research like this to develop drugs that could make a big difference to people's lives.

"The Clinical Research Facility in Cardiff is not only leading the way in this ground-breaking study but the team's hard work also shows that Wales is competing successfully on an international level to attract global pharmaceutical companies and commercial investment. It will also pave the way to bring more high quality research into Wales, which could help treat other conditions."

Case Study

Wales' leading role in kidney transplant research

A young boy, who has a rare genetic disorder, defied all the odds when he received a kidney donation from a stranger through Facebook following one failed transplant and eight years on the waiting list.

Matthew, like over 1000 others in the UK, is highly 'sensitised', meaning he has a higher risk of rejecting the new kidney. That's because his immune system is highly geared to producing defensive molecules, called antibodies, against foreign material entering the body. These molecules stick to the new, 'foreign' kidney, marking it for destruction by the body's immune system.

Our kidneys perform the vital function of removing waste from the blood. If the kidneys lose this ability, waste products can build up to toxic levels.

Kidney transplants allow patients to lead a normal life and are the treatment of choice for kidney failure, but it's difficult for highly sensitised patients to be matched to a donor due to their higher rejection risk.

That often leaves long term dialysis, removing toxins by machine, as the only option. But that has a big impact on patients personally, socially and economically with up to three four-hour in-clinic sessions a week, or using home-based machines several times a day or overnight.

Clearly, for the thousands affected, new and innovative methods are needed to improve their quality of life and options. With a transplant lasting around 15 years, Matthew may need more than one in his lifetime. Hope for his future comes from an innovative research study in Cardiff that could make it easier for him to be matched with a kidney donor.

'Improving Transplant Opportunities for Patients who are Sensitised' (ITOPS), funded by Kidney Research UK as a part of their 'Make Every Kidney Count' campaign, aims to assess whether controlling antibody levels through a combination of three treatments could enable sensitised patients to be transplanted.

38 participants will receive either the three treatments that all aim to reduce sensitisation, or no such treatment, on a random basis to avoid unintended bias. Researchers will then compare the two groups to find out if the treatment has decreased their antibody levels.

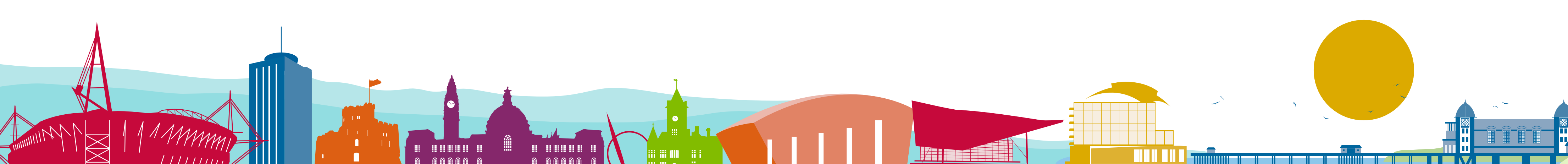
The study is led by Dr Siân Griffin, an investigator affiliated with the Wales Kidney Research Unit, funded by Health and Care Research Wales.

Siân said: "sensitisation is one of the main challenges in transplantation today. Patients face a long wait on dialysis before a suitable organ is identified, and tools for immunological risk assessment are lacking. This project aims to reduce uncertainty for sensitised patients and increase their chances of receiving a transplant."

The ITOPS study could be life-changing for those affected, giving them better prospects for successful transplantation.

Nicola, Matthew's mum who campaigned for three years on Facebook, explained: "I still can't believe Matthew's had a transplant. He had actually become antibody sensitive to 99 per cent of the UK population, making Edward [Matthew's donor] a very unique individual that was a match, but was also medically fit enough and willing to help. Matthew may need more than one kidney transplant in his life so we will need this research in the future."

With the odds stacked against him, Matthew was incredibly lucky. Other highly sensitised patients aren't. With the help of ITOPS, it could become easier for patients like Matthew to find a match.



Case Study

Maternity research paper wins top prize

Julia Sanders, Professor of Clinical Nursing and Midwifery, School of Healthcare Sciences, Cardiff University and Cardiff and Vale University Health Board, was a member of the BUMPES Epidural and Position Trial Collaborative Group who were recently awarded the 2018 British Medical Journal (BMJ) UK Research Paper of The Year.

The paper described the results of the BUMPES trial which investigated whether the position a first-time mother with a low dose epidural adopts during the end stages of labour increases the chance of a birth without interventions such as forceps or Caesarean section. 'Low dose epidurals' are now the standard method of epidural pain relief offered to women in labour, and are popular, being chosen by around 30% of women giving birth in the UK. The BUMPES trial randomised more than 3000 women who had given consent in advance and were having their first baby using a low dose epidural, to either upright or lying down position when they entered the second stage of labour. Results showed a clear advantage in lying down, with 41.1% having a spontaneous vaginal birth in that position against 35.2% upright. No disadvantages were seen in short or longer term outcomes for mothers or babies.

Case Study

100th recruit for the local Bronch UK team - Respiratory Research

The Medical Research Council funded study is a registry and biobank focused on non Cystic Fibrosis bronchiectasis. Bronchiectasis is a long-term condition where the airways of the lungs become abnormally widened, leading to a build-up of excess mucus that can make the lungs more vulnerable to infection.

The information collected will facilitate ongoing clinical trials and academic research studies with the aim of improving our understanding of what causes bronchiectasis and to find better, more effective treatment for people with this condition.

The research team will meet their final target of 115 patients in good time.

Chapter 5

Our performance

A summary of what we achieved this year:

Part of the UHB's approach to delivery and improvement is to work to locally agreed strategic aims and objectives. In delivering against these aims the health board is working to meet the needs of the Cardiff and Vale of Glamorgan population and improve local services whilst delivering against the nationally set targets and measures. These local aims and objectives were agreed in the UHB's Integrated Medium Term Plan for 2018-2021. A copy of our Integrated Medium Term Plan for 2018-2021 can be accessed online.

Welsh Government's NHS Outcomes and Delivery Framework was developed to ensure a focus on the improvement of population outcomes. The framework is based around seven domains that have been identified by the public, through extensive public and stakeholder engagement, as an important way for them to help understand how their NHS is delivering the services they require and the associated improvements in population health and well-being. The actions described in the previous section and the broader efforts to improve delivery of care across services have contributed to positive performance against the majority of NHS Outcomes Framework Indicators.

The table below provides Welsh Government's summary of the health board's performance against the NHS Wales Outcomes and Delivery Framework measures. It highlights that the health board improved its performance in 5 of the 7 delivery domains.

Cardiff and Vale UHB	Improved performance	Sustained performance	Decline in performance	Performance summary	Targets achieved*
STAYING HEALTHY - I am well informed & supported to manage my own physical & mental health	2 measures	0 measures	1 measures	↑	
SAFE CARE - I am protected from harm & protect myself from known harm	8 measures	0 measures	7 measures	↑	3 measures
INDIVIDUAL CARE - I am treated as an individual, with my own needs & responsibilities	2 measures	1 measures	2 measures	→	2 measures
OUR STAFF & RESOURCES - I can find information about how the NHS is open & transparent on use of resources & I can make careful use of them	6 measures	0 measures	5 measures	↑	2 measures
TIMELY CARE - I have timely access to services based on clinical need & am actively involved in decisions about my care	9 measures	1 measures	13 measures	↓	5 measures
EFFECTIVE CARE - I receive the right care & support as locally as possible & I contribute to making that care successful	5 measures	0 measures	2 measures	↑	2 measures
DIGNIFIED CARE - I am treated with dignity & respect & treat others the same	3 measures	0 measures	0 measures	↑	1 measures
SUMMARY	35 measures	2 measures	30 measures	↑	15 measures

Relates to those measures where 2018/19 data (April 2018 to March 2019) is complete.

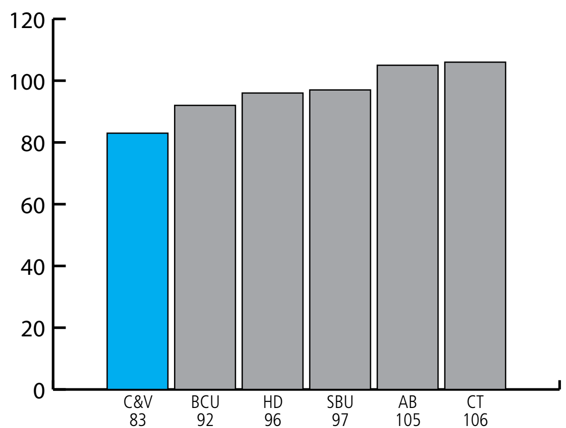
Population Health

Mortality Annual data from CHKS indicates that Cardiff and Vale UHB has the lowest risk adjusted mortality rates in Wales, with 17% (83 – 100) fewer deaths observed than would be expected based on the UK average. The UHB's performance is in line with the performance attained by our peer group of 24 acute teaching hospitals in the UK outside of London. The UHB continues to deliver on all recommendations made by Professor Stephen Palmer in his report on managing mortality in NHS Wales in July 2014.

Sustainability

Healthcare Acquired Infections Welsh Government set out specific targets on the Health Board for reducing health care acquired infections over the course of the year. Performance against the individual targets was as follows.

Welsh Health Boards' Risk Adjusted Mortality Index Ratings 2018



Cardiff and Vale UHB monthly rates of C.difficile per 1000 hospital admissions, Apr 10 - Mar 19

C. difficile

Welsh Government target 23 cases per 100,000 population The UHB met the target, observing 107 cases over the course of the year, a rate of 21 cases per 100,000 population.

Cardiff and Vale UHB monthly rates of S. aureus bacteraemia per 1000 hospital admissions, Apr 10 - Mar 19

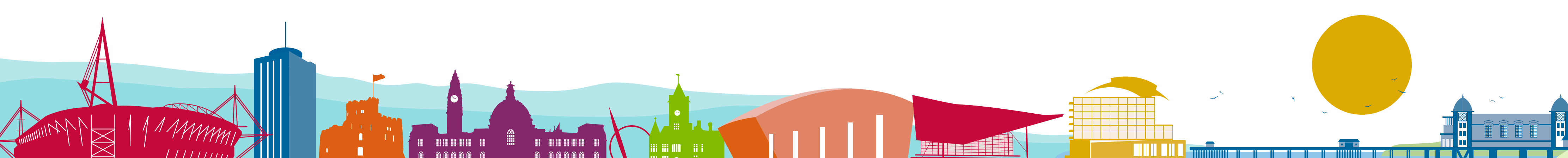
Staph. aureus Bacteraemia

Welsh Government target 20 cases per 100,000 population The UHB observed an increase in the number of Staph. aureus bacteraemia against the previous year, including more cases of MRSA bacteraemia. The rate at the end of the year was 35 cases per 100,000 population.

Cardiff and Vale UHB monthly rates of E. coli bacteraemia per 1000 hospital admissions, Apr 10 - Mar 19

E.coli blood stream infections

Welsh Government target 60 cases per 100,000 population. The UHB failed to achieve the reduction expectation for E.coli bacteraemia by the end of March 19, observing a rate of 68 cases per 100,000 population. This was a reduction on the number of cases observed in 2017/18.

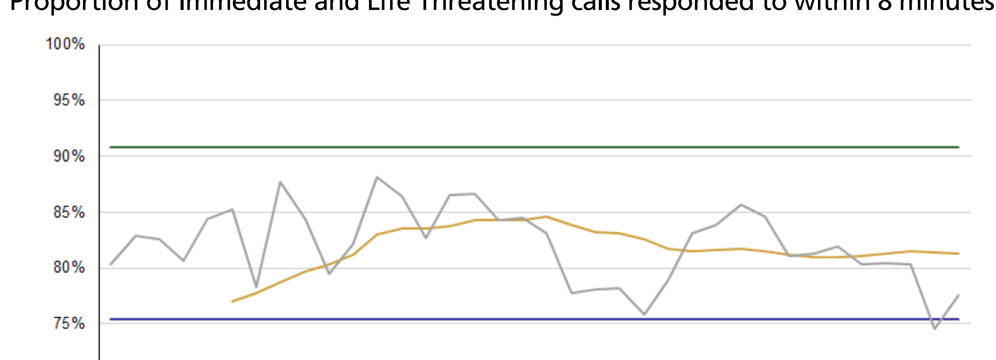


WAST 8 Mins Response

The Health Board commissions the Welsh Ambulance Service Trust to provide responsive, high quality services to patients.

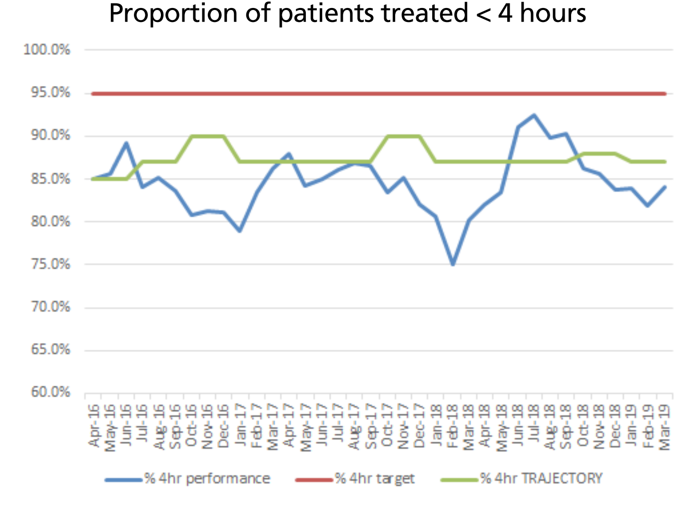
Throughout 2018/19 there have been consistently high performance levels achieved for the proportion of patients with a potentially immediate or life threatening condition within Cardiff and the Vale, to whom the Ambulance Service responded within 8 minutes.

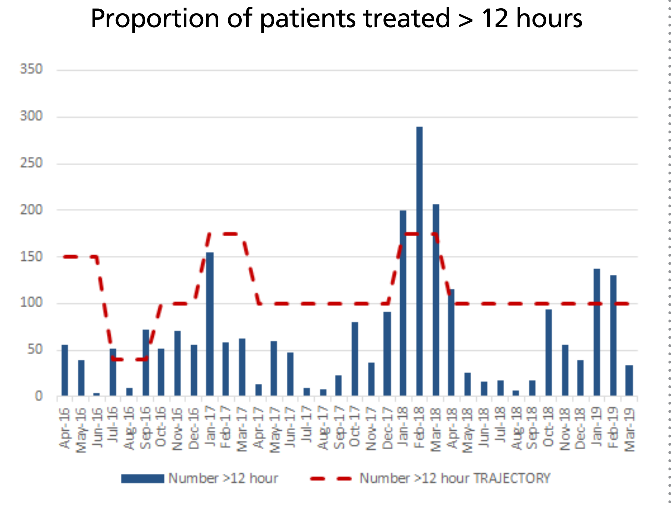
The annual rate was 81%, above the Welsh Government target of 65%.



4 and 12 Hour Compliance

The proportion of patients attending the Emergency Unit admitted, discharged or transferred within 4 hours and 12 hours was 86% and 99.5%, against the WG expected level of performance of 95% and 100%. These figures exclude patients where there has been clinical justification for the patient requiring extended periods of care and observation within the Emergency Department footprint.





GPOOH

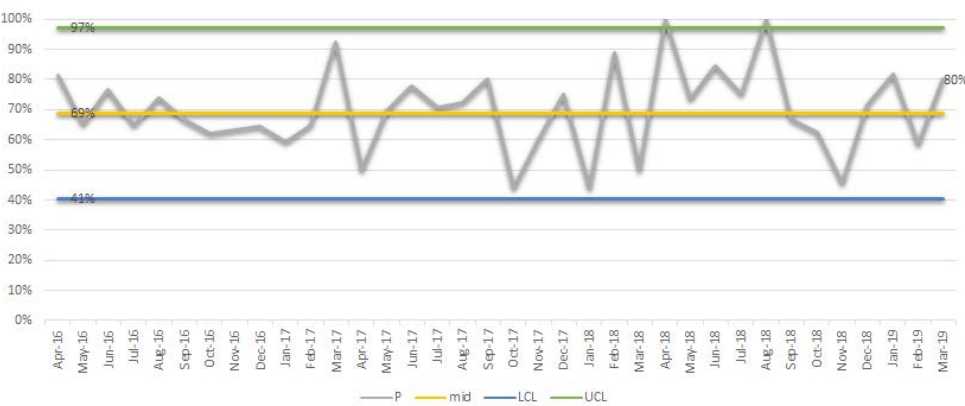
The UHB monitors the performance of the Out of Hours service using the Welsh Government Quality and Monitoring Standards, with an emphasis placed on the urgent response times for home visits and primary care centre appointments.

As per the chart to the right the proportion of home visits for patients prioritised as "emergency" which were provided within 1 hour continued to fluctuate wildly over the course of the year between limits of 41% and 97%, reflecting the large variation in demand on this service, both in terms of volume and location. The median performance is 69% compared with the Welsh Government's delivery standard of 75%.

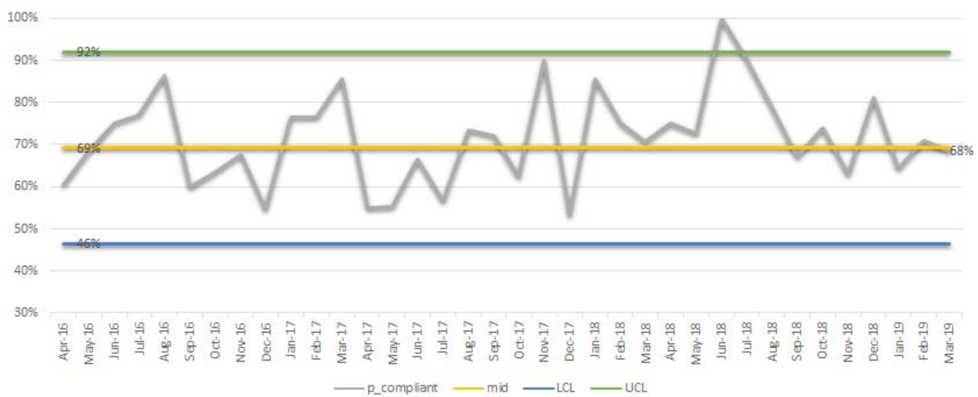
The proportion of primary care centre appointments provided within 1 hour for those prioritised as "emergency" was stationary throughout the year at a median of 69%.

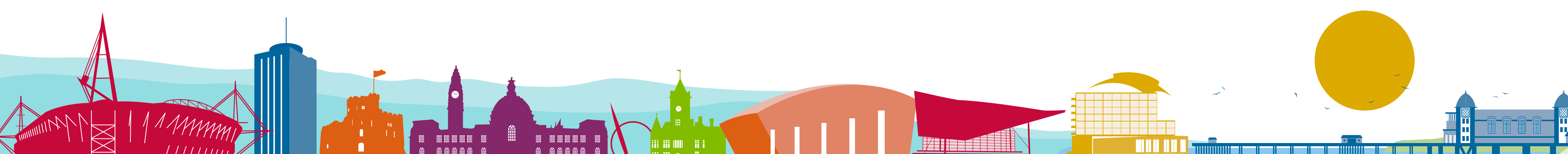
spike in activity noted Jun-18

Proportion of emergency GP OOH patients requiring a home visit seen within 1 hour



Proportion of GP OOH "emergency" patients attending a primary care centre appointment within 1 hour

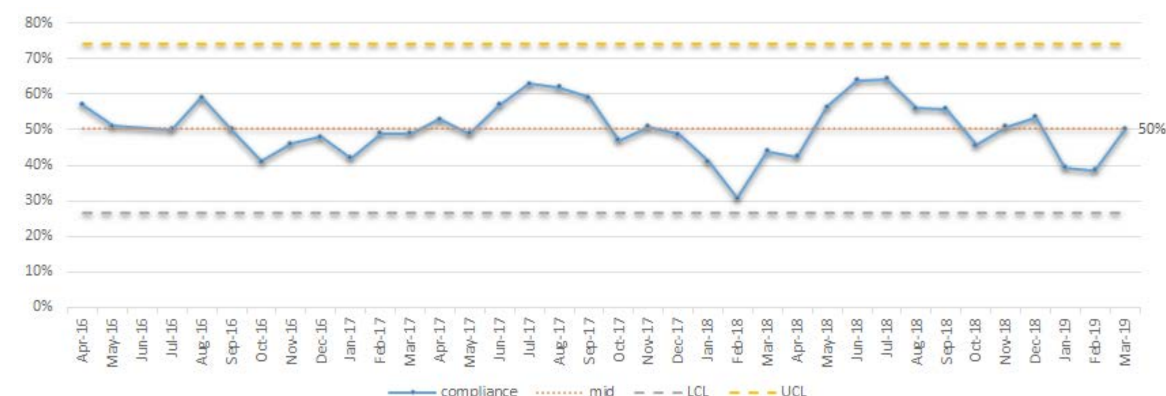




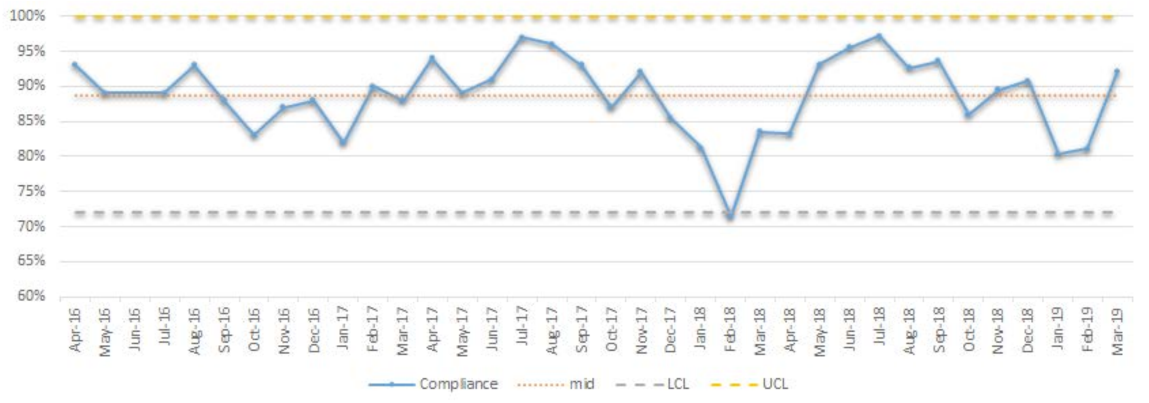
Ambulance Handover

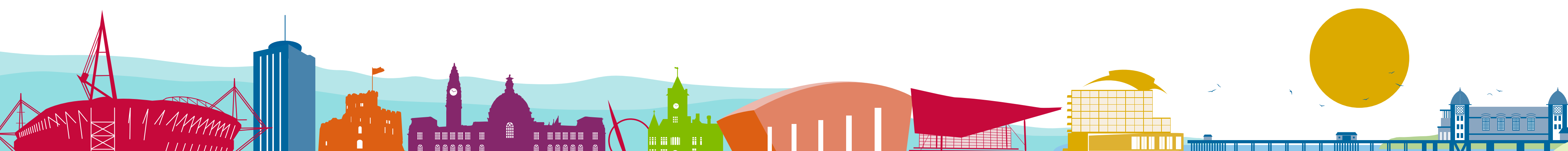
The proportion of patients whose transfer of care from the Welsh Ambulance Service to the UHB's care within 15 minutes and 60 minutes fluctuated around median levels of 50% and 89%, similar to the levels of performance observed in 2017/18.

The lower levels of performance observed at the end of 2018/19 are an indication of the increased pressures on the system the Health Board faced over the winter period.



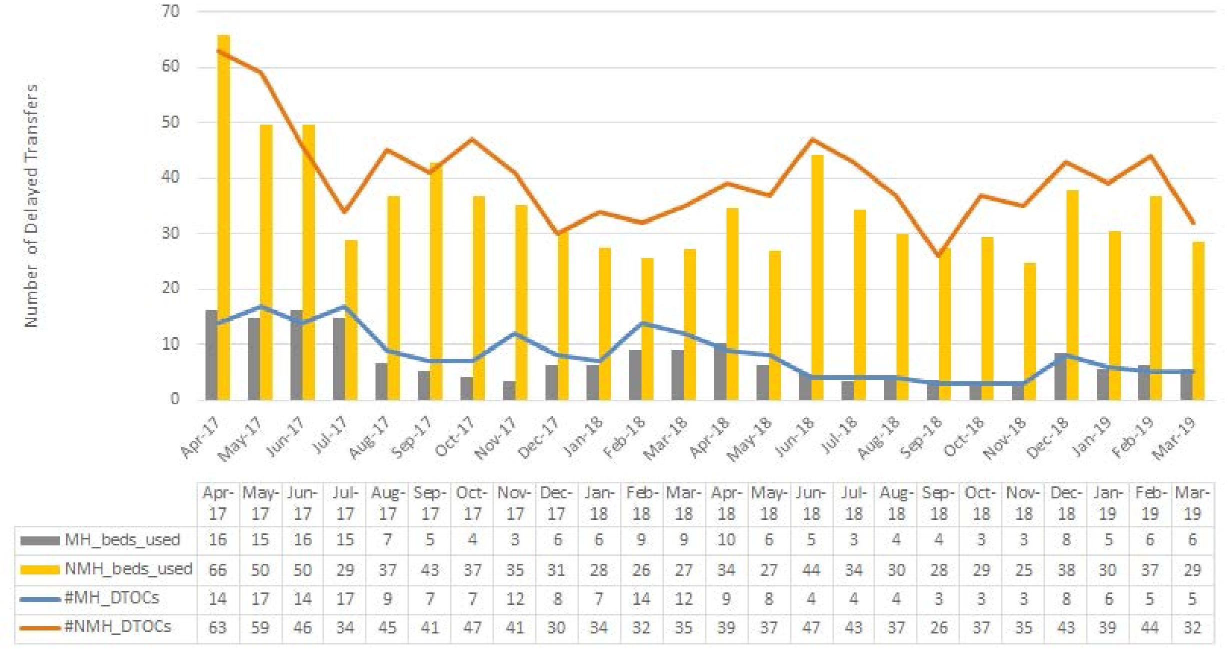
Proportion of ambulance handovers completed within 60 minutes





DTOC

The total number of patients whose care was delayed reduced from 47 to 37 over the course of the year.

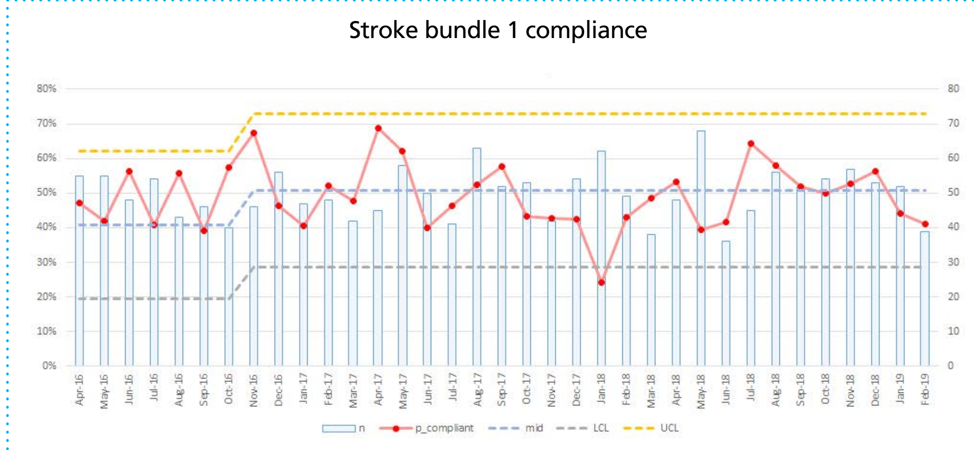


	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
MH_beds_used	16	15	16	15	7	5	4	3	6	6	9	9	10	6	5	3	4	4	3	3	8	5	6	6
NMH_beds_used	66	50	50	29	37	43	37	35	31	28	26	27	34	27	44	34	30	28	29	25	38	30	37	29
#MH_DTOCs	14	17	14	17	9	7	7	12	8	7	14	12	9	8	4	4	4	3	3	3	8	6	5	5
#NMH_DTOCs	63	59	46	34	45	41	47	41	30	34	32	35	39	37	47	43	37	26	37	35	43	39	44	32

Stroke

The total number of patients whose care was delayed reduced from 47 to 37 over the course of the year.

WG benchmarking standard		IMTP trajectory	UHB in Feb 19
4 Hour QIM	Direct Admission to Acute Stroke Unit within 4hours	60%	45%
12 Hour QIM	CT Scan within 12 hours	94%	95%
24 Hour QIM	Assessed by a Stroke Consultant within 24 hours	83%	74%
45 Minute QIM	Thrombolysis Door to Needle within 45 minutes	25%	0%


Stroke bundle 1 compliance
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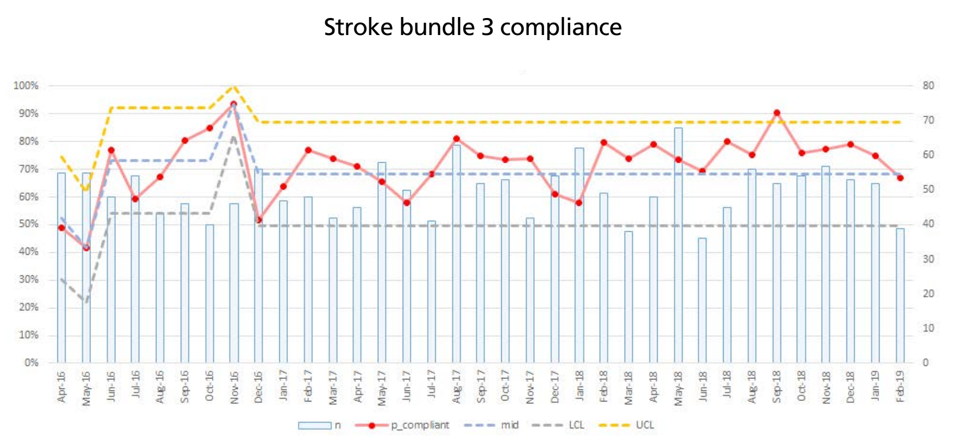
Stroke bundle 3 compliance
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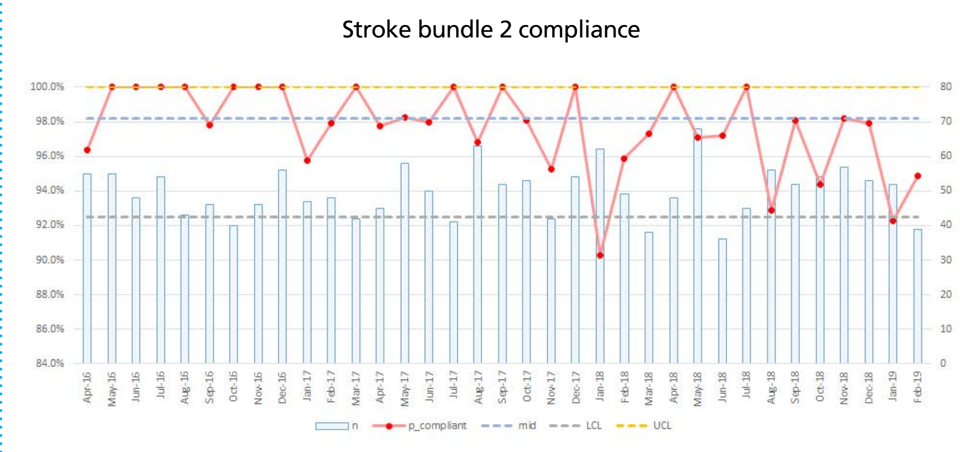
Stroke bundle 2 compliance
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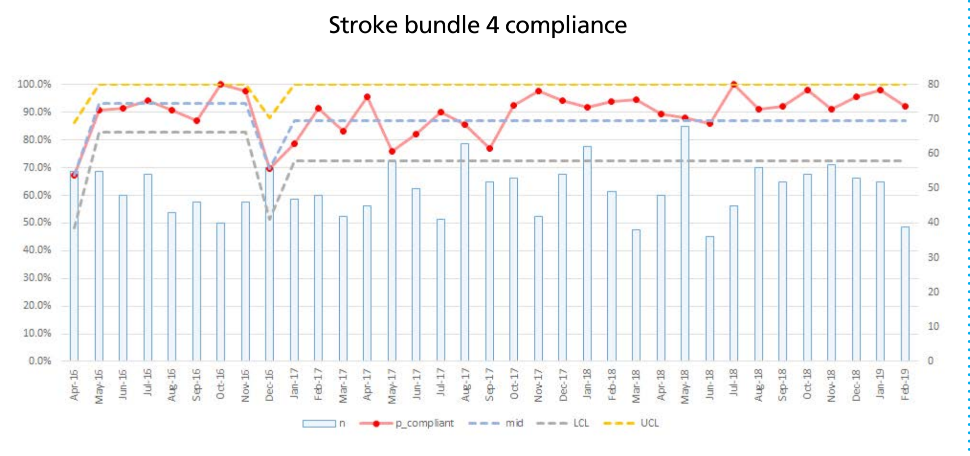
Stroke bundle 4 compliance
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p_compliant
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LCL
UCL

	Urgent Suspected Cancer			Non-Urgent Suspected Cancer		
	Number of patients treated	Number treated within 62 days	% treated within 62 Days	Number of patients treated	Number treated within 31 days	% treated within 31 days
Head and neck	71	65	91.55%	38	38	100.00%
Upper Gastrointestinal	68	46	67.65%	74	73	98.65%
Lower Gastrointestinal	121	77	63.64%	158	152	96.20%
Lung	84	65	77.38%	172	166	96.51%
Sarcoma	5	5	100.00%	7	7	-
Skin	173	172	99.42%	56	55	98.21%
Brain/CNS	1	1	100.00%	37	36	97.30%
Breast	187	161	86.10%	131	120	91.60%
Gynaecological	62	59	95.16%	63	63	100.00%
Urological	294	243	82.65%	114	102	89.47%
Haematological	25	16	64.00%	37	36	97.30%
Acute Leukaemia	3	3	100.00%	14	14	100.00%
Children's cancer	0	0	-	7	7	100.00%
Other	17	14	82.35%	17	17	100.00%
UHB Total	**1111**	**927**	**83.44%**	**925**	**886**	**95.78%**

Service Priorities – Cancer

Over the course of 2018/19 83.44% of cancer patients who were referred by their GP as urgent with suspected cancer (USC) commenced treatment within 62 days of their referral, against a minimum expected standard of 95%. This is a reduction in performance on the 88.63% achieved in 2017/18 however the UHB experienced a significant overall increase in USC referrals (+18%) and treated more confirmed cancer patients than in the previous financial year. 95.78% of patients who were not on an "urgent suspected cancer" (NUSC) pathway commenced treatment within 31 days of the requirement for treatment being agreed with them. The UHB narrowly missed the minimum expected standard of 98% by just 9 patients over the course of the year while treating significantly more confirmed cancer patients to the previous period (+11.5%). Performance by tumour site and by month is shown in the table to the right.

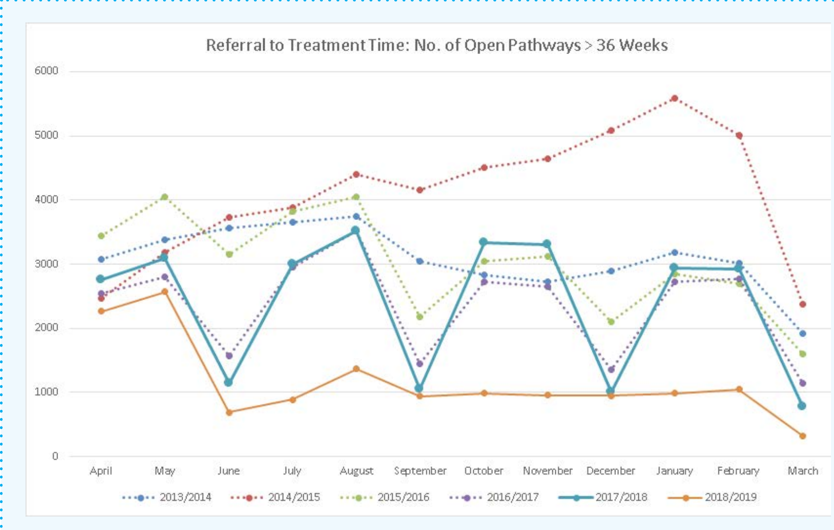
Single Cancer Pathway

In November 2018, the Welsh Government announced the move to public reporting of the Single Cancer Pathway, alongside the existing two cancer targets, from June 2019: https://gov.wales/newsroom/health-and-social-services/2018/processcancer/?lang=en

Sustainability - Elective Access

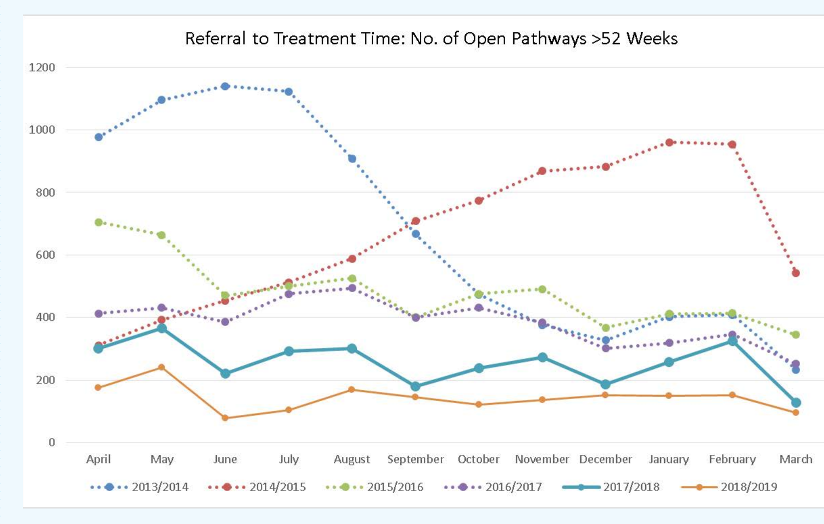
The Welsh Government has set a target that 95% of most patients referred for consultant-led elective care should be treated within 26 weeks from date of receipt of referral, with the remaining 5% seen within 36 weeks. At the end of March 2019, there were 9,996 patients waiting in excess of 26 weeks on an elective referral to treatment time pathway, equating to 86% of patients waiting under 26 weeks.

Over 2018/19 the Health Board further reduced the number of patients waiting in excess of 36 weeks for elective care to 327 by the end of March 2019. This was in line with the year-end improvement trajectory of 450 that had been agreed with the Welsh Government and represented a 58% reduction over the course of the year.



At the end of March 2019 the UHB was still providing care to 96 patients who had been waiting greater than 52 weeks.

This was a 25% reduction on the position at the start of the year, the Welsh Government's expectation is that no patient will wait in excess of 52 weeks.



During 2018/19 the Health Board also reduced the number of patients waiting greater than 8 weeks for a diagnostic test at the end of March 2019 to 40, against our target of 0.

This position represented a 95% reduction on March last year (883).

Sustainability – Mental Health Access

Over 10,000 referrals were received by primary mental health services in 2017/18. As described below performance in meeting Part 1 of the Mental Health measure was variable over the course of the year, whilst the UHB consistently met parts 2 and 3.

Part 1 of the measure requires service users of primary mental health services to receive an assessment within 28 days and to receive therapeutic intervention following assessment within a further 28 days.

For the year as a whole, 70% of service users received an assessment within 28 days compared to the Welsh Government's expected standard of 80%.

This average level of performance reflects a poor first quarter, during which only 20% of users received an assessment in the standards and a much improved latter 9 month period during which performance was consistently above 80%.

CAV - Staying Healthy

	4 Quarter Trends				
	Q4 2017/18	Q1 2018/19	Q2 2018/19	Q3 2018/19	Trend
% of children who received 2 doses of the MMR vaccine by age 5	87.1%	87.9%	86.3%	91.2%	↑
% children 10 days old who accessed 10-14 days health visitor component of Healthy Child Wales Programme	84.9%	92.7%	93.5%	95.2%	↑

	Annual Trends		
	2017	2018	Trend
% of pregnant women who gave up smoking during pregnancy (by 36-38 weeks of pregnancy)*	18.7%	16.0%	↓

**Taken from Jan-19 merged data set*

CAV - Safe Care

	12 Month Trends - Financial												
	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Trend
Of the Serious Incidents due for assurance within the month, % which assured in agreed timescales***	66.7%	42.1%	55.2%	41.2%	25.0%	65.5%	69.0%	69.2%	50.0%	60.4%	22.0%	27.0%	↓
Number of new Never Events	2	0	0	0	0	1	1	0	0	1	0	1	↑
Number of grade 3, 4 & unstageable healthcare acquired pressure ulcers	7	8	14	9	19	11	28	35	28	52	60	48	↓
Number of administration, dispensing & prescribing medication errors reported as SIs	1	0	1	2	0	0	0	1	1	1	0	0	↑
Number of patient falls reported as SIs	9	1	4	5	3	6	3	4	1	5	2	1	↑
% of in-patients who have received 'Sepsis Six' first hour care bundle within 1 hour of positive screening	90.0%	58.3%	68.8%	94.1%	90.5%	85.7%	77.8%	71.4%	71.4%	87.5%	50.0%	85.7%	↓

	4 Quarter Trends				
	Q4 2017/18	Q1 2018/19	Q2 2018/19	Q3 2018/19	Trend
Number of preventable hospital acquired thrombosis	0	2	0	3	↓
Total antibacterial items per 1,000 STAR-PUs	316.5	263.1	243.7	277.3	↑
Fluoroquinolone, cephalosporin, clinamycin & co-amoxiclav as % of total items dispensed in community	6.5%	7.3%	7.5%	6.7%	↓
NSAIDs average daily quantity per 1,000 STAR-PUs	1,195	1,201	1,154	1,094	↑
Number of Patient Safety Solutions Wales Alerts & Notices not assured within the agreed timescales	0	0	1	1	↓

	Annual Trends		
	2017	2018	Trend
Number of hospital admissions with any mention of self harm for children/young people per 1,000 pop*	3.84	3.33	↑
	Mar-18 (12mths ending)	Mar-19 (12mths ending)	Trend
Cumulative rate of C Difficile cases per 100,000 of the population**	25.53	21.68	↑
Cumulative rate of S.Aureus Bacteraemia cases per 100,000 of the population**	31.61	35.06	↓
Cumulative rate of E.coli cases per 100,000 of the population**	72.15	67.89	↑

Achieved in Target Compliance

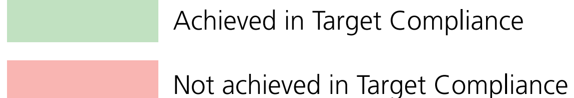
Not achieved in Target Compliance

Sepsis Inpatient data relates to University Hospital Wales, but not all clinical areas.
Sepsis Emergency data not submitted.
**Taken from March APC refresh*
***Data is provisional*
****Data as at 29/04/19*

CAV - Individual Care

	12 Month Trends - Financial												
	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Trend
% of HB residents in receipt of secondary MH services (all ages) who have a valid CTP	81.1%	80.0%	80.8%	80.7%	81.5%	80.8%	80.9%	83.8%	83.9%	84.1%	84.3%	84.9%	↑
% of HB residents sent their outcome assessment report within 10 working days after assessment	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	↓

	4 Quarter Trends				
	Q1 2018/19	Q2 2018/19	Q3 2018/19	Q4 2018/19	Trend
Number of calls to the MH helpline CALL by Welsh residents per 100,000 of population	135.6	157.1	141.5	112.9	↓
Number of calls to the Wales dementia helpline by Welsh residents per 100,000 of population (age 40+)	5.4	9.9	9.0	9.0	↑
Number of calls to the DAN 24/7 helpline by Welsh residents per 100,000 of population	35.5	27.6	30.2	31.8	↓



CAV - Our Staff & Resources

	12 Month Trends - Calendar												
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Trend
% of patients who did not attend a new OP appointment	9.3%	8.6%	13.5%	9.1%	9.0%	9.1%	8.7%	8.8%	9.1%	8.0%	8.7%	10.0%	↑
% of patients who did not attend a follow-up OP appointment	12.3%	10.6%	14.0%	9.9%	9.6%	9.5%	9.9%	9.8%	10.5%	9.2%	9.4%	9.1%	↑
Number of procedures that don't comply with NICE Do Not Do guidance (list agreed by Planned Care Board)	2	6	6	1	3	2	4	3	0	9	4	3	↓
% of headcount who have had a PADR/medical appraisal in previous 12 months	62.0%	62.3%	59.7%	60.4%	61.1%	61.7%	61.5%	61.4%	60.5%	60.6%	60.5%	59.4%	↓
% compliance for all completed Level 1 competencies within Core Skills & Training Framework	71.1%	72.4%	72.6%	73.9%	73.9%	74.5%	75.4%	77.5%	73.8%	74.8%	75.0%	75.9%	↑
% staff sickness absence (rolling 12 months)	5.01%	5.10%	5.23%	5.12%	5.12%	5.14%	5.15%	5.15%	5.16%	5.17%	5.18%	5.16%	↓

	4 Quarter Trends				
	Q4 2017/18	Q1 2018/19	Q2 2018/19	Q3 2018/19	Trend
Quantity of biosimilar medicines prescribed as % of total 'reference' product plus biosimilar	43.2%	55.6%	58.7%	59.6%	↑

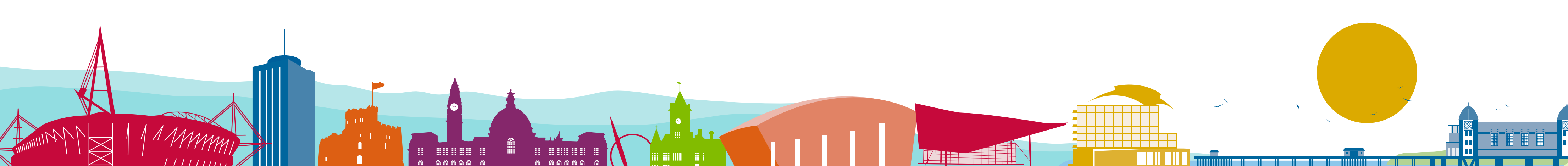
	Annual Trends		
	2016	2018	Trend
% of staff who undertook a performance appraisal who agreed it helped them improve how they did their job	54%	53%	↓
Overall staff engagement score	3.64	3.83	↑
% staff who would be happy with care by their organisation if friend/relative needed treatment	71%	79%	↑
	2017	2018	Trend
Elective caesarean section rate*	11.8%	12.7%	↓

Achieved in Target Compliance

Not achieved in Target Compliance

**Taken after March APC refresh*

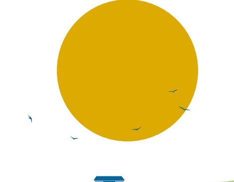
Note: the biosimilar medicines included for 2018/19 are Adalimimab, Infliximab, Etanercept, Rituximab IV, Trastuzumab IV.



CAV - Timely Care

	12 Month Trends - Calendar												
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Trend
% survival within 30 days of an emergency admission for a hip fracture	70.0%	50.0%	65.6%	64.7%	74.4%	76.7%	71.2%	75.7%	92.9%	67.6%	69.7%	78.0%	↑

	12 Month Trends - Financial												
	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Trend
% of urgent calls logged & patients started clinical definitive assessment within 20 mins of call answered	75.1%	76.2%	82.8%	84.0%	82.1%	84.5%	85.2%	80.5%	73.1%	78.1%	74.6%	81.9%	↓
% of patients prioritised as very urgent and seen within 60 minutes following clinical assessment	90.9%	73.1%	88.2%	84.4%	84.2%	66.7%	70.4%	57.9%	76.7%	72.0%	66.7%	72.4%	↓
% of patients waiting less than 26 weeks for treatment	85.7%	85.7%	88.7%	89.3%	87.4%	86.7%	87.3%	87.0%	85.5%	86.3%	87.6%	87.9%	↑
Number of patients waiting more than 36 weeks for treatment	2,266	2,569	686	890	1,366	944	984	954	948	984	1,046	327	↑
Number of patients waiting more than 8 weeks for a specified diagnostic	1,336	1,379	1,527	1,371	1,186	846	448	431	450	448	270	40	↑
Number of patients waiting more than 14 weeks for a specified therapy	200	166	163	61	42	20	120	112	12	14	5	0	↑
Number of OP follow ups (booked/not booked) delayed past target date for specific planned care specs	62,013	77,167	77,468	79,608	79,754	80,558	81,014	80,526	81,727	80,664	77,801	38,020	↑
% compliance with stroke QIM Direct admission to an acute stroke unit (<4 hrs)	53.2%	39.4%	44.1%	65.9%	61.8%	62.7%	51.9%	58.6%	64.6%	42.0%	45.0%	53.3%	↑
% compliance with stroke QIM CT scan within (<1 hour)	66.7%	72.1%	41.7%	55.6%	57.9%	59.6%	57.4%	49.2%	67.9%	52.8%	51.2%	51.9%	↓
% compliance with stroke QIM Assessed by a stroke consultant (<24 hours)	89.6%	83.8%	72.2%	82.2%	80.7%	92.3%	79.6%	81.4%	83.0%	77.4%	74.4%	73.1%	↓
% compliance with stroke QIM Thrombolysed with a door to needle time (<= 45 mins)	44.4%	10.0%	16.7%	33.3%	0.0%	25.0%	20.0%	12.5%	16.7%	25.0%	0.0%	16.7%	↓
% of emergency responses to red calls arriving within 8 mins	83.1%	83.9%	85.7%	85.0%	81.1%	81.3%	82.0%	80.3%	80.4%	80.4%	74.6%	77.6%	↓
Number ambulance handovers over one hour	374	171	109	68	161	145	323	244	241	430	351	189	↓
% of patients spend < 4 hours in emergency care from arrival until admit, transfer or discharge	82.1%	83.4%	91.0%	92.5%	89.7%	90.3%	86.2%	85.7%	83.8%	84.0%	82.0%	84.3%	↓



	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Trend
Number of patients spent >=12 hrs in emergency care from arrival until admit, transfer or discharge	116	26	16	17	7	17	94	56	39	137	130	34	↓
% newly diagnosed with cancer, not via urgent route, started def treat within 31 days of diagnosis	98.6%	97.6%	96.4%	94.4%	88.6%	95.8%	98.8%	98.2%	93.9%	94.8%	95.5%	96.1%	↓
% newly diagnosed with cancer, via urgent suspect route, started def treat within 62 days of referral	88.9%	73.3%	87.0%	81.8%	79.8%	83.5%	84.5%	81.0%	85.7%	87.1%	87.0%	84.0%	↑
% of MH assessments undertaken within 28 days from the date of receipt of referral	87.4%	87.5%	86.4%	85.2%	83.0%	80.1%	88.6%	79.7%	68.7%	55.5%	90.4%	75.0%	↓
% of therapeutic interventions started within 28 days following an assessment by LPMHSS	77.6%	71.2%	58.8%	81.9%	57.1%	67.1%	76.9%	50.5%	85.4%	70.5%	48.8%	71.2%	↓

	4 Quarter Trends				
	Q1 2018/19	Q2 2018/19	Q3 2018/19	Q4 2018/19	Trend
% of qualifying patients who first had contact with an IMHA within 5 working days of their request	100.0%	100.0%	100.0%	100.0%	→

	Annual Trends		
	2017	2018	Trend
% GP practices offering appointments between 17:00 and 18:30 on 5 days a week	92%	94%	↑
% of GP practices open during daily core hours or within 1 hour of the daily care hours	88%	87%	↓

Achieved in Target Compliance

Not achieved in Target Compliance

CAV - Effective Care

	12 Month Trends - Calendar												
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Trend
Crude hospital mortality (<= 74 years of age) rolling 12 months ending	0.63%	0.63%	0.63%	0.63%	0.61%	0.59%	0.61%	0.61%	0.61%	0.62%	0.61%	0.61%	↑
% of episodes clinically coded within one reporting month post episode discharge end date	95.7%	95.8%	95.9%	96.1%	96.4%	96.6%	96.0%	95.6%	96.0%	96.0%	96.7%	95.9%	↑

	12 Month Trends - Financial												
	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Trend
	86.5%	85.3%	72.5%	69.0%	73.1%	74.8%	75.7%	81.8%	74.5%	86.5%	81.6%	68.9%	↓

	4 Quarter Trends				
	Q4 2017/18	Q1 2018/19	Q2 2018/19	Q3 2018/19	Trend
All new medicines must be made available no later than 2 months after NICE and AWMSG appraisals	93.7%	95.5%	96.3%	96.6%	↑

	Annual Trends		
	2017/18	2018/19	Trend
% clinical coding accuracy attained in the NWIS national clinical coding accuracy audit programme	91.9%	90.3%	↓

	Mar-18 (12mths ending)	Mar-19 (12mths ending)	Trend
Number of health board non mental health DToC	507	459	↑
Number of health board mental health DToC	138	62	↑

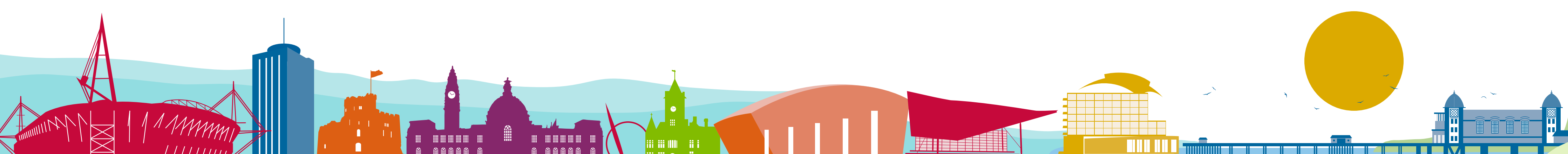
Achieved in Target Compliance

Not achieved in Target Compliance

CAV - Individual Care					
	4 Quarter Trends				
	Q4 2017/18	Q1 2018/19	Q2 2018/19	Q3 2018/19	Trend
Patients aged 75+ with an AEC of 3 or more for items on active repeat as % of all patients aged 75+	6.2%	6.2%	6.2%	6.2%	↑
	Q1 2018/19	Q2 2018/19	Q3 2018/19	Q4 2018/19	Trend
% concerns had a final reply (Reg 24)/interim reply (Reg 26) <30 working days of concern received	65.6%	75.2%	80.8%	77.3%	↑
	Annual Trends				
	Dec-17 (12mths ending)	Dec-18 (12mths ending)	Trend		
Number procedures postponed either on the day or day before for specified non-clinical reasons	2,368	2,108	↑		

Achieved in Target Compliance

Not achieved in Target Compliance



Chapter 6

Sustainable Development

Sustainable Development Report 2018 - 19

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1.0 Introduction

Cardiff and Vale University Health Board (UHB) is required, like other public bodies, to publish data in relation to key sustainability metrics including but not limited to; utilities consumption, waste production and environmental management.

The information that follows is provided in accordance with HM Treasury's Sustainability Reporting in the Public Sector guidance and summarises the performance, projects, challenges and achievements of the UHB in relation to the sustainability agenda during 2018/19.

2.0 Governance

The Sustainable Development Governance structure of the UHB includes:

- A Lead Director for Environmental Management/ Sustainable Development (SD) matters i.e. the Director of Capital, Estates & Facilities.
- A Capital Estates and Facilities Service Board.
- An Environmental Management Steering Group (EMSG) which is chaired by the Director of Capital, Estates & Facilities, and includes representatives from health & safety, energy, waste, transport and Cardiff University. This steering group reports to the Capital Estates and Facilities Service Board via its monthly Health and Safety Meetings.
- An Energy Management Group which is made up of Capital Estates and Facilities Service Board and Operational Services department personnel, A focus is maintained on specific operational and energy and environmental management issues and the 'Cost Reduction Programme' (CRP) and the 'Re:fit Programme'. The group is chaired by the Director of Capital, Estates & Facilities.

3.0 Environmental Management Systems

In 2003 the UHB was accredited with the Environmental Management Standard (EMS) ISO14001, which is certified by the British Standards Institute (BSI). Compliance with this standard is managed by the Environmental Management Steering Group (EMSG).

The benefits of ISO14001 include:

- the implementation of a robust Environmental Management system
- the promotion and development of a program of effective Environmental management that leads to the reduction of environmental impact and resource usage
- clarity regarding the Environmental legislation that needs to be complied with
- improved relationships with the local community (stakeholders are reassured that the UHB is managing the environment correctly)
- a greater environmental awareness and ownership
- the engagement of staff and encouragement of appropriate and sustainable behaviours
- the ability to demonstrate that the UHB is effectively managing environmental issues
- continual environmental improvement
- the establishment of a programme that helps deliver the requirements of 'The Future Generations' Bill.

The ISO14001 standard, was revised in 2015 and as a result the EMSG was strengthened and its membership increased from seven to 27. Membership includes representatives from Capital Planning Facilities & Estates, the School of Medicine and all Clinical Boards. The strengthening of EMSG, membership has given greater ownership of environmental performance across the UHB, and improved response to issues that arise.

As part of the accreditation process the UHB is subject to eight BSI audits per year, with the auditor having the ability to visit any site, any department of their choosing.

Following our most recent audit the feedback from the BSI included the following statement:

They said: "The Health board have invested and implemented significant improvement of the EMS since the previous visit. The impetus on striving for continual improvement is evident with the managerial commitment and engagement, led by the Steering Group and clearly demonstrated during this visit, resulting in a recommendation for recertification".

4.0 Summary of Performance

Green House Gas Emissions

The UHB is fully committed to reducing its carbon generation.

Most recently the UHB has engaged in its largest LED lighting installation scheme yet, focusing on those areas with the largest/high burn hours to increase energy reduction.

In 2015, the UHB opened the New Adult Mental Health Unit, Hafan Y Coed (HYC) at the University Hospital Llandough (UHL). A 70kW solar array was installed on top of the unit which saves in excess of £9.2K per annum. This initiative was extended as part of the UHB's Cost Reduction Programme (CRP) with an additional 50kW solar array installed on the HYC unit, and further 50 kW solar arrays installed on top of the Rookwood Hospital relocation development at UHL, above the Emergency Unit (EU) at the University Hospital of Wales (UHW) and Barry Hospital.

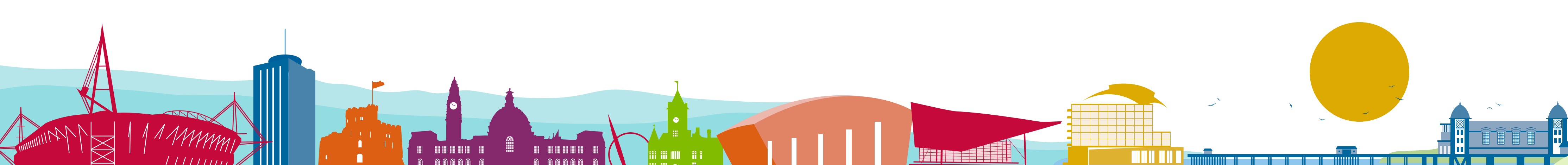
The solar array installations have generated the following savings:

- HYC (70kW) generated 52,116 kWh. kWh, £5610.8 (18/19)
- HYC (50kW) generated 38597 kWh £4179.81 (installed 15/05/18)
- Rookwood (50kW) generated 51451 kWh £5571 (installed 15/05/18)
- UHW (50kW) generated 28095 kWh £2502 (installed 28/03/18)
- Barry Hospital generated 23499 kWh £2340 (18/19)

In 2018/19 the combined solar PV savings amounted to £20,477(savings are based on commodity costs only.

All future saving schemes will be captured under the Re:Fit programme, which will include the roll-out of further LED and Solar PV reviews as part of the scoping of the works.

Table 1 overleaf provides a summary of greenhouse gas emissions for the three year period 2016-17 to 2018-19.



Greenhouse Gas Emissions		2016-17	2017-18	2017-19
Non-Financial Indicators (1000tCo²e)	Total Gross Emissions	27.8	28.15	29.81
	Total Net Emissions	0	0	0
	Gross Emissions Scope 1 (direct)	27.80	27.98	29.64
	Gross Emissions Scope 2 & 3 (indirect)	0.16	0.17	0.17
Related Energy Consumption (million KWh)	Electricity Non-Renewable	29.00	29.82	23.91
	Electricity Renewable	21.80	24.00	21.53
	Gas	135.00	136.00	130.94
	LPG	0	0.14	0.27
	Other	0	0	0
Financial Indicators (£millions)	Expenditure on Energy	7.04	7.29	8.05
	CRC License Expenditure (2010 Onwards)	0.29	0.28	0.28
	Expenditure on accredited offsets (e.g. GCOF)	n/a	n/a	n/a
	Expenditure on official business travel	1.60	1.40	1.49

(Please note that CRC costs are managed externally, with the data being provided a day ago from the supplier a cost cannot be determined. In the absence of this the same figure from last year has been applied to 18/19, due to the feel that they will not be greatly different)

The UHB is looking to secure new, more efficient technologies to aid in carbon reduction maintain a strict energy management control regime as a means to ensuring putting the right amount of energy in the right place at the right time.

4.1.1 Re:Fit

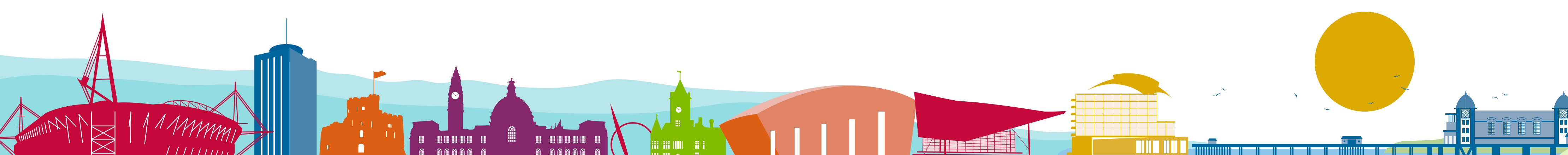
The Re:Fit programme exists as a means to help give public bodies the opportunity toward satisfying their energy and water related targets via a national framework.

The framework is made up of prequalified suppliers/providers with the intent to helping organisations achieve guaranteed reductions through adopted solutions and for those solutions being managed by the successful supplier/provider through an Energy Performance Contract (EPC). The EPC contractually ensures predetermined targets are achieved through constant monitoring and verification, with nonfulfillment caveats in place.

The UHB launched its Re:Fit programme on 18/12/18, welcoming potential suppliers/providers to its opening presentation.

Once a contractor has been realised the programme is expected to see the provision and installation of new equipment, the optimisation of existing equipment and the maintenance of those solutions introduced.

Whilst there are the expected solutions being brought to the fore, such as LED lighting and solar



PV being introduced, The UHB is encouraging innovative ideas being presented.

'Legislation sets out key requirements for Government, and therefore Public Sector organisations to undertake decarbonisation. In order to fully understand the scale of decarbonisation required, it is first important to establish the current situation. This Carbon Footprint can be used as a baseline to influence decarbonisation activity, and carbon reporting'.

The programme will be an initial step for the UHB toward supporting decarbonisation and the Environment Act (2016), which commits The Welsh Assembly Government to achieving an 80% reduction by 2050 (against a 1990 baseline).

4.1.2 Service Improvement / Cost Reduction Programme

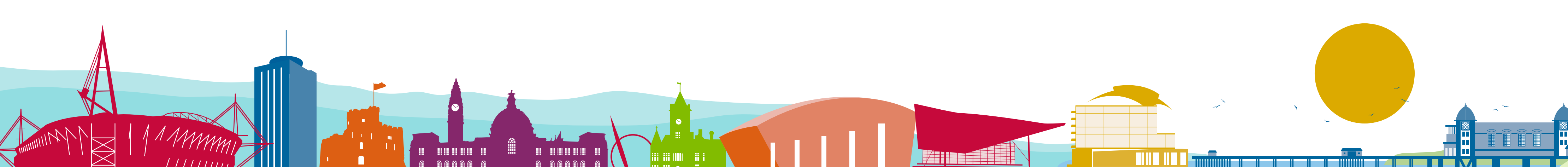
There are multiple schemes being evaluated and progressed throughout the UHB, those schemes are based around staff members', their ideas towards helping the improvement of services delivered throughout the organisation.

There are a number of notions that are based around energy, waste, utilities and transport.

4.1.3 Sustainable Travel

Cardiff and Vale University Health Board has a Sustainable Travel Action Plan in place for each of its hospital sites as required by Welsh Government. The action plans manage the following key areas and activities:

- Travel planning – Travel surveys have taken place since 2008 (except 2017). The surveys monitor current travel behaviour of employees and visitors to identify whether the CVUHB are able to improve those sustainable travel options that are available.
- Car sharing – The Health Board has an on-line car share facility hosted by Liftshare. This is open to all staff. Car sharing is promoted regularly over the Intranet and by on-site promotional events. There are currently 184 members recorded on Liftshare, with 21 memberships awaiting authorisation and whilst not recorded it is known that there are staff members who car share informally.
- Cycle Scheme – August 2012 saw the creation of the scheme, enabling cyclists to purchase bikes through a salary sacrifice approach, further encouraging staff members into "active travel". There have been 1141 bought to date, saving employees a little short of £207,000. November 17 – October 18 saw 117 new purchases made.
- Nextbike – As a means to further increase sustainable travel, a three way collaboration between Nextbike, CVUHB and Cardiff Council has seen the introduction of, to date, 3 next bike stations within the UHB. There are 2 stations at UHW, 1 sited by the UHB and the other sited by Cardiff University. The remaining station is sited at Woodland House. There are currently 73 stations in Cardiff, with the intention to improve on these, the stations already sited have facilitated in excess of 10,000 journeys each week. From the network of stations that exist visitors to Cardiff are able to travel through the city with relative ease. Most recently a pilot was launched, one aimed helping people to cycle their way to better health. The scheme which kicked off in May 2019 will see GPs in Cardiff prescribing patients to a six month free Nextbike membership.
- Public Transport – The Health Board liaises regularly with Councils (Cardiff and Vale of Glamorgan) and transport operators to review and improve services in terms of frequency, timings and access. The services available provide access to all main UHB sites. The 'Park and Ride' initiative operates every 20 minutes between Pentwyn and UHW, available from 06:30 – 19:45. Since the launch in May 17 there have been 93,582 customers, of which 78,619 customers being staff members. 18/19 (up to 29/03/19) saw 61,935 users of which a little over 82% or 50,927 were staff members. As a result of the success of the scheme at this juncture, it has stimulated a review towards creating a service of a similar



nature at UHL. The use of public transport plays a large part in the UHB's sustainable travel plans, providing locations of bus stops and rail stations in close proximity to UHB sites. To further stimulate the use of public transport the Health Board offers a salary reduction arrangement with Cardiff bus to enable staff members to purchasing season tickets.

- Walking – The UHB has developed a number of walking routes at several sites, giving individuals the ability to engage in some activity during their lunch break. The routes are based around, UHW, St David's hospital, Riverside health centre and Rookwood hospital. The UHB provides valuable links through its intranet pages, to a number of external web sites for those interested in taking up walking or those already so inclined. The links also provide the details of areas and events that exist to them within the local and surrounding areas.
- Parking – June 2018 saw free parking across all UHB sites, a change of this nature brought with it a greater impact on the parking/traffic pressures that UHW were managing up to that point. The UHB naturally increased its continual promotion and encouragement toward sustainable travel, whilst seeking additional solutions to further remove the number of unnecessary vehicles coming to site. A strategy to increase parking availability for medical staff onsite, will see a large number of non-medical staff members relocating off site to 'Woodland House' on Maes Y Coed Road in Cardiff.

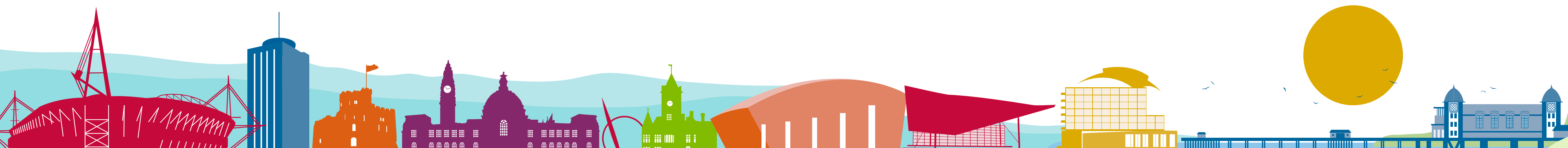
The UHB's continual improvement toward Sustainable Travel has led to the review and design of a 'Sustainable Travel Hub' at UHW. The vision for the hub came via Cardiff City Council, with their desire aimed at creating an effective series of travel hubs. The design concept is aimed at making the transition for a passenger, more pleasurable when arriving on site, no requirement of having to navigate traffic or having to face the worst of the weather when accessing the site.

At some point some of those journeys may well be taken on the newly proposed 36 electric buses destined for Cardiff.

All of the activities listed above currently tie in to the recently launched 'Healthy Travel Charter', designed to encourage and support sustainable travelling for the 33,000+ public sector employees in and around Cardiff.

This initiative is aiming to achieve the following:

- Reduce the proportion of journeys commuting to and from work made by car from 62% to 52%
- Increase the proportion of staff cycling weekly to and from work, or at work from 14% to 23%
- Increase the proportion of vehicles used during the day which are plug-in hybrid or pure electric from 1% to 3%



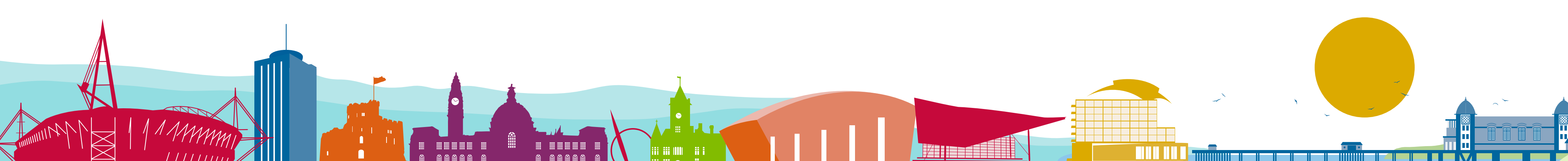
4.1.4 Waste

Waste Management like most responsibilities within the UHB can be complex, as there are a large number of health board and non-health board sites, each with multiple waste streams, used by 15,093 members of staff, not to mention visitors, all of which have to be managed and policed. The UHB generated 4461 tonnes of waste during March 18 – April 19.

The UHB recognises the importance of effective waste management, working hard over recent years to ensure compliance with the Hazardous Waste Regulations and Duty of Care Legislation is met. As a result of this, CVUHB made a total of 611 internal audits between April 2018 and March 2019, capturing 10,758 samples to assess against compliance of the Hazardous Waste Regulations 2005 (amended 2009) and the overall compliance was 98.77%.

Within the reported figures there is a portion of waste managed by the UHB, which is based on patient household collections. The collections exist as a result of home based patients that receive direct care from a healthcare professional. The additional tonnage is made up of 18,718 waste visits, collecting in the region of 51.5 tonnes, made up of 12,148 sharp boxes and 39,323 bags of clinical waste collected at a cost of £206K.

Waste		2016-17	2017-18	2018-19
Non-Financial Indicators (tonnes)	Total Waste	4380.00	4619.00	4347.37
	Landfill	0.00	0.00	0.00
	Reused/Recycled	875.00	1044.0	839.6
	Composted	120.00	119.00	97.56
	Non-Infectious Offensive Waste	536.00	685.00	664.68
	Incinerated With Energy Recovery	1542.00	1441.00	1466.00
	Alternative Heat Treatment	943.00	967.00	889
	Incinerated Without Energy Recovery	364.00	363.00	390.53
Financial Indicators (£million)	Total Disposal Cost	1.22	0.97	0.71
	Landfill	0.00	0.00	0.00
	Reused/Recycled	0.11	0.16	0.06
	Composted	0.01	0.01	0.01
	Non-Infectious Offensive Waste	0.15	0.14	0.10
	Incinerated With Energy Recovery	0.21	0.16	0.11
	Alternative Heat Treatment	0.41	0.33	0.27
	Incinerated Without Energy Recovery	0.29	0.17	0.16



Once again managed to maintain a zero level of waste being diverted to landfill, continuing to direct this waste directly to a facility using Energy from Waste (EfW) technology. 18/19 saw the UHB send 1466 tonnes of waste to an EfW plant, within that 664.68 tonnes of waste (non-infected hygiene waste & residual waste) channelled toward the EfW plant, an increase of 6% from 17/18.

On average a tonne of waste generates around 0.697MWh of electricity, through the EfW plant that we use. As a parasitic plant, around 11% of the generated electrical energy is consumed directly to facilitate the running of the facility. The remaining energy generated is exported back into the electricity transmission network, supporting National Grid with their complex supply requirements.

- 1466 tonnes = 1022 MWh generated
- 112 MWh consumed by EfW plant
- Electricity to the grid = 909 MWh

All new staff members receive training on waste management with waste minimisation as the key driver as well as compliance with the various legal requirements of waste segregation. During Corporate Induction staff members receive an overall picture of how the UHB's environmental position and they are provided contact details of where the tools and support can be found.

Within Capital schemes reducing the availability of general waste bins within office environments has promoted increased recycling. Of late there have been a number of departments making contact with Capital, Estates & Facilities to discuss the review of their current waste management processes within their own environment. These instances highlight the change towards empowerment and ownership of waste management as well as an indication that continual improvement exists.

Of the departments that have made contact a baseline audit is undertaken to assess current practices leading to an understanding of how practices can be improved.

Within the organisation there has been one environmental sub-group formed, with that group looking to develop a new waste stream, specifically aimed at stationery. From the waste collected in this instance there is a possible revenue stream based on the volumes of wasted generated. The revenue would come in the form of a financial donation into the UHB's Health Charity. This proposed scheme is under review, but it is an example of the ever growing behaviour within the organisation.

4.1.5 Finite Resource Consumption

Like the management of gas and electricity, water is just as important to manage, firstly, because it carries with it the largest unit costs of all the utilities and secondly, excessive or unnatural consumption in some instances can be difficult to detect.

The consumption levels are broken down mainly around activities such as cleaning, catering, washing, toilet use and drinking. Another activity that is responsible for the levels of consumption the UHB experience is as a result of our 'Water Safety Management programme'. The programme sees a high level of intentional, systematic flushing, which allows for the monitoring and inspecting of water quality throughout the estate. The proactive approach is designed to removing the risk of legionella and any other water bacterium from existing within the UHB's water network.

Of those ideas reviewed was the trial of waterless urinals. Those trials have taken place at UHW and UHL in public only and are currently under review as to where they can be installed next.

Finite Resource Consumption			2016-17	2017-18	2018-19
Non-Financial Indicators (000m³)	Water Consumption (Office Estate)	Supplied	361.00	372.26	378.81
		Abstracted			
		Per FTE	16.00	16.70	19.53
	Water Consumption (Non- Office Estate)	Supplied	241.00	248.00	252.54
		Abstracted			
Financial indicators (£million)	Water Supply Costs (Office Estate)		0.88	0.92	0.39
	Water Supply Costs (Non- Office Estate)		0.59	0.92	0.26

(Please note that the change in the cost figures is previous years included sewerage costs, these have been removed)

5.0 Social

Major Capital projects are developed with framework partners to include low and zero carbon technologies that help towards the UHB reducing its environmental impact. The developments are also project managed and phased to minimise any negative events that can be associated with biodiversity, noise, dust and pollution, whether a refurbishment or a new build. Regardless of the projects that are scheduled, the UHB aims to achieve the highest Building Research Establishment Environmental Assessment Method (BREEAM) rating possible.

The BREEAM assessment is designed to ensure that developments are more sustainable buildings. That these buildings improve the well-being of those people that live and work in them, whilst looking to negate any potential, negative environmental impact that may occur to the surrounding wildlife and communities as a result of their introduction to their give location.

Cardiff and Vale UHB is committed to encouraging the development of flexible/agile working methods which assist staff maintaining a work/life balance and also assists in the recruitment and retention of staff.

The UHB has two Teddy Bear Nurseries to provide childcare, based at the University Hospital of Wales (UHW) and University Hospital Llandough (UHL) sites. The team also provides telephone contacts to find alternative childcare within the local area, including Childminders and or Holiday Play Schemes.

The expectation by Welsh Government is that all NHS Health Boards and Trusts achieve the Platinum level in the Corporate Health Standard (CHS). The standard is a national mark of quality for improving health in the work place. It was developed to recognise good practice and is awarded on the basis of the quality of an organisation's activity, designed to improve the health of its workforce. The UHB achieved both a Gold (September 2017) and Platinum Award (October 17), with the next CHS review being 2020.

The emphasis at the Platinum level is on demonstrating the UHB's commitment to Corporate Social Responsibility. To achieve the Platinum award the UHB is required to demonstrate that it is an exemplar employer with sustainable development as an integral part of its business practice and culture under five key criteria.

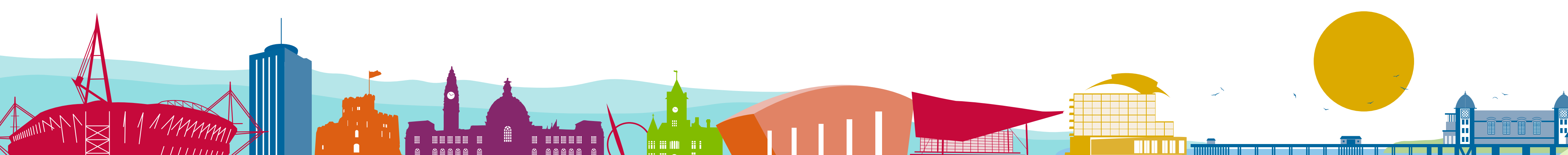
- Senior level commitment
- Employee engagement
- Managing for health and safety
- Health, work and well-being
- Monitoring, evaluation and review

Highlighted in last year's edition of the report was the UHB's continued collaborations with a number of partners towards bringing to reality the vision of a community orchard at the UHL ***'Ein Berllan - Our Orchard'***. The orchard is designed and available to everyone, patients, visitors, staff and the public in general. To enhance an individual's well-being, to stimulate and develop an intrinsic experience, whilst naturally improving wildlife and plants. To date approximately 2 acres of the 7 acres available has been developed.

- Community Payback/Probation Service
  The rehabilitation initiative is active from as little as 3 days per week completing multiple tasks, clearing a lot of areas and removing the waste from site.
- Men's Sheds – Cymru Association
  The cooperative association, which is members (retired/semi-retired men) owned with many groups scattered throughout Wales. The group creates structures from benches, muddy kitchens to shelters.
- Down to Earth
  This sustainable focused group with their community led approach are working closely with the patients and volunteers with a vision to design and create a wooden structure, which will be home to the likes of art, yoga and mindfulness groups.

Topsoil from the current Rookwood Capital Project is being diverted to the orchard, establishing zero waste in this aspect of the scheme.

The Orchard has also received additional help during visits from the Scouts with their members assisting with some of the scheme's planting activities.



In addition to the Scouts and their involvement, the Orchard has regularly opened itself up to local schools to open them up to a nature and environment experience. As a result of the voluntary activities it has helped towards 38 of 76 trees have now been planted so far.

> "Our Orchard is a perfect example of the Wellbeing of Future Generations Act which the Health Board is committed to developing. This has been a great opportunity to engage with young people on how the outdoors, nature and fresh air can improve health and wellbeing and how important this project is on a hospital site."

Within the Orchard Scheme exists a memorial tree dedication service, giving family and friends the ability to pay tribute, celebrating a life lived, through a commemorative planting.

Two art pieces have been commissioned from local artists with designs based around a pollen structure and a sycamore seed, with both creations having a link back to the Hafan-Y-Coed, Adult Mental Health Unit.

The UHL Orchard has also extended its original scope, leading to the development of the Rookwood Orchard Scheme, with the same well-being vision for everyone, seeing this project supported by extending the collaboration with 'Men's Shed' creating a bug hotel, bird baths/feeders and planters.

A future garden related venture is planned for Barry Hospital 'I love Barry' project, which aims to address the courtyard, again to create a stimulating a well-being environment for all visitors with a view to increasing wild life.

Horatio's Garden

This charity led initiative at UHL is being designed to support the only Welsh Spinal Regional Unit. The aim of the garden is to assist with patient rehabilitation, giving access outside of the ward, a therapeutic oasis, again for both patient and visitors.

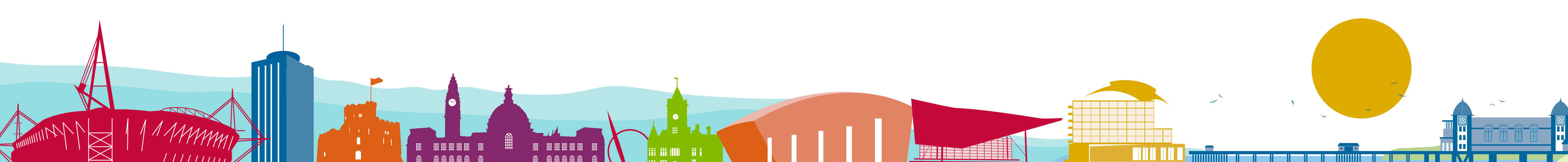
The UHB displayed a garden bed at the Royal Horticultural Society event in Cardiff, 12-14 April 2019 and was entered into the 'Blossoming Beds' competition under the title 'We Grow Better Tomorrows When We Plant Good Seeds Today'. The competition was all about the impact that flowers have, even in confined areas. The great and deserved news is that the entry was a success and the team won, being awarded a Silver Gilt medal.

Having a presence on a national platform such as this gave representatives the opportunity to tell the journey, the number of visitors to the display was in their thousands. A great opportunity to promoting 'A Healthier Wales' encouraging people outdoors, providing inspiration to their own green space. It was chance to also outline the future intentions and those efforts already made to date and all with continued corporate support.

The Wellbeing Project

This project working with Cardiff University aims to establish four bee hives in the spring, two located at UHW atop the Cardiff University Building, Cochrane building and the Llanfair, Adult Mental Health Unit at UHL.

Both sites will have seven members of staff each, all trained in the art of beekeeping. They will be supported by 'Nature's Little Helpers' of New Link Wales, a Cardiff based organisation committed to achieving wellbeing through a number of initiatives. The organisation's mission matches that of the UHB's look to establish a resilient group of people, whilst empowering individuals to achieving their full potential, their aspirational wellbeing goals.



The project is working closely with Cardiff University and the School of Pharmacology based around the number of antibacterial compounds found in the honey generated from their beehives, honey that has helped in eradicating MRSA.

The activities mentioned go a long way to ensure that the UHB is achieving those goals set against all public bodies under the 'Biodiversity Duty' which is a part of the Environment Wales Act 2016. The duty targets the safeguarding, maintaining, restoration and development of wildlife as part of an organisations everyday operations.

The Grapevine (fruit & vegetable stall)

The World Health Organisation recommends that individuals should eat a minimum of 400g of fruit and vegetables every day, from this was born the 5-a-day campaign (2003).

Whilst fruit and vegetables were available through various onsite retailers at both UHW and UHL, unfortunately no specific, designated outlet to completely support the campaign. That has now changed, moving from a successful trial to being permanently sited at UHW 'The Grapevine' fruit stall at UHW is regularly used by staff, patients and visitors.

In addition to this a retail outlet at UHL, located in close proximity to the main entrance has improved its food items to selling a healthier range of options, more so than you would normally experience with some of their off-site outlets.

6.0 Future Generations

2015 saw the birth of the 'Well-being of Future Generations (Wales) Act'. The act positions Welsh public towards a legacy cognition, taking ownership of how our actions and intentions shape the world of tomorrow, laying the positive foundations for those to follow, a blue print to be improved upon.

The Act consists of 7 Well-being goals:

- A globally responsible Wales
- A Prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities
- A Wales of vibrant culture and thriving Welsh language

The duties set against each public body are designed to make every act, of every public body, of all individuals that exist within that public body has the ability/responsibility to improve everything that they come into contact with, by the things that we say and do.

To embrace our own immediate personal environment and all the well-being goals that we wish for ourselves, to embrace and push them beyond our personal boundaries to positively affect everything we come into contact with, individually and collectively.

6.1 Charitable Functions

The UHB recognises that it receives charitable and volunteered support throughout the health board that greatly enable organisational services to perform safely, effectively and to thrive.

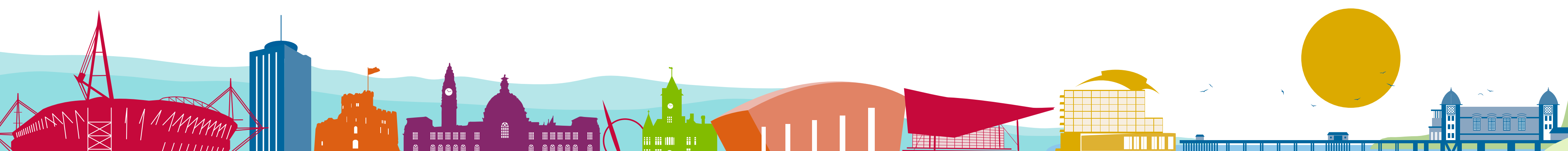
As you would expect the hundreds of volunteers come from all walks of life, such as young volunteers, from 16 years of age to retirees, with no upper age limit to ex-employees. Those volunteers can come from charitable organisations, institutions such as schools, colleges and universities.

The volunteer programme is designed to:

- Enrich the patient experience and support service delivery by offering additional time and fresh perspectives, expertise and skills
- Promote user and carer involvement
- Promote diversity and inclusiveness
- Broaden the range of services offered
- Foster good relationships with the local community

The areas these volunteers operate in areas such as Meet and Greet, Adult Mental Health, Ein Berllan – Our Orchard, Crisis Recovery Unit, Arts Therapy, Addictions Peer Support, Hospital radio stations (UHW and UHL) and the Hospital Choir.

In recent years individuals who have volunteered,



have left their volunteering roles having used their experience towards gaining employed positions within the NHS, or having enrolled in studies focusing on healthcare and social care.

Whilst there exists an inward volunteer presence, there exists a number of individuals and teams that provide a number of supportive services that operate outwardly some being delivered locally and some overseas.

Cancer Care in Sierra Leone

Since 2016, the Health Board has been providing support to the Ola During Children's Hospital in Freetown, Sierra Leone, delivering care to children with cancer. This is just one of the UHB's commitments to the Welsh Government's 'Wales for Africa' programme.

A team of up to five members of staff who visit biannually, are made up of 1-2 consultant oncologists, nurses and one of the leads for the initiative.

The Sierra Leone campaign receives funding from the contributions made to the 'In for a Penny' payroll scheme which is run by the Cardiff & Vale Health Charity, whereby UHB staff members can make multiple donations from their ongoing pay, ranging from 1-99p. These donations are directed towards the training of doctors, nurses and laboratory staff, seeking to improve both the diagnosis and delivery of treatment for children with cancer.

First Aid Support Team (F.A.S.T.)

F.A.S.T are a charitable organisation made up of solely of volunteers, professionals from all over the world, doctors, nurses, paramedics, first aiders and all who have a knowledge and background of first aid or wound care, having a registered health or first aid qualification. With support coming from translators and drivers and fundraisers.

The focus of their charitable works is towards refugees who have been displaced across Calais and Dunkirk. The team are site themselves on arrival and begin providing emergency first aid, first aid training and first aid kits, giving the people the ability to identify and treat basic medical emergencies. Staff will have provided representation from 10th May for several days.

The volunteers requested donations ranging from clothing, sleeping bags, emergency blankets, saline, plasters, adhesive tape and compression stockings.

Summary

The Health Board has embedded its sustainable goals/expectations into their everyday functions internally, externally and much further afield, all whilst experiencing a number of transformations aimed at improving the organisation.

From the continuation of good practice, whilst seeking out and adopting new technologies, strategies and practices throughout the organisation. The UHB understands that all functions performed under the organisation can carry with it a wider reaching impact.

The Environmental Management System supports the aims of the organisation to remove those negative possibilities, towards generating influential benefits that go beyond UHB boundaries. With CVUHB working towards implementing the 'Well-being of Future Generations (Wales) Act 2015', generates a sustainable positive mind set/attitude throughout, which naturally lends itself towards meeting those targets that are applicable to the Act.

Individuals or groups of staff members are empowered to embracing their own potential bringing their enthusiasm to the fore. The UHB recognises the continued progress and growth of the EMS, based on the organisation's lead but also by the efforts made by the sum of all its parts.

The accumulation of the 2015 Act, ISO14001, Health and Safety at Work Act 1974 along with the Re:Fit Programme will become the foundations from which the health board will strives to ensure that from within its footprint, whether it comes from personnel or collaborative partnerships, that the UHB's activities results or attempts to result in anyone and anything that comes into contact with or are in close proximity to CVUHB, gain nothing other than a safe positive experience, one not just for today, but every day.

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Chapter 7
Our staff, Our stars

Accountability Report

Signed by: Date: 30 May 2019
Len Richards
Chief Executive Officer

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Introduction to the Accountability Report

The requirements of the Accountability Report are based on the matters required to be dealt with in a Directors' Report, as set out in Chapter 5 of Part 15 of the Companies Act 2006 and Schedule 7 of SI 2008 No 410, and in a Remuneration Report, as set out in Chapter 6 of the Companies Act 2006 and Schedule 8 of SI 2008 No 410. As not all requirements of the Company's Act apply to NHS bodies, the structure adopted is as described in the Treasury's Government Financial Reporting Manual (FReM) and set out in the 2018-19 Manual for Accounts for NHS Wales, issued by the Welsh Government.

The Accountability Report is required to have three sections:

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

An overview of the content of each of these three sections is provided to the right.

The Corporate Governance Report

This section of the Accountability Report provides an overview of the governance arrangements and structures that were in place across the Cardiff & Vale University Health Board (the UHB) during 2018-19. It also explains how these governance arrangements supported the achievement of the UHB's vision, and strategic objectives.

The Director of Corporate Governance and her team have compiled the report the main document being the Annual Governance Statement. This section of the report has been informed by a review of the work taken forward by the Board and its Committees over the last 12 months and has had input from the Chief Executive, as Accountable Officer, Board Members and the Audit and Assurance Committee.

In line with requirements set out in the Companies Act 2006, the Corporate Governance report includes:

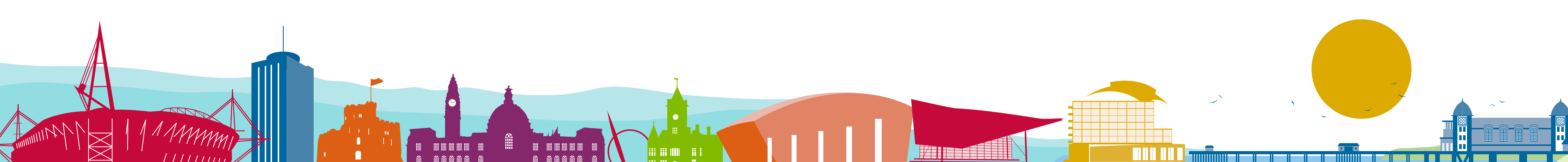
- The Directors Report
- A Statement of Accountable Officers Responsibilities
- A Statement of Directors' Responsibilities in Respect of the Accounts
- The Annual Governance Statement

Remuneration and Staff Report

The Remuneration Report contains information about senior manager's remuneration. The definition of "Senior Managers" for these purposes 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.'

National Assembly for Wales Accountability and Audit Report

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 HM Treasury guidance, material remote contingent liabilities, long-term expenditure trends, and the audit certificate and report.



Part A - The Corporate Governance Report

This section of the Accountability Report provides an overview of the governance arrangements and structures that were in place across the Cardiff & Vale University Health Board during 2018-19.

It includes:

- Director's Report
- A Statement of Accountable Officer Responsibilities
- A Statement of Directors' Responsibilities in Respect of the Accounts

The Directors' Report

The Composition of the Board and Membership

Part 2 of The Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009 sets out the required membership of the Boards of Local Health Boards, the appointment and eligibility requirements of members, the term of office of non-officer members and associate members.

In line with these Regulations the Board of Cardiff & Vale University Health (the UHB) comprises 26 members including:

- a chair
- a vice-chair
- officer members
- non-officer members

The UHB has 11 Independent Members, all of whom are appointed by the Minister for Health and Social Services.

The 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 by holding its meetings in public. The members of the Board are collectively known as "the Board" or "Board members"; the officer and non-officer members (which includes the Chair) are referred to as Executive Directors and Independent Members respectively. All Independent and Executive Members have full voting rights.

In addition, to officer and non-officer members Welsh Ministers may appoint up to three associate members. 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.

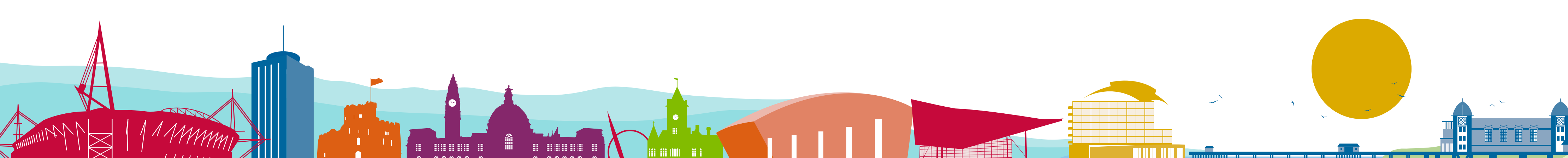
The Regulations can be accessed via the following link: NHS Wales Governance e-Manual I Regulations (Constitution, Membership and Procedures)

Voting Members of the Board During 2018-19

During 2018-19, the following individuals were full voting members of the Board of the UHB:

Name	Role	Dates
Independent Members		
Maria Battle	Chair	Full year
Charles Janczewski	Vice Chair	Full year
John Antoniazzi	Independent Member (Capital)	Full year
Gary Baxter	Independent Member (University)	Full Year
Eileen Brandreth	Independent Member (ICT)	Full year
Susan Elsmore	Independent Member (Local Authority)	Full year
Akmal Hanuk	Independent Member (Community)	Full year
Michael Imperato	Independent Member (Legal)	Full year
Sara Moseley	Independent Member (Third Sector)	Full year
John Union	Independent Member (Finance)	Full year
Dawn Ward	Independent Member (Trade Union Side)	Full year

Figure 1: Voting Members of the Board



Name	Role	Dates
Executive Directors		
Len Richards	Chief Executive Officer	Full year
Ruth Walker	Vice Chair	Full year
Graham Shortland	Medical Director	Full year
Robert Chadwick	Executive Director of Finance	Retired in December 2018 for a period of two weeks and returned for 16 hours per week initially.
Abigail Harris	Executive Director of Planning	Full year
Fiona Jenkins	Executive Director of Therapies and Health Sciences	Full year
Fiona Kinghorn	Executive Director of Public Health	From 1 October 2018
Steve Curry	Executive Director of Primary and Community Care, and Mental Health	Full year
Martin Driscoll	Executive Director of Workforce and Organisational Development	Full year
Sharon Hopkins	Executive Director of Public Health	Until 1 October 2018

Figure 1: Voting Members of the Board

Non-voting Members of the Board During 2018-19

During 2018-19 the following individuals were Associate Members of the Board:

Name	Role	Dates
Sharon Hopkins	Director of Transformation and Informatics/Deputy Chief Executive Officer	From 1 October 2018
Nicola Foreman	Director of Corporate Governance/Board Secretary	From 23 July 2018
Richard Thomas	Chair, Stakeholder Reference Group	From 27 November 2018
Sue Bailey	Chair, Healthcare Professionals' Forum	Full Year
Lance Carver	Director of Social Services, Vale of Glamorgan Council	Full Year
Paula Martyn	Chair, Stakeholder Reference Group	To 26 November 2018

Figure 2: Associate Members of the Board

While Associate Members take part in public Board meetings, they do not hold any voting rights:

Further details in relation to role and composition of the Board can be found at pages 10 to 22 of the Annual Governance Statement. In addition, short biographies of all our Board Members can be found on our website at: Board Members

The Annual Governance Statement also contains further information in respect of Board and Committee Activity.

Declaration 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 and can be accessed by clicking on the link, or a hard copy can be obtained from the Director of Corporate Governance on request.

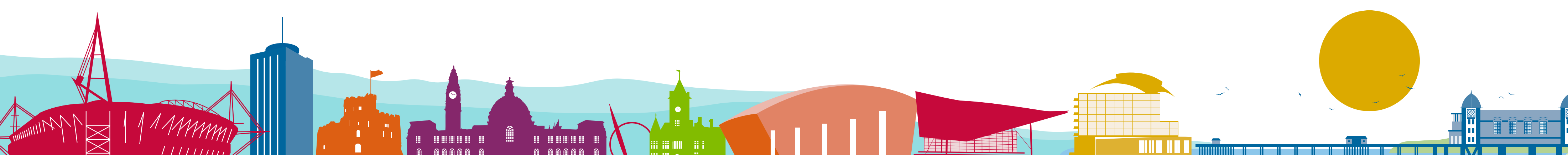
Personal Data Related Incidents

Information on personal data related incidents formally reported to the Information Commissioner's office and "serious untoward incidents" involving data loss or confidentiality breaches are detailed on page 39 to 40 of the Annual Governance Statement.

Environmental, Social and Community Issues

The Board is aware of the potential impact that the operation of the UHB has on the environment and it is committed to wherever possible:

- Ensuring compliance with all relevant legislation and Welsh Government Directives
- Working in a manner that protects the



environment for future generations by ensuring that long term and short-term environmental issues are considered

- Preventing pollution and reducing potential environmental impact

The Board's Sustainability Report, which forms a key part of the Performance Report section of the Annual Report provides greater detail in relation to the environmental, social and community issues facing the UHB.

Statement of Public Sector Information Holders

As the Accountable Officer of the Cardiff & Vale University Health Board, and in line with the disclosure requirements set out by the Welsh Government and HM Treasury, I confirm that the UHB has complied with the cost allocation and charging requirements set out in HM Treasury guidance during the year.

Signed by: Date: 30 May 2019
Len Richards
Chief Executive Officer

Statement of Accountable Officer Responsibilities 2018-19

Statement of My Cheif Executive Responsibilites as Accountable Officier of the Cardiff & Vale University Health Board.

The Welsh Ministers have directed that I, as the Chief Executive, should be the Accountable Officer of Cardiff & Vale University Health Board.

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

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

I also confirm that:

- As far as I am aware, there is no relevant audit information of which Cardiff & Vale University Health Board's auditors are unaware. I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that Cardiff & Vale University Health Board's auditors are aware of that information.
- Cardiff & Vale University Health Board's Annual Report and Accounts as a whole is fair, balanced and understandable. I take personal responsibility for the Annual Report and the judgments required for determining that it is fair, balanced and understandable.

Signed by: Date: 30 May 2019
Len Richards - Chief Executive Officer

Statement of Directors' Responsibilities in Respect of the Accounts for 2018-19

The Directors of Cardiff & Vale University Health Board are required under the National Health Service Act (Wales) 2006 to prepare accounts for each financial year.

The Welsh Ministers, with the approval of the Treasury, direct that these accounts give a true and fair view of the state of affairs of the UHB and of the income and expenditure of the UHB 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; and
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the account

On behalf of the directors of Cardiff & Vale University Health Board we confirm:

- That we have complied with the above requirements in preparing the 2018-19 account
- That we are clear of their responsibilities in relation to keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the authority and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction by the Welsh Ministers.

By Order of the Board

Signed by:

Len Richards
Chief Executive Officer
Date: 30 May 2019

Maria Battle
Chair
Date: 30 May 2019

Robert Chadwick
Executive Director of Finance
Date: 30 May 2019

Annual Governance Statement

This Annual Governance Statement details the arrangements that were in place to manage and control resources during the financial year 2018-19.

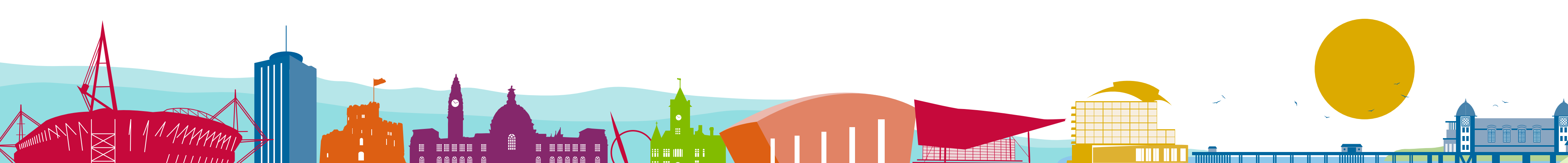
It also sets out the governance arrangements in place to ensure probity, mitigate risks and maintain appropriate controls to govern corporate and clinical situations.

Scope of Responsibility

The Board of the Cardiff & Vale University Health Board (the UHB) is accountable for good governance, risk management and internal control. As the Chief Executive and Accountable Officer of the UHB I have clearly defined responsibilities as set out in the Accountable Officer Memorandum and my letter of appointment. These responsibilities relate to 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 duties are carried out in accordance with the responsibilities assigned by the Accountable Officer of NHS Wales.

I am held to account for my performance by the Chair of the UHB and the Chief Executive and Accounting Officer for the NHS in Wales. I have formal performance meetings with both the Chair and the Chief Executive of NHS Wales. Further, the Executive Team of the UHB meet with the senior leaders of the Department of Health and Social Services on a regular basis.

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



This Annual Governance Statement details the arrangements that I put in place during 2018-19 to discharge my responsibilities as the Chief Executive Officer of the UHB to manage and control the UHB's resources. It also sets out the governance arrangements that were in place to ensure probity, and that strategic and delivery plans are in place, risks mitigated and assured and we have the appropriate controls to govern corporate and clinical situations.

Our Governance and Assurance Frameworks

The UHB is one of the largest NHS organisations in the UK. It employs approximately 14,500 staff and spends around £1.4 billion every year on providing health and wellbeing services to a population of around 490,000 residing in Cardiff and the Vale of Glamorgan. It also serves a wider population across South and Mid Wales for a range of specialties. The UHB is a teaching health board with close links to the university sector, and together we are training the next generation of healthcare professionals.

The UHB has a clear purpose from which its strategic aims and objectives have been developed. Our vision is to 'Care for People, Keep People Well'. The Board is accountable for setting the organisation's strategic direction, ensuring that effective governance and risk management arrangements are in place and holding Executive Directors to account for the effective delivery of its Annual Plan.

Welsh Government

The Board

Committees	Finance Committee	Quality, Safety & Experience	Health & Safety	Mental Health CLC	Remuneration & Terms of Service	Strategy & Delivery	Information Governance & Technology	Audit Committee	Charitable Funds Committee
Advisory Groups	Health Professional Forum	Stakeholder Reference Group	Local Partnership Forum						
Joint Committees	Welsh Health Specialised Services Committee (WHSSC)	NHS Wales Shared Services Partnership (NHSWSSPC)	Emergency Ambulance Services Committee (EASC)						

Figure 3 that follows, provides an overview of the governance framework that was in operation during 2018-19.

The Board

The Board has been constituted to comply with the Local Health Board (Constitution, Membership and Procedures) (Wales) Regulations 2009. The Board functions as a corporate decision-making body, Executive Directors and Independent Members being full and equal members and sharing corporate responsibility for all the decisions of the Board. Details of those who sit on the Board are published on our website at: Board Members. Further information is also provided in the Directors Report.

The Board is at the top of the UHB's governance and assurance systems. Its principal role is to exercise effective leadership, provide strategic direction and control. The Board is accountable for governance and internal control in the organisation, and I, as the Chief Executive and Accountable Officer, am responsible for maintaining appropriate governance structures and procedures. In summary, the Board:

- Sets the strategic direction of the organisation within the overall policies and priorities of the Welsh Government and the NHS in Wales
- Establishes and maintains high standards of corporate governance
- Ensures the delivery of the aims and objectives of the organisation through effective challenge and scrutiny of performance across all areas of responsibility
- Monitors progress against the delivery of strategic and annual objectives
- Ensures effective financial stewardship by effective administration and economic use of resources

The UHB Board consists of 26 members including the Chair, Vice Chair and Chief Executive. The Board has 11 Independent Members and 4 Associate Members, three of whom are appointed by the Minister for Health and Social Services.

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.

Standing Orders and Scheme of Reservation and Delegation

The UHB's governance and assurance arrangements have been aligned to the requirements set out in the Welsh Government's Governance e-manual and the Citizen-centered Governance Principles. Care has been taken to ensure that governance arrangements also reflect the requirements set out in HM Treasury's 'Corporate Governance in Central Government Departments: Code of Good Practice 2011'.

The Board has approved Standing Orders for the regulation of proceedings and business. They are designed to translate the statutory requirements set out in the Local Health Board (Constitution, Membership and Procedures) (Wales) Regulations 2009 into day to day operating practice. Together with the adoption of a scheme of matters reserved for the Board, a detailed scheme of delegation to officers and Standing Financial Instructions, they provide the regulatory framework for the business conduct of the UHB and define "its ways of working". The Standing Orders in place during 2018-19 were adopted by the Board in 2015, they are available on the Policies, Procedures and Guidelines page of our website.

Standing Orders and the Scheme of Reservation and Delegation are supported by a suite of corporate policies, and together with the Standards of Behaviour Framework, Risk Management Policy and Performance Management Framework make up the UHB's Governance Framework.

In 2018-19, a review of these arrangements was started to ensure that they support the implementation of the 'UHB's Integrated Medium Term Plan and aligned strategic objectives; an update on progress is provided in the pages that follow.

The Board, subject to any directions that may be made by the Welsh Ministers, is required to make appropriate arrangements for certain functions to be carried out on its behalf so that the day to day business of the UHB may be carried out effectively, and in a manner that secures the achievement of the its aims and objectives. To fulfil this requirement, in alignment with the review of Standing Orders and Committee terms of reference, a detailed review of the Board's Scheme of Reservation and Delegation of Powers was also started. The document, will go to the Board for approval in July 2019. As recommended by Wales Audit Office in its Structured

Assessment Report for 2018, going forward the UHB's Standing Orders will be reviewed annually.

Committees of the Board

Section 2 of the UHB's Standing Orders provides that "The Board may and, where directed by the Welsh Government must, appoint Committees of the Health Board either to undertake specific functions on the Board's behalf or to provide advice and assurance to the Board in the exercise of its functions." In line with these requirements the Board has established a standing Committee structure, which it has determined best meets the needs of the UHB, while taking account of any regulatory or Welsh Government requirements. Each Committee is chaired by an Independent Member of the Board and is constituted to comply with The Welsh Government Good Practice Guide – Effective Board Committees.

During 2018, steps were taken to strengthen Board and committee working. At the February 2018 board development session, board members agreed the following improvement objectives for the Board:

- To concentrate more on the UHB's strategy and not operational matters; focusing more on the UHB's mission, 'Caring for People, Keeping People Well' and the 10 strategic objectives in Shaping our Future Wellbeing;
- To improve alignment between strategic objectives and key corporate risks;
- To receive higher levels of assurance and scrutiny;
- To reducing the volume of papers; and
- To avoid the duplication of papers and discussion between different Committees and/or the Board.

A number of changes have been made to support these objectives; these include:

- A review of Committee membership. The allocation of independent members to committees has been reviewed in an attempt to optimise their contribution by best utilising their individual skills, specialisms and interests.
- A revision of Board rules. These now support the desired changes in behaviour. For example: considering issues from a strategic perspective; challenging constructively; seeking clarification on papers beforehand; and taking a holistic view. Copies of the Board rules are displayed at Board meetings.
- The introduction of a new Board and committee cover report template. The updated version now encourages greater focus and clarity. Instructions to the Board and committee on the purpose of papers is simpler, either 'for assurance' or 'for decision'. Other categories have been removed. The template limits the main report's length to no longer than two and a half pages.
- Pre-submitted questions prior to Board meetings. To improve efficiency, independent members submit some questions to executive members before the Board meeting. These questions are devised at a meeting the Board chair holds with independent members a few days before Board meetings. This process does not stop members from asking questions at the meeting but gives officers a chance to prepare a definitive answer.

In its 2017 structured assessment the Wales Audit Office raised concerns about the balance of work between the Strategy and Engagement (S&E) and Resource and Delivery (R&D) Committees. After six months of operation the UHB reviewed these committees and replaced them with the Strategy and Delivery Committee, due to there being a lack of clarity over responsibilities and some duplication. The Strategy and Delivery (S&D) Committee met for the first time in March 2018 and it is working well. The Board's other committees remained the same during 2018.

During the final quarter of 2018-19, a full and considered review of each of the terms of reference of the Board's committees was undertaken (the need for this review was highlighted by the WAO in its 2018 Structured Assessment). This review highlighted areas where assurance and risk management arrangements required strengthening and consequently the terms of reference of a number of the Committees were updated. As a result the following Board Committees will be in place during 2019-20:

- Audit and Assurance Committee
- Charitable Funds Committee
- Finance Committee

- Health & Safety Committee
- Information Governance & Technology Committee
- Mental Health and CLC Committee
- Quality, Safety & Experience Committee
- Remuneration & Terms of Service Committee
- Strategy & Delivery Committee

All Committees reviewed their Terms of Reference and Work Plans in 2018-19. To support the Board's Committees worked together on behalf of the Board to ensure that work is planned cohesively and focusses on matters of greatest risk that would prevent the UHB from meeting our mission's aims and objectives.

Copies of Committee papers and minutes, a summary of each Committee's responsibilities and Terms of Reference are available on the UHB's website: [The Board and its Committees](). All action required by the Board and Committees are included on an Action Log, and at each meeting progress is monitored, these Action Logs are also published on the UHB's website.

The Chair of each Committee reports to the Board on the committees' activities. This contributes to the Board's assessment of risk, levels of assurance and scrutiny against the delivery of objectives. Further, in line with Standing Orders, each committee has produced an annual report, for 2018-19, setting out a helpful summary of its work. These annual reports were considered in a public session of the Board and can be accessed at: [Annual Reports]().

Board

Audit
- Corporate Governance
- Risk Management
- Board Assurance Framework
- Internal Audit
- External Audit
- Regulatory Compliance
- Post Payment Verification
- Single Tender Waivers
- Probility
- Annual Accounting Report
- Accounting Policies
- Anti-Fraud Policies
- Audit Recommendations

Charitable Funds
- Charitable Funds Income & Expenditure
- Charitable Funds Applications
- Probity
- Regulatory Compliance

Health & Safety
- Health and Safety Risks
- Fire Safety
- Health and Safety Incidents

Mental Health CLC
- Mental Health Services
- Delivery (patient experience, quality & safety)
- Child and Adolescent Mental Health Service Delivery (patient experience, quality & safety)
- Learning Disability Services Delivery
- Mental Health & Capacity legislation

Finance
- Budgetary & Financial Controls
- Financial & Savings Plans
- Capital Programme
- Capital Budgetary Controls
- Capital & Estates Expenditure & Business Cases
- Service Changes

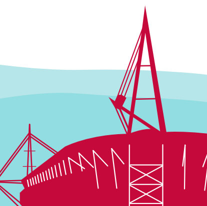
Quality, Safety & Experience
- Clinical Governance
- Clinical Effectiveness
- Patient Experience
- Quality & Safety of Services provided by CAV
- Health & care standards
- Putting things right
- Sharing of learning and best practice

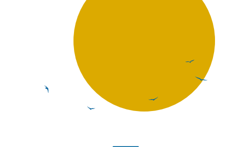
Remuneration & Terms of Service
- Pay, terms & conditions of Service for Chief Executive, Executive Directors and Senior members of staff not covered by agenda for change
- Objectives & performance monitoring of Executive Directors
- Performance Management System for those positions mentioned above, and its application
- Approval of applications under the voluntary
- Additional payments to Consultants

Strategy & Delivery
- Culture & values
- Workforce & Planning
- Recruitment & Retention
- Capability & skills mapping
- Equality, Diversity & Human Rights
- Employee health, safety & welfare
- Staff engagement
- Sickness absence
- Performance and development review
- Statutory and mandatory training
- Welsh language

Information, Governance & Technology
- Information & Information Technology Strategies
- IM&T Priorities
- IM&T Implications arising from the IMTP & new developments
- IM&T service provision
- Information Governance legislation & policies
- Data protection, confidentiality & privacy
- Information security
- Freedom of Information
- Environmental Information regulations
- Publication Scheme
- Records Management
- Data Quality & Integrity
- General Data Protection

Figure 4: Roles and Responsibilities of Committees of the Board





The Board and its Committees, meet in public throughout the year, and attendance is formally recorded within the minutes, detailing where apologies have been received and deputies have been nominated. The dates, agendas and minutes of all public meetings can be found on our website at: Board Meetings. The table at Appendix 1 sets out details of the Chair, Chief Executive, Executive Directors and Independent Members and confirms Board and Committee membership for 2018-19, meetings attended during the tenure of the individual and any Champion roles performed.

Items Considered by the Board in 2018-19

During the 2018-19 the Board held:

- Seven meetings in public (including one extraordinary meeting, held to discuss the establishment of a Major Trauma Network)
- One Annual General Meeting
- Six development sessions

All meetings of the Board held in 2018-19 were appropriately constituted with a quorum.

Board Assurance

The Board received regular updates on, and participated in, the further development and strengthening of assurance arrangements across the organisation. The UHB received a positive Wales Audit Office Structured Assessment Report for 2018 with regard to the ongoing improvements in risk management. Further details of the Structured Assessment findings are provided on page 49.

The UHB's Strategy

The Board, led the further development of the Cardiff & Vale Strategy and the alignment of its Integrated Medium Term Plan (IMTP) for 2019-22 to it; see pages 35 and 36 for further details. Aligned to this work was the approval (in May 2017) of the Cardiff & Vale Well-being Assessment and the UHB's Strategic Plan for Health Inequalities 2017-20.

As part of the development of the 2018-21 IMTP the Board developed its Well-being Objectives as required by the Well-being of Future Generations (Wales) Act 2015. A summary of these is included in our IMTP for 2018-21, this can be found at:

The Wellbeing of Future Generations Act

In addition, the Board:

- Approved the Annual Accounts for 2017-18;
- Approved the Resource Plans for 2018-19;
- Received feedback from service users and patients through patient stories;
- Approved and monitored the Discretionary Capital Programme.
- Received, considered and discussed financial performance and the related risks being managed by the UHB;
- Received regular reports on Patient Experience and feedback, ensuring where concerns are raised that these are escalated to the Board and, where necessary, result in the Board proactively activating agreed multiagency procedures and cooperate fully with partners.
- Routinely considered the Board's performance in relation to key national and local targets and agreed mitigating actions in response to improve performance where appropriate.
- Routinely received assurance reports from the Committees and Advisory Groups of the Board.

Items Considered by Committees of the Board

During 2018-19, Board Committees considered and scrutinised a range of reports and issues relevant to the matters delegated to them by the Board. Reports considered by the committees included a range of internal audit reports, external audit reports and reports from other review and regulatory bodies, such as Healthcare Inspectorate Wales and the Cardiff & Vale Community Health Council.

As was the case in previous years, the Committees' consideration and analysis of such information has played a key role in my assessment of the effectiveness of internal controls, risk management arrangements and assurance mechanisms.

The Committees also considered and advised on areas of local and national strategic developments and new policy areas. Board Members are also

involved in a range of other activities on behalf of the Board, such as Board development sessions (at least six a year), quality and safety 'walk-arounds' and a range of other internal and external meetings. An overview of the key areas of focus for each of the Board committees is provided in the Annual Reports for these Committees which can be found at The Board and its Committees

Audit Committee

The Audit Committee's Annual Report for 2018-19 provides the Board with a summary of the Committee's membership and the matters considered during the year. The Director of Corporate Governance provides a written report to each Audit Committee which:

- Strengthens governance reporting to the Committee
- Escalates governance issues in an open and transparent manner
- Provides a forward plan for key governance issues and the Committee with an opportunity to influence these
- Ensures greater linkages and connectivity on governance issues between the Audit Committee and other Committees of the Board.

A key item that continued to be monitored by the UHB's Audit Committee in 2018-19 was the detailed action plan produced in response to the Wales Audit Office review of the UHB's contractual relationships with RKC Associates Ltd and its owner.

In addition, in April 2018 the Public Accounts Committee (PAC) of the National Assembly for Wales received and discussed a report on progress with the implementation of the action plan. A closure report was submitted to the PAC in October 2018.

Internal Audit reviewed the progress made against the action plan and provided a finding of Substantial assurance. The UHB Board also received regular assurance reports regarding progress with the action plan.

Charitable Funds Committee

Cardiff and Vale Health Charity is the official charity supporting all the work of the UHB. The Charity was created on 3 June 1996 by Declaration of Trust and following reorganisations of health services, was amended by Supplementary Deed on 12 July 2001 and 2 December 2010. The UHB is the Corporate Trustee for the Charity.

The UHB delegates responsibility for the management of the funds to the Charitable Funds Committee. The aim of the Corporate Trustee (Trustee) is to raise and use charitable funds to provide the maximum benefit to the patients of the UHB and associated local health services in Cardiff and the Vale of Glamorgan, by supplementing and not substituting government funding of the core services of the NHS.

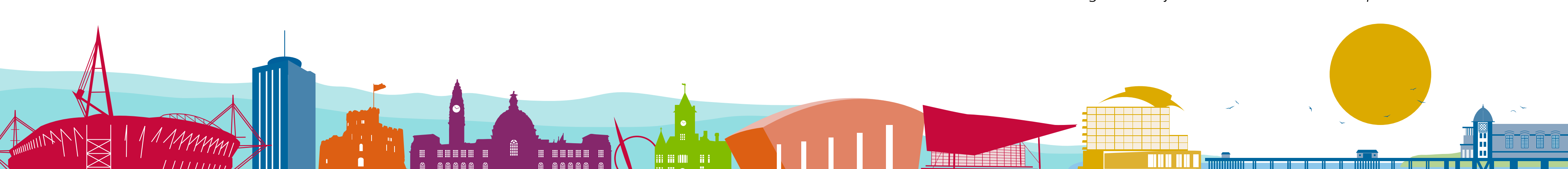
Each year the Charitable Fund Accounts are subject to external audit review by the Wales Audit Office and certified by the Charity Commission's deadline of 31 January of the following year. The 2017-18 statements were certified as giving a true and fair view with an unqualified opinion on 18 December 2018.

Board Development

Every other month there is a Board development session timetabled between public board meetings. The 2018-19 Board development programme was designed to help the Board and its committees to focus on more strategic business. As a result during the year the Board took part in a number of development sessions as shown in Figure 5 below.

Month	Subjects Covered
April 2018	• Strategy Development • Meeting efficiency • Performance Management Development • Values and Behaviours • Role of Internal Audit
June 2018	• Performance Data • Working efficiently • Risk Management
October 2018	• Additional Learning Needs and Educational Tribunal Act • Cardiff Child Friendly City Proposals • Nursing Act
December 2018	• Strategic Clinical Services Plan • IMTP Priorities • Single Cancer Pathway • Population Growth
February 2019	• Transformation • Prevention and Healthy Weight Strategic Action Plan • Wales Audit Office – Role and function of Audit Committees

Figure 5: Subjects discussed in Board Development Sessions



The Corporate Governance Code and the Board's Self Assessment of its Effectiveness

The Corporate Governance Code currently relevant to NHS bodies is 'The Corporate governance code for central government departments'. This can be found at: Corporate governance code for central government departments - GOV.UK.

The UHB like other NHS Wales organisations is not required to comply with all elements of the Code, however the main principles of the Code stand as they are relevant to all public sector bodies.

The Corporate Governance Code is reflected within key policies and procedures. Further, within our system of internal control, there are a range of mechanisms in place which are designed to monitor our compliance with the code, these include:

- Self-assessment
- Internal and external audit
- Independent reviews

The Board is clear that it is complying with the main principles of the Code, and is conducting its business openly and in line with the Code, and that there were no departures from the Code as it applies to NHS bodies in Wales, with the following non-material exceptions:

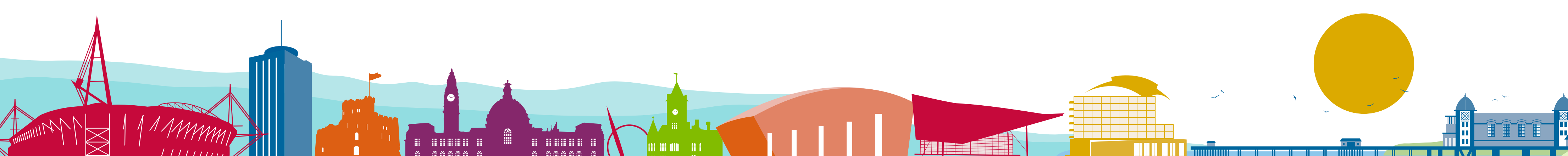
- Section 3.10 – 3.11 Board appointments are typically made for a period of three-four years. These are Ministerial appointments which the Board itself is unable to influence apart from the personal encouragement of asking people from diverse backgrounds to apply.
- Section 4.1 – The Board has a dedicated secretariat function.

During the latter part of the year the Board and its Committees undertook self-assessments of their effectiveness and development needs. These are referenced in Committee Annual Reports.

The Director of Corporate Governance undertook a self-assessment using the Well Led Framework for Governance and Leadership developed by NHS Improvement to bring focus and rigour to the review. The framework has eight domains, high level questions and a body of 'good practice' outcomes and evidence base that organisations and reviewers can use to assess governance. The assessment was aligned to the Health and Care Standards for Governance, Leadership and Accountability, and enabled an assessment of the Board's competence and effectiveness across a range of areas. – See Figure 6 below. This assessment will be considered by the Board at its development session scheduled for June 2019.

1. Is there the leadership, capacity and capability to deliver high quality, sustainable care?	2. Is there a clear vision and credible strategy to delivery high quality, sustainable care to people and robust plans to deliver?	3. Is there a culture of high quality, sustainable care?
4. Are there clear responsibilities, roles and systems of accountability to support good governance and management	**Are services well led?**	5. Are there clear and effective processes for managing risks, issues and performance
6. Is appropriate and accurate information being effectively processed, challenged and acted on?	7. Are the people who use services, the public, staff and external partners engaged and involved to support high quality sustainable services	8. Are there robust systems and processes for learning, continuous improvement and innovation?

Figure 6: Outcome of Self-Assessment



Rat-ing	Definition	Evidence
Green	Meets or exceeds expectations	Many elements of good practice and no major omissions
Yellow	Partially meets expectations, but confident in management's capacity to deliver green performance within a reasonable timeframe	Some elements of good practice, some minor omissions and robust action plans to address perceived gaps with proven track record of delivery
Amber	Partially meets expectations, but with some concerns on capacity to deliver within a reasonable timeframe	Some elements of good practice, has no major omissions. Action plans to address perceived gaps are in early stage of development with limited evidence of track record of delivery
Red	Does not meet expectations	Major omission in governance identified. Significant volume of action plans required with concerns regarding management's capacity to deliver

As highlighted earlier in this report, each Committee of the Board has also completed a self-assessment of its effectiveness. The outcomes of these assessment are being used to inform
the future development of the Governance Improvement Programme and a Board Development Programme for 2019-20.

Advisory Groups

The UHB has a statutory duty to "take account of representations made by persons who represent the interests of the community it serves". This is achieved in part by three Advisory Groups to the Board which are:

- The Stakeholder Reference Group (SRG);
- The Local Partnership Forum (LPF) and
- The Healthcare Professionals' Forum (HPF)

Stakeholder Reference Group (SRG)

The Group is formed from a range of partner organisations from across the UHB's area and engages with and has involvement in the UHB's strategic direction, advises on service improvement proposals and provides feedback to the Board on the impact of its operations on the communities it serves.

The SRG's role is to provide independent advice on any aspect of UHB business. It facilitates full engagement and active debate amongst stakeholders from across the communities served by the UHB, with the aim of presenting a cohesive and balanced stakeholder perspective to inform the UHB's planning and decision making.

This may include:

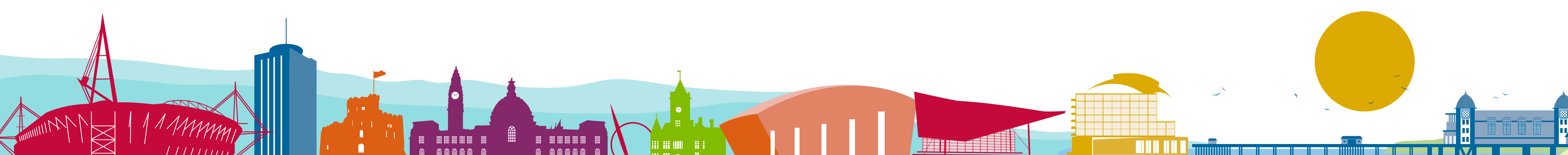
- Early engagement and involvement in the determination of the UHB's overall strategic direction
- Provision of advice on specific service proposals prior to formal consultation
- Feedback on the impact of the UHB's operations on the communities it serves.

Significant issues upon which the SRG was engaged during 2018-19 were:

- Adult Thoracic Surgery
- Car parking
- Community Mental health Services
- The UHB's Transformation Programme
- Winter Planning
- GP Sustainability
- The UHB's Clinical Services Plan
- Brexit
- The Patent Knows Best Portal

Local Partnership Forum (LPF)

The UHB and Staff side representatives have a strong working relationship and the Board recognises the



importance of engaging with staff organisations on key issues facing the UHB.

The LPF is co-chaired by the Chair of Staff Representatives and the Executive Director of Workforce and Organisational Development. Members are Staff Representatives (including the Independent Member for Trade Unions), the Executive team and Chief Executive, the Director of Corporate Governance, the Assistant Directors of Workforce and Organisational Development and the Head of Workforce Governance. The LPF meets six times a year.

The LPF is the formal mechanism for the UHB and Trade Union/Professional Organisation Representatives to work together to improve health services. Its purpose, as set out in the Terms of Reference, falls into four overarching themes: communicate, consider, consult and negotiate, and appraise.

The LPF met regularly during the year, providing the formal mechanism through which the UHB works together with Trade Unions and professional bodies to improve health services for the population it serves in the Cardiff & Vale area. In addition the UHB engages with its Medical Workforce through its Clinical Senate. The LPF is the forum where key stakeholders engage with each other to inform debate and seek to agree local priorities on workforce and health service issues. During the year, significant strategic issues were discussed and included:

- Progress on implementation of the 2018-2021 IMTP and the development of the refreshed 2019-2022 IMTP;
- The NHS Staff Survey; and
- Progress with implementation of service change

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

During July 2018 the HPF met with the SRG to discuss:

- Adult Thoracic Surgery
- The UHB's Transformation Programme
- Winter Planning

The HPF is currently reviewing its Terms of Reference and developing its work programme to inform its work over the coming year. Further Information in relation to the role and terms of reference of each Advisory Group can be found in the UHB's Standing Orders, these can be found at: Standing Orders.

Joint Committees

The UHB is also a number of a number of joint committees, namely:
Welsh Health Specialised Services Committee (WHSSC) & Emergency Ambulance Services Committee (EASC)

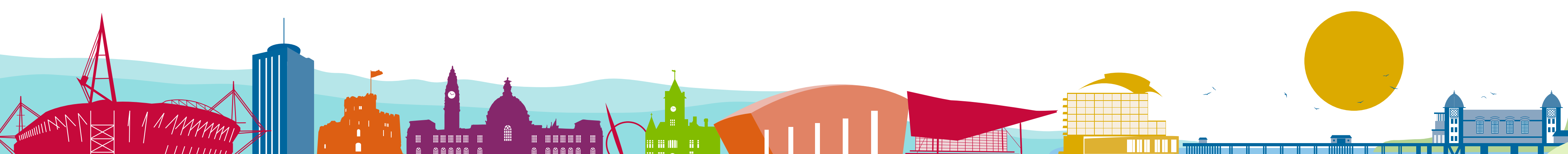
The Welsh Health Specialised Services Committee and the Emergency Ambulance Services Committee are statutory joint committees of the seven local health boards. They were established under the Welsh Health Specialised Services Committee (Wales) Directions 2009 (2009/35) and 2014 (2014/9 (w.9)) (the WHSSC Directions) and the Emergency Ambulance Services Committee (Wales) Directions 2014 (2014/8 (W.8)) (the EASC Directions).

The Welsh Health Specialised Services Committee (WHSSC) was established in April 2010. WHSSC is responsible for the joint planning and commissioning of over £500m of specialised and tertiary health care services on an all Wales basis. The Emergency Ambulance Services Committee (EASC) was established in April 2014. The EASC is responsible for the joint planning and commissioning of circa £155m of emergency ambulance services, including Emergency Medical Retrieval & Transfer Service (EMRTS) on an all Wales basis and commissioning Non-Emergency Patient Transport Services (NEPTS).

NHS Wales Shared Services Partnership Committee

A NHS Wales Shared Services Partnership Committee (NWSSPC) has been established under Velindre NHS Trust which is responsible for exercising shared services functions including the management and provision of Shared Services to the NHS in Wales.

During 2018-19, as part of the UHB's governance arrangements the Board was provided with regular



updates on the work of these joint committee's through the Chief Executive's report; a standing item on the Board agenda.

More information on the governance and hosting arrangements of these committees can be found in the UHB's Standing Orders.

Cardiff & Vale Public Health Service Board

The Public Service Board (PSB) is the statutory body established by the Well-being of Future Generations (Wales) Act which brings together the public bodies in Cardiff & Vale to meet the needs of Cardiff & Vale citizens present and future. The aim of the group is to improve the economic, social, environmental and cultural well-being of Cardiff & Vale. Working in accordance with the five ways of working, the Board has published its Well-being Assessment and Well-being Plan.

Cardiff & Vale Regional Partnership Board

The Cardiff & Vale Regional Partnership Board (RPB) is the statutory legal body established in April 2016 by the Social Services and Well-being (SSWB) (Wales) Act. Its key role is to identify key areas of improvement for care and support services in Cardiff & Vale. The RPB has also been legally tasked with identifying integration opportunities between social care and health. This has been achieved through building on the years of joint working and through the development of the health and care strategy which has identified key priorities. The key opportunities for integrated working identified and the actions to be taken in support of them are outlined in the Area Plan.

Regional Collaboration

The UHB is committed to working collaboratively with neighbouring organisations across Wales and England in the regions we commission to secure benefits for the population of Cardiff and the Vale.

South East Wales Regional Planning – Delivery Forum

In 2018-19, the Cabinet Secretary for Health and Social Services, following discussions with Health Board Chairs, wrote asking that they establish Regional Planning arrangements that address at pace some of the clinical service redesign options where solutions sit outside individual health board boundaries.

The Regional Planning and Delivery Forum was therefore established, which includes the Chief Executive NHS Wales and Chair and Chief Executive representation from Cwm Taf, Cardiff & Vale, Aneurin Bevan, Abertawe Bro Morgannwg, Cardiff & Vale, Velindre and WAST.

The UHB is fully engaged in this important forum. A brief summary of the work undertaken in 2018-19 and the plans to be taken forward into 2019-20 is provided in our IMTP for 2019- 22.

The Purpose of the System of Internal Controls

The system of internal control operating across the UHB is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of policies, aims and objectives of the UHB, to evaluate the likelihood of those risks being realised and to manage them efficiently, effectively and economically.

I can confirm that a system of internal control was in place across the UHB for the year ended 31 March 2019 and up to the date of approval of the annual report and accounts.

Executive Portfolios

During 2018-19, with the agreement of the Board I made one key change to the Executive Team Dr. Sharon Hopkins stepped down from her role as Executive Director for Public Health to take on the role of Director of Transformation and Informatics and lead on the major transformation agenda that we have signed up to as a Board. The Remuneration and Terms of Service Committee has agreed to Dr. Hopkins retaining the role of Deputy Chief Executive and she will deputise for me when required.

During the coming year I will review the portfolios

of all Executive Directors to ensure the appropriate alignment of accountabilities and authority within each Directorate and Director portfolio, and to also ensure that sufficient capacity is available to support the UHB's transformation agenda.

Capacity to Handle Risk and Key Aspects of the Control Framework

Responsibility for making sure that risks are properly managed rests with the Board. As Accountable Officer, I have overall responsibility for risk management and report to the Board on the effectiveness of risk management across the UHB. My advice to the Board is informed by Executive Officers, feedback received from Board Committees; in particular the Audit Committee and the Quality, Safety and Experience Committee.

The Board has a Risk Management Policy and supporting Risk Assessment and Risk Register Procedure. Each Clinical Board and Corporate Department has responsibility for maintaining a comprehensive risk register and lead Executive Directors for highlighting the most significant risks for inclusion in the Corporate Risk Register. Risk Assessments are undertaken based on a 5 x 5 scoring matrix i.e. the impact of the risk multiplied by the likelihood of it happening.

Management Executive meetings present an opportunity for executive directors to consider, evaluate and address risk and actively engage with and report to the Board and its committees on the UHB's risk profile.

The UHB's lead for risk is the Director of Corporate Governance, who is responsible for establishing the policy framework and systems and processes that are needed for the management of risks within the UHB. Depending on the nature of risk, other Directors will take the lead, for example, patient safety risks fall within the responsibility of the Medical Director, Director of Nursing, and Director of Therapies and Health Science.

Risk Management and Assurance

Robust risk management and assurance arrangements are seen by the Board as being essential to good management and the aim is to ensure they are integral to the UHB's culture. Risk and assurance are increasingly important elements of the UHB's planning, budget setting and performance processes.

As reported by the Wales Audit Office in its 2018 Structured Assessment delays in revising the corporate risk assurance framework has meant that until the latter part of 2018-19 the Board had insufficient oversight of strategic risks. I am pleased to report that the Board's newly appointed Director of Corporate Governance is making progress with the development of a Board Assurance Framework (BAF). This replaces the UHB's Corporate Risk and Assurance Framework (CRAF), which combined the corporate risk register and Board Assurance Framework (BAF).

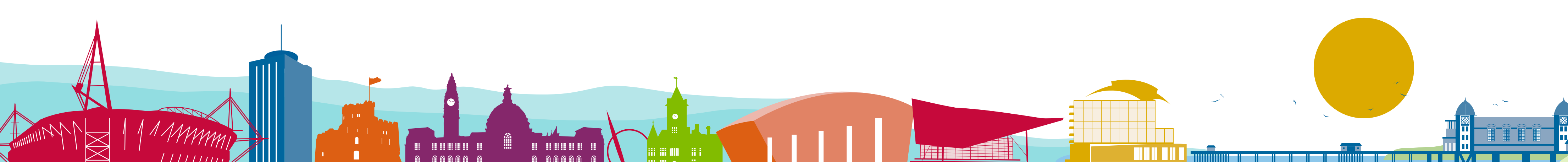
The Board received the first draft of the BAF when it met in November 2018. The BAF lists the UHB's strategic objectives and sets out the:

- principal risks that threaten the achievement of objectives;
- controls in place to manage/mitigate the principal risks;
- assurances on the controls in place;
- gaps in control;
- gaps in assurance; and
- actions to address the gaps in control and assurance to enable delivery of objectives.

Compared to the CRAF, which listed over 90 risks, the draft BAF is clearer and more focused. It is easier for the Board and its committees to review and each risk has an assigned executive lead and committee.

Key Risks and Embedding Robust Risk Management

Embedding effective risk management remains a key priority for the Board as it is integral to enabling the delivery of our objectives, both strategic and operational, and most importantly to the delivery of safe, high quality services. A number of steps have been taken to strengthen risk management across the organisation; with the BAF sets out the strategic risks to achieving the UHB's strategic objectives; and a corporate risk register, setting out the top organisational risks, is being developed to



compliment it. The following six risks are identified in the BAF as posing the greatest risk to the delivery of the UHB's strategic objectives:

- workforce;
- financial sustainability;
- sustainable primary and community care;
- safety and regulatory compliance;
- sustainable culture change; and
- capital assets (including estates, IT and medical equipment).

The UHB has not updated its risk management policy since 2013, and this is a key priority for the year ahead together with a review of its operational risk management arrangements. A review of risk management arrangements started in late 2017. To date, the UHB has designed a new risk register template, a guide for identifying risks and an explanation of how the risk register works. The Board received the draft risk management guide in January 2018.

The Corporate Governance Team will work with Clinical Boards and services to review their risks and to develop a UHB wide approach to risk management. Currently, the UHB has a paper-based risk management system but given the size of the organization an IT based solution is urgently needed. A revised Risk Management Framework will be developed during 2019-20, this will set out the UHB's processes and mechanisms for the identification, assessment and escalation of risks. It will be developed to create a robust risk management culture across the UHB by setting out the approach and mechanisms by which the UHB will:

- make sure that the principles, processes and procedures for best practice risk management are consistent across the UHB and fit for purpose;
- ensure risks are identified and managed through a robust organisational Assurance Framework and accompanying Corporate and Directorate Risk Registers
- embed risk management and established local risk reporting procedures to ensure an effective integrated management process across the UHB's activities;
- ensure strategic and operational decisions are informed by an understanding of risks and their likely impact;
- ensure risks to the delivery of the UHB's strategic objectives are eliminated, transferred or proactively managed;
- manage the clinical and non-clinical risks facing the UHB in a co-ordinated way; and
- keep the Board and its Committees suitably informed of significant risks facing the UHB and associated plans to treat the risk.

The Risk Management Framework will set out a multi-layered reporting process, which will comprise the Board Assurance Framework and Corporate Risk Register, Clinical Board Risk Registers, Directorate Risk Registers and Project Risk Registers. It will be developed to help build and sustain an organisational culture that encourages appropriate risk taking, effective performance management and organisational learning in order to continuously improve the quality of the services provided and commissioned.

The Risk Management Framework will set out the ways in which risks will be identified and assessed. It will be underpinned by a number of policies which relate to risk assessment including incident reporting, information governance, training, health and safety, violence and aggression, complaints, infection control, whistle blowing, human resources, consent, manual handling and security.

The Board will be involved in the continual development of the Assurance Framework and Corporate Risk Register, and these will be formally reviewed at meetings of the Board during 2018-19.

Risk Appetite

HM Treasury (2006) define risk appetite as:

'The amount of risk that an organisation is prepared to accept, tolerate, or be exposed to at any point in time'.

In April 2019, the Board held a Board Development Session to consider and develop its Risk Appetite Statement. This sets out the Board's strategic approach to risk-taking by defining its risk appetite thresholds. It is a 'live' document that will be

regularly reviewed and modified, so that any changes to the organisation's strategies, objectives or its capacity to manage risk are properly reflected. In developing the Risk Appetite Statement careful consideration was given to the UHB's capacity and capability to manage risk. The following risk appetite levels, developed by the Good Governance Institute, informed the Statement:

Appetite Level	Described as
None	Avoid the avoidance of risk and uncertainty is a key organisational objective.
Low	Minimal the preference for ultra-safe delivery options that have a low degree of inherent risk and only for limited reward potential.
Moderate	Cautious the preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward.
High	Open and being willing to consider all potential delivery options and choose while also providing an acceptable level of reward (and VfM).
Significant	Seek and to be eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk. Or also described as Mature being confident in setting high levels of risk appetite because controls, forward scanning and responsive systems are robust.

Figure 7: Description of Risk Appetite

The Board agreed that overall it currently had a 'risk appetite' which is 'Moderate'. However, overtime and with a clear plan of development in place it agreed that it wished to have an appetite which was 'seek' – eager to innovate and to choose options offering potentially higher business rewards.

The UHB's Risk Profile

As part of the development of the Board Assurance Framework the Executive Directors took part in a workshop to identify and map the risks to the delivery of strategic objectives. The Board Assurance Framework was first presented to the Board in November 2018.

As can be seen from Figure 8 at the end of March 2019 a number of key risks to the delivery of the health board's strategic objectives had been identified.

Full details of the controls in place and actions taken to address these risks can be found in the BAF.

Workforce:	
Risk Description	There is a risk that the organisation will not be able to recruit and retain a clinical workforce to deliver high quality care for the population of Cardiff and the Vale
Cause	• Increased vacancies in substantive clinical workforce • Requirements of the Nurse Staffing Act and BAPM Standards • Ageing workforce • Insufficient supply of Nurses at UK national level • High nurse turnover in Medicine and Surgery Clinical Boards • Insufficient supply of Doctors in certain specialties at UK national level (e.g., Adult Psychiatry, Anaesthetics, General Medicine, Histopathology, Neurosurgery) • Changes to Junior Doctor Training Rotations (Deanery) • Brexit
Impact	• Increase in agency and locum usage • Increase in costs of using agency and locum • Impact on quality of care provided to the population • Rates above Welsh Government Cap (Medical staff) • Low Staff moral and sickness • Poor attendance at statutory and mandatory Training • Potentially inadequate levels of staffing

Current Controls	• Project 95% Nurse Recruitment and Retention Programme • Medical international recruitment strategies (including MTI) • Recruitment campaign through social media with strong branding • Job of the week • Staff engagement with recruitment drive • Programme of talent management and succession planning • Values based recruitment • Medical Training Initiative (MTI) 2 year placement scheme • Comprehensive Retention Plan introduced from October 2018
Financial Sustainability:	
Risk Description	There is a risk that the organisation will not be able to deliver its ambition within the financial resources available
Cause	• Budgets overspent (four Clinical Boards currently in escalation) • Cost Improvement Programme not yet met in all areas recurrently • Significant nursing overspend of £1.8m • Reduction in income received
Impact	• Unable to deliver balanced plan • No £10m recurrent funding from Welsh Government • Reputational Loss

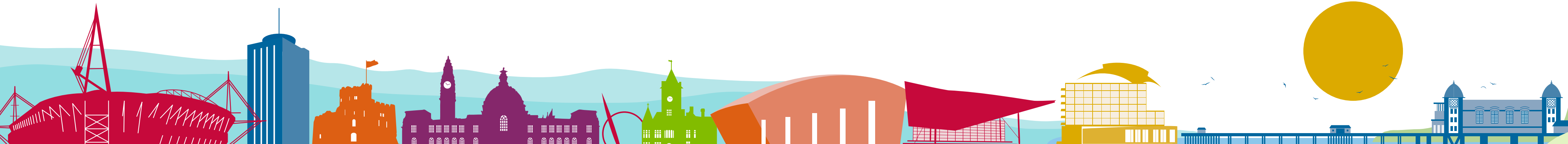
Current Controls	• Full savings programme and financial improvement plan in place • Finance Committee meets monthly and formally reports into the Board • Performance Meetings held monthly with Clinical Boards • Financial performance is a standing agenda item on Management Executives Meeting • Standing Financial Instructions in place with clear delegations of authority
Sustainable Primary and Community Care:	
Risk Description	There is a risk that systems of safety and regulatory compliance are potentially not as robust as they could be and this has been demonstrated by the HTA Review, poor decontamination systems and the commissioning of services outside the UHB which were not of a high quality.
Cause	• Non-compliance with regulatory or statutory requirements • Non-compliance with effective decontamination processes to support the delivery of high quality patient care • Appointment of contractor without required quality checks being in place to ensure service delivered was of a high standard
Impact	• Harm and distress caused to patients and their families • Reputational damage to the Health Board • Increase in clinical claims • Financial consequences

Current Controls	• Human Tissue Act • HTA Licencing Standards • Statutory Designated Individual in post • Clinical Board QSE arrangements; CD&T – regulatory compliance group • Quality, Safety and Experience Committee in place supported by robust governance and reporting structure • Office of Professional Leadership shares responsibility for Quality Agenda (Medical Director, Executive Nurse Director, Executive Director of Therapies and Health Science) • Quality and Safety Team • Patient Experience Team • Health and Care Standards • Decontamination and reusable devices procedure in place • Decontamination Group • Weekly Executive led concerns/claims and serious incidents meeting • Monitoring of ongoing investigations • Quality control system that triangulates areas of concern
Leading Sustainable Culture Change:	
Risk Description	There is a risk that the cultural change required will not be implemented in a sustainable way

Cause	• Current climate within the organisation is high in bureaucracy and low in trust. • Staff reluctant to engage with the case for change as unaware of the UHB strategy and the future ambition. • Staff not understanding the part their role plays for the case for change due to lack of communication filtering through all levels of the UHB.
Impact	• Staff morale may decrease • Increase in absenteeism • Difficulty in retaining staff • Transformation of services may not happen due to staff reluctance to drive the change through improvement work. • Patient experience ultimately affected.
Current Controls	• Values and Behaviours Framework in place • Task and Finish Group weekly meeting • Cardiff and Vale Transformation story and narrative • Leadership and Management Development Programme • Programme of talent management and succession planning • Values based recruitment • Staff survey results and actions taken – led by an Executive (WOD) • Patient experience score cards • CEO sponsorship for the Values and behaviours (culture) enabler. • Executive Director of WOD highly engaged with this enabler • Raising concerns relaunched in October 2018

Capital Assets (Estates, IT Infrastructure, Medical Devices):	
Risk Description	The condition and suitability of the estate, IT and Medical Equipment impacts on the delivery of safe, effective and prudent health care.
Cause	• Significant proportion of the estate is over-crowded, not suitable for the function it performs, or falls below condition B. • Investment in replacing facilities and proactively maintaining the estate has not kept up the requirements, with compliance and urgent service pressures being prioritised. • Lack of investment in IT also means that opportunities to provide services in new ways are not always possible and core infrastructure upgrading is behind schedule. • Insufficient resource to provide a timely replacement programme, or meet needs for small equipment replacement
Impact	• The UHB is not able to always provide services in an optimal way, leading to increased inefficiencies and costs. • Service provision is regularly interrupted by estates issues and failures. • Patient safety and experience is sometimes adversely impacted. • IT infrastructure not upgraded as timely as required increasing operational continuity and increasing cyber security risk • Medical equipment replaced in a risk priority where possible, insufficient resource for new equipment or timely replacement
Current Controls	• Estates strategic plan in place which sets out how over the next ten years, plans will be implemented to secure estate which is fit for purpose, efficient and is 'future-proofed' as much as possible, recognising that advances in medical treatments and therapies are accelerating. • The strategic plan sets out the key actions required in the short, medium and long term to ensure provision of appropriate estates infrastructure. • IT SOP sets out priorities for next 5 years, to be reviewed in early 2019 • Medical equipment WAO audit action plan to ensure clinical boards manage medical equipment risks • The annual capital programme is prioritised based on risk and the services requirements set out in the IMTP, with regular oversight of the programme of discretionary and major capital programmes. • Additional discretionary capital £1.7m for IT and £1.6m for equipment which enabled purchasing of equipment urgently needing replacement.

Figure 8: Main Risks to the achievement of Strategic Objectives March 2019



The Audit Committee (newly named the Audit and Assurance Committee) monitors and oversees both internal control issues and the process for risk management and the Board and its Committees receive reports that relate to the identification and management of risks.

Case studies and patient stories are presented to the Board and Concerns/Claims scrutiny panels, in order that lessons can be disseminated and shared. General Practitioners (GPs),Pharmacists, Dental Practitioners, Optometrists, Nursing Care Homes, Voluntary organisations and those where we have partnership relationships for service delivery, e.g. Local Authorities and other health boards, are responsible for identifying and managing their own risks through the contractual processes in place.

BREXIT

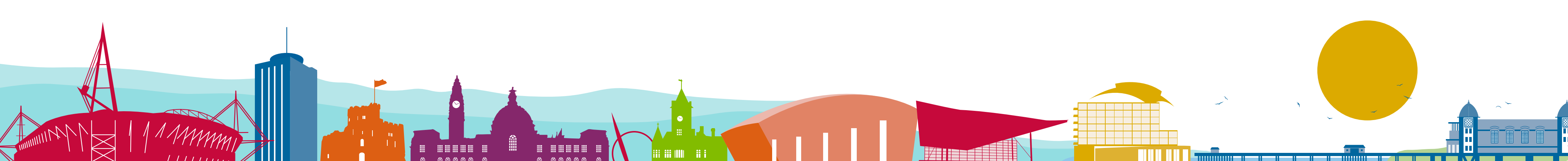
There are a significant number of areas where the relationship with the European Union (EU) impacts on the NHS and direct patient care. UK Government has indicated that if the UK leaves the EU with no deal, there is the potential for there to be a prolonged period of disruption, particularly in relation to goods and supplies. In Wales, the Welsh Confederation is coordinating the NHS planning at a national level and is representing the NHS in Government level discussions. Like all other NHS organisations the UHB has been asked to plan on a 'reasonable worst case scenarios'.

The UHB has established a BREXIT task and finish group to identify the most significant risks, have business continuity plans in place, and mitigating actions, where these are possible. Much of the business continuity planning has taken place on a national basis, so the business continuity plan developed by the UHB reflects actions being taken at an all-Wales level as well as local actions. The task and finish group, chaired by the Executive Director of Planning has worked to ensure plans are in place in the event of a no-deal Brexit. A live database of all of the potential risks identified by the clinical boards and the corporate departments of the UHB is in place. Some of the risk identified are very general (for example, disruption to utilities supply) and some very specific (such as a particular clinical service has a large proportion of European doctors). The key risks are reflected in the UHB's Business Continuity Plan.

The UHB's general business continuity/major incident plans would be activated if it was likely that our ability to continue to provide a full range of services was compromised. This could include temporarily curtailing all but critical and emergency activity.

While there are clearly significant risks I am satisfied that the UHB is taking all the necessary action that is within its control to mitigate the risks and is fully participating in the national planning work. A summary of key risks, impact and mitigating action is provided in Figure 9 below:

Risk That	Impact	Mitigating Action
High numbers of European staff leave Cardiff and Vale HB	Gaps in staffing leading to quality of care, safety and continuity of services.	Health and social care staff will have the opportunity to pre-register to apply for "settled" or "pre-settled" status through the EU Settlement Scheme. The scheme will ensure that colleagues from the EU can continue to live and work in the UK, after the UK leaves the EU in March 2019. A communication is went out to staff week commencing 19th November to provide information to EU nationals to ensure they are aware of the pilot scheme. We do not have a complete record of EU nations who work for the health board. Consideration will be given to process for update 'nationality' on ESR if this is appropriate. Action being taken to encourage staff to enter EU nationality on ESR.
Locum agencies are unable to meet our requirements or significantly raise their prices	Gaps in staffing leading to quality of care, safety and continuity of services. Financial risks as costs increase.	Procurement review, to include locum and temporary staffing agencies, to be undertaken. UHB to continue to strengthen the staff bank so that the requirement for agency nursing is minimised.



Risk That	Impact	Mitigating Action
1. Supply of goods		
Due to the supply chain, there is a risk that there will be a shortage of a wide range of general products that are used in high volumes on a daily basis in the NHS (including foods, consumables). As a tertiary centre, there are a number of specialist goods used which may be particularly are risk due to specialist nature of the product. Products with a short shelf live which don't lend themselves to stockpiling represent a particular risk.	This would have a significant impact on our ability to continue to provide services. In this situation, it is also likely that the cost of goods would increase. Depending on whether it has been possible to stockpile or source alternative providers, the impact could be significant and would put at risk our ability to provide all services. Most goods supplied to the NHS are procured through the all-Wales framework. C&V UHB has a higher proportion of local providers than other HBs, but it is often unknown whether local suppliers source their goods from EU countries.	Welsh Government has procured Deloitte to undertake a rapid assessment of procurement risks and report back with a plan of action within five weeks. The UHB has already provided Deloitte with all of the procurement information and the Head of Shared Services is co-ordinating the planning in relation to the supply of goods. Additional storage capacity in place and being stocked to support NHS and social care – to be accessed via normal supply routes. The procurement review will include all the specialist products used by C&V where there may be no UK supplier, and only a small number of suppliers world-wide.
Supply and maintenance of equipment	The provision and maintenance of equipment requires supply from all over Europe and there is concern that there could be a delay in sourcing equipment and parts. Very little of the medical equipment we use is manufactured in Wales. A number of the big suppliers of equipment (for example Medtronic and J&J are based outside the UK).	A dedicated post has been introduced in Clinical Engineering to identify which maintenance contracts could be brought back in-house. We have over 200 maintenance contracts – we are building internal capacity to bring more of this back in house, including the maintenance of anaesthetic machines. The Deloitte procurement assessment and plan will cover supply and maintenance of equipment so specific risks will be flagged through this process. Normal business continuity plans would be triggered if there was a major impact of our ability to deliver a service. We would also work with other health boards in relation to sharing access to equipment should the need arise.
Population health	PHW running exercise on health security on 6/3 to test business continuity/emergency preparedness	There is a four nations PH group, focusing on health security. PHW also engaged in regular meetings with PHE and WG on 7 sub streams of work: • Surveillance • Outbreaks • Relationships with international Public Health, e.g. ECDC; WHO • Training • Vaccine procurement • Microbiology & Labs' consumables • Supply of pertinent drugs & other health protection pharmaceutical protection issues The Health Board is linked into the national discussions being led by Public Health Wales. There is no local action to be taken at this stage.

Risk That	Impact	Mitigating Action
Research	The HB currently participates in European wide clinical trials, and receives significant research funding from European sources. The lack of clarity about new arrangement post Brexit could mean that the HB misses out of opportunities to secure European funding (or post Brexit UK funding) for research, or participate in European wide research programmes and projects, which ultimately will have a detrimental impact on patient care. A particular risk regarding the ability to continue to currently European research was flagged, and this would impact directly on people participating in the trials/research.	There are a series of actions being taken forward on a Wales wide level, and local planning with Cardiff University as our main academic, teaching and research partner. Joint Director of R&D has reviewed risks and is liaising directly with drug companies to ensure continued supply for current trials.
Data storage and protection	There may be examples where data is stored at a European level or in facilities provided in Europe. Without clarity about new rules and arrangements for post Brexit, there would be an impact on future data storage arrangements.	Assessment is being undertaken - led by NWIS.
Reciprocal arrangements for accessing emergency medical when people are travelling in Europe/to the UK	There is lack of clarity regarding arrangements for European citizens accessing emergency medical treatment on a visit to the UK. In new charging or other arrangements are required at short notice, the HB may not have the capacity to put them in place quickly. In the absence of a deal, guidance on this issue would be required urgently. The same issue would apply to UK citizens needing to access emergency treatment aboard.	Review our processes to confirm that we would be able to step up our overseas visitors process if this was needed. Staff to be advised to ensure that they have appropriate travel insurance when travelling to other European countries. We have arrangements in place to deal with Europeans and non-European citizens. The current arrangements could be used, but a national direction would be needed to ensure all NHS organisations were following the same process.
EU Carbon Credits Scheme	C&V UHB is the only organisation in NHS large enough to participate in the EU Carbon Credit Scheme. If arrangements are not in place to allow continuity of these arrangements, the cost of energy will be increase. Risk is anticipated to be low as many large industries participate in scheme and it is assumed action is being taken at UK level.	Further clarity sought from WG about risks and actions being taken national to enable continued participation.

Figure 9: Main Risks to the achievement of Strategic Objectives Arising from Brexit March 2019

Key Aspects of the Control Framework

In addition to the Board and Committee arrangements described earlier in this document, I have over the last 12 months worked to further strengthen the UHB's control framework. Key elements of this include:

The UHB's Strategy and Integrated Medium Term Plan

The UHB's 10 year strategy, Shaping our Future Wellbeing Strategy: 2015-254 set outs its mission, vision and strategic aims, which are:

- Mission - 'Caring for People, Keeping People Well'.
- Vision - 'a person's chance of leading a healthy life is the same wherever they live and whoever they are'.
- Strategy - 'Achieve joined up care based on home first, avoiding harm, waste and variation, empowering people and delivering outcomes that matter to them'.

The UHB's 10-year strategy was developed following extensive stakeholder consultation, which included the Board and Stakeholder Reference Group.

Ongoing engagement activity is also shaping the 10-year strategy's underpinning work programmes and future IMTP development.

The UHB's clinical strategy is expressed within its 10-year strategy, which by its nature is a high-level document. An underpinning clinical services strategy, currently being developed, will sit alongside the 10-year strategy to provide a greater level of detail about clinical services.

The UHB has a hierarchy of plans that are consistent with each other. The 10-year strategy sets the high-level vision and strategy. Under this the UHB has a three-year plan, which is consistent with the 10-year strategy.

During 2018-19 the lack of an approved IMTP meant that the UHB was working to an Annual Operating Plan, which as consistent with the three-year plan.

Integrated Medium Term Plan

The National Health Service Finance (Wales) Act 2014 came into effect on 1 April 2014 and places two financial duties upon Local Health Boards.

These duties are:

- A duty under section 175(1) to ensure that its expenditure does not exceed the aggregate of funding allotted to it over a period of three years, and
- A duty under section 175(2A) to prepare and obtain approval from the Welsh Ministers for a plan which achieves the first duty above, while also improving the health of the people for whom the UHB is responsible and improving the healthcare provided to them.

For 2018-19, the UHB considered a draft IMTP at its January 2018 Board Meeting. This was submitted to Welsh Government by the end of January 2018 but was not approvable due to assumptions around additional funding.

Subsequent to this, the UHB revised its financial plan and agreed with Welsh Government, through the formal Targeted Intervention process, that it would not submit an IMTP for approval as it was significantly away from being financially balanced. As the UHB was not in a position to have an IMTP which could be approved by Welsh Ministers, it therefore failed to meet its financial duty under section 175(2A).

The UHB considered its position at its March 2018 Board Meeting and approved an operational plan with a projected £19.9m deficit. On 10th July 2018 the UHB submitted its one year operational plan to Welsh Government. Whilst no formal mechanism exists for its approval, this position was accepted by Welsh Government and the UHB has since received £10m additional annual operating plan funding and consequently the UHB reduced its forecast deficit to £9.9m. See Note 2 in the Financial Statements.

Therefore, the operational plan for 2018-19 was to achieve a year-end out-turn position of a £9.9m deficit, whilst maintaining the quality and safety of services and delivering upon agreed performance measures. The UHB made good progress in delivering against this plan and the actual out-turn position was a deficit of £9.872m being £0.028m better than the one year operational plan.

The UHB had a deficit of £29.243m in 2016-17 and

a deficit of £26.853m in 2017-18. This means that over the three year period the aggregated deficit is £65.968. Thus the UHB has failed to meet its financial duty under section 175(1).

For 2019-20 the UHB submitted an IMTP by the end of January 2019 for Welsh Government consideration and this covered the period 2019-20 to 2021-22. This was formally approved in March 2019 and therefore for 2019-20 it will have achieved its financial duty under section 175(2A). The plan aims to deliver a balanced financial position in each of the three years during the period of this plan. If this is achieved it will fail its financial duty under section 175(1) in both 2019-20 and 2020-21 and not achieve compliance until 2021-22.

A copy of the full IMTP is available on the UHB's website. Further details of the UHB's planning approach can be found in the IMTP for 2019-22.

Integrated Performance Management and Reporting

Delivery against the IMTP is managed through the UHB's Performance Framework with delivery and performance reported to the Board in the form of a performance dashboard, including national and local targets along with exception reporting for priority and deteriorating targets.

The objective of the framework is to ensure that information is available which enables the Board and other key personnel to understand, monitor and assess the organisation's performance against delivery of the IMTP, enabling appropriate action to be taken when performance against set targets deteriorates, and support and promote continuous improvement in service delivery.
The Performance Framework is a contributor to the Board Assurance Framework which ensures that there is sufficient, continuous and reliable assurance on the management of the major risks to the delivery of strategic objectives and most importantly to the delivery of quality, patient centered services. In April 2018, the UHB strengthened its clinical board performance review and escalation arrangements. The updated method summarises clinical board performance in assurance reports. The executive team discuss these assurance reports and, if necessary, decide on each clinical board's escalation status. A higher escalation level triggers an action plan to restore performance and attracts greater executive team attention. However, the performance management framework was last updated in 2013 and therefore doesn't reflect the changes in organisational structures, committees and clinical board performance arrangements that have taken place. I will ensure that the Performance Management Framework is reviewed in 2019. The performance section of the Annual Report provides more detail on how the UHB and clinical boards performance during 2018-19.

Quality Governance Structure

The Board has a collective responsibility for quality. There is a clear quality governance structure with the Quality and Safety and Experience Committee (QSE) holding executives to account and receiving reports on assurance and risks linked to patient experience, quality and safety. The findings and recommendations of inspection and regulatory bodies such as Healthcare Inspectorate Wales and the Community Health Council are reviewed and monitored the QSE Committee.

This year as in previous years, in tandem with the publication of the 2018-19 Annual Report, the UHB will publish its Annual Quality Statement which brings together a summary of how the UHB has been working over the past year to improve the quality of all the services it plans and provides. The report can be found on the UHB's website: Annual Reports & Accounts it provides greater detail in relation to the key aspects of the quality governance structure that are referred to below.

At each meeting of the Board a patient story is presented at the start. The use of first-hand patient stories, that act of hearing and having an opportunity to connect with people using services, has enabled not just a more emotional connection with the impact of decisions made in the UHB but has also helped drive specific improvements in services.

Clinical Audit

During 2018-19, the UHB's clinical audit arrangements were strengthened, with the development of a risk based clinical audit strategy

and plan. There is a clinical audit programme with the Executive Medical Director being responsible for this. The Clinical Governance Team manages the audit programme, and clinical audits are discussed at clinical board QSE groups and are then passed to the Quality, Safety and Experience Committee. In June 2018, the QSE Committee received the clinical audit plan for 2018-19.

In addition, as part of the work to further develop and embed the Assurance Framework, steps will be taken to map and capture the outputs of internal audit, clinical audit, and external audit and planned external regulatory review work.

I recognise that more work is needed to provide evidence of the clinical audit work taking place across the UHB and there will be a focus on this in the year ahead.

Complaints and Concerns Framework

Over the last 12 months we have made significant improvements to the way in which we address complaints and concerns, focusing on listening and learning from patient experience and the 'gift of complaints' to improve the experience of care for Cardiff and the Vale residents.

The UHB has several mechanisms to enable staff to raise concerns. These include freedom to speak out, safety valve and anonymous letters, which are all directed to the Corporate Governance team.

The Executive Director of Nursing and Director of Corporate Governance decide jointly how to progress each one. Further details on complaints and concerns can be found in the Annual Quality Statement and Putting Things Right Annual Report for 2018-19.

Health and Care Standards

Quarterly review meetings were held throughout the year to review progress in relation to the embedding of the standards. This approach has been key to driving progress and improvement and sustaining the passion that has come with the launch of the new standards. This approach has proved successful as it has given staff the opportunity to discuss each standard, the outcomes of their self-assessments, to share good practice and to highlight any areas of concern.

An evaluation is being undertaken to ensure all areas of the UHB continue to benefit from this approach three years on from the launch of the standards.

Patient Experience Quality and Safety Walk rounds

The UHB has a comprehensive annual walkabout schedule; executives and independent members undertake visits in pairs. Generally, those with a clinical background are partnered with those without. Walkabouts are targeted at clinical areas of concern or complaint, also services not recently visited. Information picked up at walkabouts are triangulated with other patient experience information and internal inspections. The need to improve the way walkabouts are recorded is recognised.

Mortality Reviews

We have developed a robust process for undertaking mortality reviews that span deaths that occur in our community hospitals. This work continues to evolve and features prominently on the agenda of the Quality, Safety and Performance Committee.

Annual Quality Statement

Each year we are required to publish an Annual Quality Statement. It provides an opportunity for the UHB to let the people of Cardiff & Vale know, in an open and honest way, how we are doing to ensure all it services are meeting local need and reaching high standards. Each year it brings together a summary highlighting how the organisation is striving to continuously improve the quality of all the services it provides and commissions in order to drive both improvements in population health and the quality and safety of healthcare services.

The Annual Quality Statement provides the opportunity for the Board to routinely:

- assess how well they are doing across all services, including community, primary care and those where other sectors are engaged in providing services, including the third sector;
- identify good practice to share and spread more widely;
- identify areas that need improvement;
- track progress, year on year; and

- account to the public and other stakeholders on the quality of its services and improvements made.

The Annual Quality Statement will be published in July 2018 alongside the Annual Report and Accounts.

Hosted Organisations, Partnerships and All Wales Services

The UHB delivers a range all-Wales services, including the:

- Adult Cystic Fibrosis Centre
- Artificial Limb and Appliance Service
- Medical Genetics Service
- Veterans' NHS Wales

Much of the funding for these services comes from the Welsh health Specialist Services Committee. In addition, the UHB and Cardiff University have a long and established track record of working together to deliver exceptional services through cutting edge innovation. Such partnership working has led to the establishment of Cardiff Medicentre a business incubator for biotech and medtech startups, and the Clinical Innovation Partnership.

The UHB also hosts the Wales External Quality Assessment Service (WEQAS); one of the largest External Quality Assessment providers in the UK. WEQAS operates as an independent organisation, and is based in Parc Ty Glas, Cardiff. Reference to the income and expenditure of WEQAS is made in the UHB's Annual Accounts.

The governance arrangements in place for the delivery of all-Wales services, hosting of organisations and partnership arrangements will be re-visited in 2019-20 to ensure that they are still fit for purpose and comply with best practice.

Information Governance

Risks relating to information are managed and controlled in accordance with the UHB's Information Governance Policies through the Information Management, Technology and Governance Committee, which is chaired by an independent member.

The Medical Director, as Caldicott Guardian, is responsible for the protection of patient information. All Information Governance issues are escalated through the Information Governance Committee. The Senior Information Risk Owner (SIRO) provides an essential role in ensuring that identified information security risks are addressed and incidents properly managed. This role sits with the Deputy Chief Executive.

The UHB did not achieve the May 2018 deadline for complying with the requirements of the GDPR. The UHB has recently recruited extra information governance staff, which should help it to achieve full GDPR compliance by May 2019. However, I recognise that to achieve full compliance more focused work is needed, including:

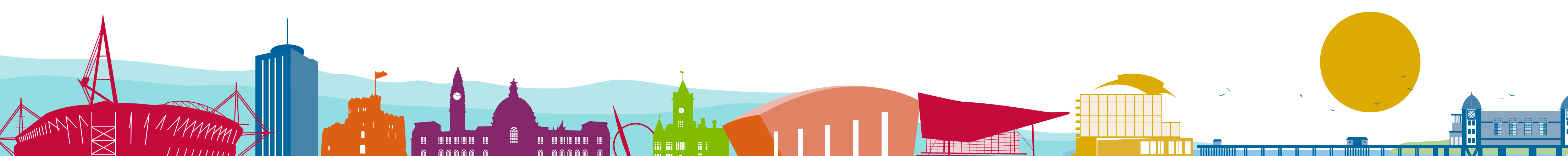
- the completion of information asset registers for all clinical boards;
- the appointment of a permanent Data Protection Officer;
- completing privacy impact assessments before information processing; and
- identifying where needed, a network of information asset owners and administrators.

In 2016, the Information Commissioner's Office (ICO) gave 'limited assurance' to the UHB's data protection arrangements, and the WAO's 2018 Structured Assessment highlighted that the UHB has not yet fully addressed all the ICO's 2016 recommendations. Although there is an action plan in place, most actions remain incomplete.

The UHB continues to respond to the "limited assurance" rating it received from the ICO in its follow up audit of compliance in relation to the Data Protection Act covering the following areas:

- Data protection governance
- Records management (manual and electronic)
- Security of personal data

Progress is being made to achieve compliance with GDPR/DPA however we recognise further actions are required in order for the UHB to move towards full compliance. An action plan setting out key next steps is presented as a standing item to the Information Technology and Governance



Sub-Committee and risks associated with non-compliance highlighted.

Data Security

Two ongoing issues continue to dominate the UHB's commitment to maintain high standards of data security:

- Vigilance following the Wanna cry "ransomware" attack in May 2017.
- Consolidation and strengthening of arrangements to support the implementation of the
- General Data Protection Regulation (GDPR) in May 2018 and subsequently the Data Protection Act 2018 (DPA).

A number of breaches were discussed with the ICO following the implementation of the GDPR and new reporting guidelines. The ICO considered that no formal action was warranted on any of the incidents. The ICO also did not take any formal action in response to the two breaches that were still under investigation at the time the 2017-8 Accountability Report was submitted. Further details in respect of breaches and compliance with the GDPR can be found in the papers for the Information, Technology and Governance Sub-Committee.

There was a material development in relation to one incident reported in the 2017-8 Accountability Report (member of staff found to have inappropriately accessed the details of a significant number of patients and UHB clinicians involved in the treatment of these patients). This case was re-opened by the ICO after the UHB submitted supplementary information that had come to light after the UHB's original notification to ICO. The ICO has now reconfirmed its original decision to take no further action in this case.
The UHB continues to reinforce awareness of key principles of Data Protection legislation. This includes the overarching principle that users must only handle data in accordance with people's data protection rights.

Freedom of Information Requests

The Freedom of Information Act (FOIA) 2000 gives the public right of access to a variety of records and information held by public bodies and provides commitment to greater openness and transparency in the public sector. In 2018-19, the UHB received a total of 536 requests for information. 293 of these requests were answered within the 20 day target, 22 were transferred partially or fully to another NHS body. 9 were withdrawn.

Additional Mandatory Disclosures

Pensions Scheme

I can confirm that 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, employers' contributions and payments into the Scheme are in accordance with Scheme rules and that the member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations. Note 9.7 to the Annual Accounts provides details of the scheme, how it operates and the entitlement of employees.

For those staff who are not entitled to join the NHS Pension Scheme, as part of the pension's auto enrolment requirements, the UHB operates the National Employment Savings Trust (NEST) as our designated alternative pension scheme. As with 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.

Welsh Language

The UHB recognises the importance of delivering care and support to individuals in their language of choice, but we are aware that we have not consistently achieved this. While some progress was made in 2018-19 in relation to the implementation of the Welsh Government's strategic framework for Welsh language services in health, social services and social care: 'More Than Just Words' it is acknowledged that greater focus and urgency is needed.

The Board will continue its commitment to the Welsh language by providing clear leadership and direction, continuing to start every Board and Committee bilingually and each member committing to improve their Welsh language skills.

The Welsh Language Standards (No.7) Regulations 2018 were approved by the National Assembly for Wales on 26 March 2018, and a Welsh Language Group has been established to oversee progress.

Equality and Diversity

Measures are in place to ensure that the organisation complies with the requirements of equality, diversity and human rights legislation, these include:

- Strategic Equality Plan - Annual Delivery Framework
- The Annual Equality Report
- Equality reports to the Strategy and Delivery Committee on the UHB's objectives and actions
- Reports/Updates to the Centre for Equality and Human Rights, when requested
- Outcome Report to the Welsh Government Equalities Team regarding sensory loss
- Provision of evidence to the Health and Care Standards self- assessment
- Equality and Health Impact Assessments

Further work is being taken forward to ensure that such legislation is properly embedded.

The UHB's Equality, Diversity & Human Rights Policy and Impact Assessment for Equality Policy is accessible to staff and the public.

The UHB has an Equality, Diversity and Human Rights Policy which sets out the organisation's commitment to promoting equality, diversity and human rights in relation to employment, service delivery, goods and service suppliers, contractors and partner agencies. The UHB aims to ensure that no individual or group receives less favourable treatment either directly or indirectly.

The UHB is committed to ensuring that the recruitment and selection of staff is conducted in a systematic, comprehensive and fair manner, promoting equality of opportunity at all times. For example, the Recruitment and Selection Policy aims to provide a robust framework to ensure compliance and promote best practice within the necessary legislative framework (including the Equality Act 2010), whilst maximising flexibility to meet the varying needs of the UHB and ensuring that the best candidate for each position is appointed. The Recruitment and Selection Policy was reviewed in 2018.

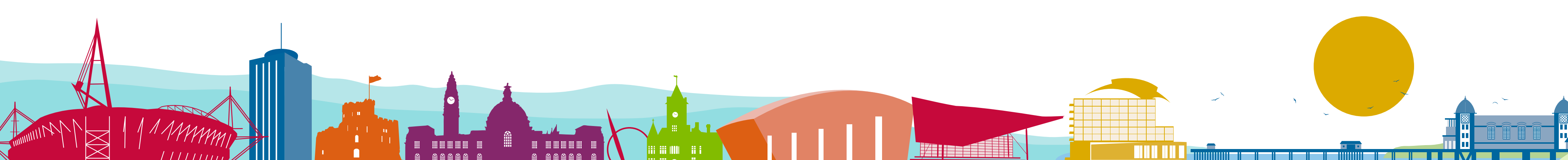
The UHB is committed to equal opportunities in recruitment, and demonstrates this by displaying the Disability Confident symbol (which replaces the 'two ticks' scheme) in all adverts, as well as Supporting Age Positive, Mindful Employer and Stonewall Cymru symbols.

Emergency Preparedness and Civil Contingencies

The UHB is described as a Category 1 responder under the Civil Contingencies Act 2004 (CCA) and is therefore required to comply with all the legislative duties set out within the Act.

The CCA places five statutory duties upon Category 1 responders, these being to:

- assess the risks of emergencies
- have in place emergency plans
- establish business continuity management arrangements
- have in place arrangements to warn, inform and advise members of the public
- share information, cooperate and liaise with other local responders



The UHB has in place a Major Incident Plan that takes full account of the requirements of the Welsh Government Guidance to NHS Wales and all associated guidance.

Risk assessments have been completed in accordance with emergency preparedness, and as required by the Civil Contingencies Act 2004, to ensure that we can respond to an emergency, continue to support emergency partners and continue to provide emergency services to the public as is reasonably practical in the event of an emergency. The UHB's Head of Emergency Preparedness Resilience and Response is chair of the South Wales Local Resilience Forum Risk Group and leads on the multi- agency assessment, capability gap analysis and mitigation against nationally identified risks and threats.

These requirements are met through the implementation of the Major Incident Plan and/ or Business Continuity Plan which enable the organisation to respond effectively in emergency situations and continue to deliver services. Identified leads for the key roles required to support the UHB in the delivery of this work are in place. These include Executive level lead for civil contingency/ emergency planning arrangements and separate Executive level business continuity leads.

An internal audit of business continuity arrangements was completed in May 2018 this follow up review concluded that, steps had been taken to improve business continuity within the UHB. However, despite this progress and due to the infancy of the guidance, the Business Continuity Plans were yet to be fully developed and documented and were therefore not completely embedded throughout the UHB. On the basis of this follow up, the level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with business continuity planning was increased to Reasonable Assurance. However it was noted that, despite this improved assurance, further work was required to ensure that consistent documented Business Continuity Plans are in place across the whole UHB.

The UHB's Annual Report on Civil Contingencies for 2018 provides an account of the key resilience activities undertaken in 2018 and provides and overview of the UHB's Civil Contingencies priorities for 2019-20.

Ministerial Directions

The Welsh Government has issued Non-Statutory Instruments and reintroduced Welsh Health Circulars in 2014/15. Details of these and a record of any ministerial directions given is available at:

http://wales.gov.uk/legislation/subordinate/nonsi/nhswales/2013/?lang=en

I can confirm that all of the Directions issued have been fully considered and where appropriate implemented.

Welsh Health Circulars

A range of Welsh Health Circulars (WHCs) were published by Welsh Government during 2018-19 and can be viewed at:

http://gov.wales/topics/health/nhswales/circulars/?lang=en

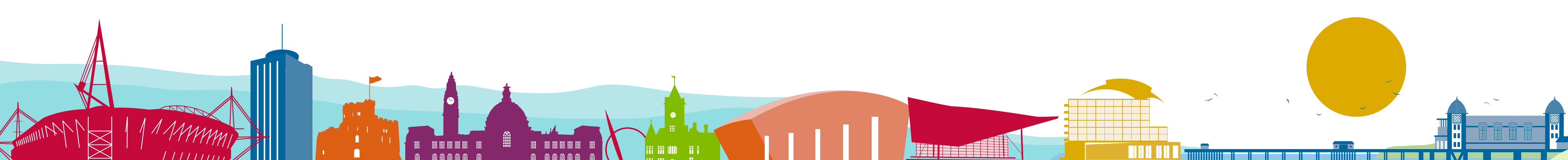
On receipt these are centrally logged with a lead Executive Director being assigned to oversee implementation of any required action.

Where appropriate, the Board or one of its Committees is also sighted on the content of the WHC.

Regulatory and Inspection Reports

A formal system is in place that tracks regulatory and inspection reports against statutory requirements and all such reports are made available to the appropriate Board Committee. The overarching tracking report is monitored by the Audit Committee.

During 2018-19, Internal Audit undertook a review to establish if effective processes were in place to ensure that the UHB complies with all licencing, statutory and regulatory requirements and any associated risks or issues are effectively identified and addressed. The findings of the review highlighted that only limited assurance could be provided that these systems were working well. The UHB's process for monitoring the implementation of audit and inspection recommendations was also highlighted as an area requiring further development by the Wales Audit Office's Structured Assessment Report for 2018.



During the latter part of 2018-19, the Directorate of Corporate Governance put steps in place to strengthen the UHB's processes for ensuring regulatory and audit compliance. A follow-up internal audit will be undertaken in early 2019-20.

Post Payment Verification

In accordance with the Welsh Government directions the Post Payment Verification (PPV) Team, (a role undertaken for the UHB by the NHS Shared Services Partnership), in respect of General Medical Services Enhanced Services and General Ophthalmic Services has carried out its work under the terms of the service level agreement (SLA) and in accordance with NHS Wales agreed protocols.

Review of Economy, Efficiency and Effectiveness on the Use of Resources

The National Health Service Finance (Wales) Act 2014 amended the financial duties of Local Health Boards under section 175 of the National Health Service (Wales) Act 2006. The 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 three financial years; and
- 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 UHB achieved neither of these financial duties in 2018-19.

Sustainability and Carbon Reduction Delivery Plans

The UHB operates an Environmental Management Policy, system and procedures and has achieved ISO14001 external accreditation. The program includes objectives and targets for waste management, energy and carbon reduction and the UHB also maintains an Energy/Environmental risk register.

The UHB participates in the Carbon Reduction Commitment and European Union Emission Trading scheme legislative programmes for carbon management.

Under the objectives of the Environmental Management Strategy and Policy the following actions are in progress:

- The UHB operates a combined heat and power plant at UHW generating electricity, heat and steam for the site.
- A range of energy and carbon reduction programmes have been implemented and are ongoing including:

  - LED lighting upgrades to various areas of the UHB.

  - Replacement/upgrade of ventilation system motors.

  - Improved control of building services.

  - Installation of 4 solar panel schemes.

  - Trial and installation of burner management controls for over 40 boiler systems.
- The UHB is currently progressing with the REFIT strategic energy savings program with Local Partnerships.
- An Energy/Environmental Risk Register is maintained highlighting the UHB's key energy management risks.

Further information on key activities being undertaken are set out in the Sustainability Report.

Review of the Effectiveness of System of Internal Control

In line with my Accountable Officer responsibilities I have put mechanisms in place for the review, on an on-going basis, of the effectiveness of the systems of internal control operating across all functions of the UHB. My review and evaluation of the adequacy of the system of internal control has been informed by executive officers who have responsibility for the development, implementation and maintenance of the internal control framework; the work of the committees established by the Board; the UHB's internal auditors and the feedback and views of external auditors set out in their annual audit letter and other reports. In addition, the independent

and impartial views expressed by a range of bodies external to the UHB has been of key importance, including those of the:

- Welsh Government
- Welsh Risk Pool
- Community Health Council
- Healthcare Inspectorate Wales
- Health & Safety Executive
- Other Regulatory and Accreditation Bodies

The processes in place to maintain and review the effectiveness of the system of internal control include:

- Direct assurances from management on the operation of internal controls through the upward chain of accountability
- The maintenance of an overview of the overall position with regard to internal control by the Board and its Committees through routine reporting processes and the engagement of all Board members in the development and maintenance of the Board Assurance Framework and Corporate Risk Register
- The embedding of the Assurance Framework and the receipt of internal and external audit reports on the internal control processes by the Audit and Assurance Committee
- 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
- Audit and Assurance Committee oversight of audit, risk management and assurance arrangements
- Personal input into control and risk management processes by all executive directors, senior managers and individual clinicians
- Board engagement in visits to services, hospitals and wards, and shadowing activities

I have also drawn on the performance information available to me.

The Board and Committees have reviewed the effectiveness of the system of internal control in respect of the assurances received. The Board Assurance Framework provides a mechanism for closely monitoring strategic risks and these are discussed at each Board meeting. However, a corporate risk register now needs to be developed and operational risk management arrangements strengthened. Sources of assurance include:

Internal Sources	• Service change management reports • Workforce information and surveys • Benchmarking • Internal and clinical audit reports • Board and Committee reports • Local Counter Fraud work • Health and Care Standards assessments • Executive and Independent Member Safety Walk Rounds • Results of internal investigations and Serious Incident reports • Concerns and compliments • Whistleblowing and Safety Valve • Infection prevention and control reports • Information governance toolkit self-assessment • Patient experience surveys and reports • Compliance with legislation checks
External Sources	• Population Health Information • Wales Audit Office and Auditor General for Wales • Welsh Risk Pool Assessment reports • Healthcare Inspectorate Wales reports • Community Health Council visits and scrutiny reports • Feedback from healthcare and third sector partners • Royal College and Deanery visits • Regulatory, licensing and inspection bodies • External benchmarking and statistics • Accreditation Schemes • National audits • Peer reviews • Feedback from service users • Local networks (e.g. cancer networks) • Welsh Government reports and feedback

I am content, that further steps that have been taken over the last 12 months to strengthen risk management arrangements, embed the Assurance Framework and improve the quality of information have made the assessment and testing of the internal control system a matter of the day-to-day business of my Executive Team. The appointment of a new Directorate of Corporate Governance as aided the embedding of strengthened governance arrangements.

I am satisfied that generally the mechanisms in place to assess the effectiveness of the system of internal control are working well and that we have the right balance between the level of assurance I receive from my Executives, Board and Board Committee arrangements and Internal Audit Services. However, a number of areas where improvement is needed have been highlighted by Wales Audit and Internal Audit. These areas are being addressed through the development and implementation of a Governance Improvement Plan; the implementation of which will be overseen by the Audit and Assurance Committee. Over the year ahead further work will be taken forward to embed the Board Assurance Framework and Risk Management Framework.

Internal Audit

Internal audit provide me as Accountable Officer and the Board through the Audit and Assurance Committee with a flow of assurance on the system of internal control. Continuing on work started in 2016-17 the UHB invested in additional internal audit reviews and arrangements for the reporting of progress against the implementation of audit recommendations to the Audit and Assurance Committee.

The Internal Audit plan for 2018-19 was aligned to the UHB's areas of highest risk.

During 2019-20, work will continue to strengthen audit and review arrangements. As in previous years a programme of internal audit work will be commissioned from Internal Audit Services. The scope of this work will be agreed by the Audit Committee and it will focus on significant risk areas and local improvement priorities.

We will ensure that the work of all regulators, inspectors and assurance bodies is mapped and evidenced in our assurance framework so that the Board is fully aware of this activity and the level of assurance it provides. Recognising the importance of having management audits and spot checks in place and not overly relying on external assurance sources, the Directorate of Governance and Corporate Affairs will coordinate a programme of local audits and spot checks.

Head of Internal Audits Opinion for 2018-19

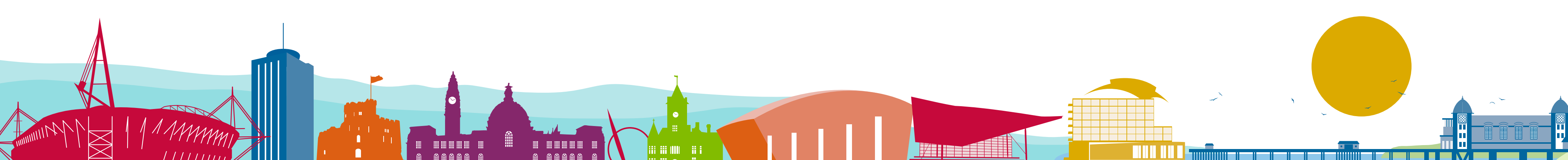
The overall opinion by the Head of Internal Audit on governance, risk management and control is a function of this risk based audit programme and contributes to the picture of assurance available to the Board in reviewing effectiveness and supporting our drive for continuous improvement.

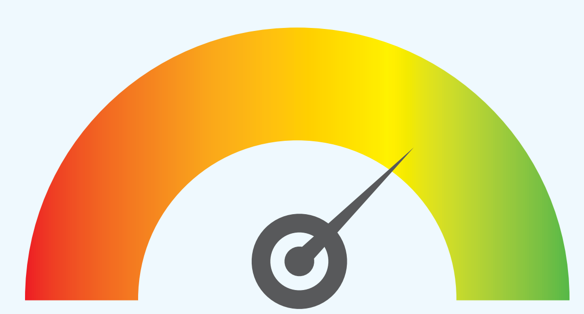
The Head of Internal Audit's opinion is arrived at having considered whether or not the arrangements in place to secure governance, risk management and internal control are suitably designed and applied effectively in the following assurance domains:

- Corporate Governance, Risk Management and Regulatory
- Compliance
- Strategic Planning, Performance Management and Reporting
- Financial Governance and Management
- Clinical Governance, Quality and Safety
- Information Governance and Security
- Operational Service and Functional Management
- Workforce Management
- Capital and Estates Management

The scope of this 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 UHB's framework of governance, risk management, and control is set out on the following page.





In my opinion the Board can take reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved."

The Head of Internal Audit has confirmed that in reaching their opinion both professional judgement and the Audit & Assurance "Supporting criteria for the overall opinion" guidance produced by the Director of Audit & Assurance for NHS Wales has been used.

In overall terms the Head of Internal Audit provided positive assurance to the Board that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively in the following assurance domains:

- Financial Governance and Management;
- Clinical governance quality and safety;
- Strategic planning, performance management and reporting;
- Information governance and security;
- Operational services and functional management;
- Workforce management; and
- Capital and estates management.

The Head of Internal Audit was unable to provide positive assurance to the Board that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively within the Corporate governance, risk Management and regulatory compliance domain. This is due to the outcome of the following audits that were given ratings of Limited assurance:

- Standards of Behaviour; and
- Legislative / Regulatory Compliance

There were also a number of individual audits where the significance of the matters identified resulted in those reports being given Limited assurance. These were as follows:

- Information Governance - GDPR;
- Cyber Security (draft);
- Mental Health CB – Sickness Management;
- Surgery CB - Medical Finance Governance; and
- Medicine CB – Internal Medicine Follow-up.

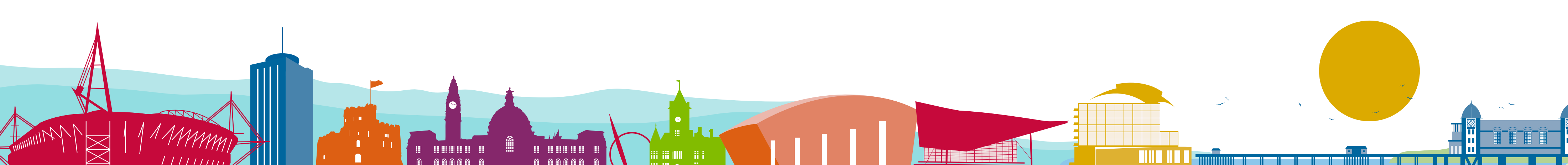
All Internal Audit reports were reported to the Audit Committee together with the agreed action plan; copies of these can be found at: Audit Committee. The Audit Committee tracks all recommendations made by the Head of Internal Audit and ensures that they are addressed in a way that is appropriate and timely. I can confirm that the Director of Corporate Governance has implemented a Governance Improvement Programme which is having a positive impact. The full Head of Internal Audit Opinion can be accessed at Audit Committee.

Counterfraud

In line with the NHS Protect Fraud, Bribery and Corruption Standards for NHS Bodies (Wales) the Local Counter Fraud Specialist (LCFS) and Director of Finance agreed, at the beginning of the financial year, a work plan for 2018-19. This was approved by the Audit Committee.

Their work plan for 2018-19 was completed and covered all the requirements under Welsh Government directions. The Counter Fraud Service provides regular reports and updates to members of the Executive Team and directly to the Audit Committee.

The NHS Counter Fraud Authority (formerly NHS Protect) provides national leadership for all NHS anti-fraud, bribery and corruption work and is responsible for strategic and operational matters relating to it. A key part of this function is to quality assure



the delivery of anti-fraud, bribery and corruption work with stakeholders to ensure that the highest standards are consistently applied.

External Audit: Structured Assessment Findings

The Auditor General for Wales is the statutory external auditor for the NHS in Wales. The Wales Audit Office (WAO) undertakes the external auditor role for the UHB on behalf of the Auditor General.

As in previous years, the WAO's 2018 Structured Assessment work reviewed aspects of the UHB's corporate governance and financial management arrangements and, in particular, the progress made in addressing the previous year's recommendations.

The WAO reported the findings arising from the 2018 Structured Assessment to the Audit Committee in February 2019. Overall the WAO concluded that the Structured Assessment work had demonstrated that:

- Some governance arrangements have improved but there are still concerns about risk management and some other basic governance processes.
- The Health Board's 2015 vision remains relevant and strategic planning arrangements are generally sound but better performance monitoring arrangements are needed.
- While the Health Board has a wide array of challenges for ensuring effective use of its resources, it mostly recognises where it needs to improve and has recently created a transformation programme to help improve performance and efficiency.

WAO made eleven recommendations and these can be found at Structured Assessment 2018.

While pleased that the Wales Audit Office considers good progress to be made I am fully aware of the need to further strengthen and enhance the UHB's governance arrangements. I can confirm that actions to address each of the recommendations is in train. Further, attention will be given to the following weaknesses in the systems of internal control identified by WAO, which will be addressed over the next 12-months:

- The Scheme of Delegation was reviewed in February 2018 in response to WAO's public interest report. However, it was not updated to reflect delegated responsibility for calculating nurse staffing levels required under the Nurse Staffing Levels (Wales) Act.
- The Standing Orders and Standing Financial Instructions are both dated May 2015 with no evidence that either document has been reviewed since. Both documents should be reviewed annually.
- Registers of declarations of interest and gifts, hospitality and sponsorship were on the agenda for the September 2017 Audit Committee, but only the register of interest was presented. In September 2018, the Audit Committee reviewed both registers, but the document format was not easy to read. There is a risk that those reviewing the registers may find it difficult to identify issues such as non-declarations. In December 2018, the Audit Committee received a limited assurance report from Internal Audit on the organisation's standards of business conduct, covering arrangements for declarations of interest and gifts, hospitality and sponsorship. The report identified several weaknesses across the systems in place for both processes. These ranged from the completion of forms, to the recording of details in the registers and the robustness of reporting to Audit Committee.
- New and revised policies are presented to the relevant committees for approval. But we found no assigned responsibilities or tracking methods to ensure organisation-wide policies are up to date. There is a risk that policies become outdated with no alert mechanism. Potentially this could undermine the UHB's new BAF because up to date policies are usually a key BAF control.
- A robust tracking method for audit recommendations gives the Board assurance that recommendations are being addressed. Also, it allows audit committees to hold officers to account for limited progress or inaction. The UHB has two recommendations trackers, one for Wales Audit Office recommendations and one for recommendations made by other external inspectorates. We found weaknesses in the Audit Committee's tracking arrangements.

Conclusion

As Accountable Officer for Cardiff & Vale University Health Board, 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 Board and its Executive Directors are alert to their accountabilities in respect of internal control and the Board has had in place during the year a system of providing assurance aligned to corporate objectives to assist with the and management of risk.

Under the NHS Wales Escalation and Intervention Framework, the UHB's status was at targeted intervention up until the end of 2018; this reflected challenges around the organisation's financial position and its inability to produce an approvable, financially balanced Integrated Medium-Term Plan (IMTP). The UHB reported a financial deficit of £26.9 million at the end of 2017-18. This was within the control total deficit of £30.9 million agreed with the Welsh Government.

However, it contributed to a mounting year-on-year cumulative deficit, which stood at £56 million at the end of March 2018. Throughout 2018-19 the UHB worked to a one-year operational plan – the Annual Operating Plan (AOP) - because Welsh Government did not approve its 2018-20 IMTP.

The Board has spent the last 12 months consolidating earlier changes to key personnel and Board membership and building upon these.

During 2018-19, several new independent members (IMs) were appointed to the Board, there was a new Chief Executive and Executive Director of Workforce and Organisational Development.

In July 2018, a new Director of Corporate Governance joined the organisation.

On 26 March 2019, the UHB received confirmation from the Health and Social Care Minister, Vaughan Gething that our three year Integrated Medium Term Plan (IMTP) was approved by Welsh Government.

The IMTP is a statutory document and marks a significant step forward. This is the first time in three years this has been approved by Welsh Government and alongside improving our position from targeted intervention to enhanced monitoring in February 2019, this is a double achievement.

During 2018-19, we proactively identified areas requiring improvement and requested that Internal Audit undertake detailed assessments in order to manage and mitigate associated risks. We have also taken clear steps to embed risk management and the assurance framework throughout the organisation; this work will continue in 2019-20.

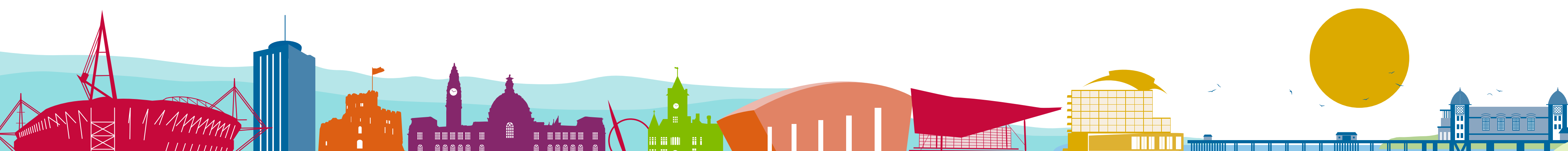
This Annual Governance Statement confirms that Cardiff & Vale University Health Board has continued to mature as an organisation and no significant internal control or governance issues have been identified. The Board and the Executive Team has had in place an increasingly effective system of internal control which provides regular assurance.

L Richards

Signed by: Date: 30 May 2019
Len Richards - Chief Executive Officer

Name	Position	Area of Expertise Representation Role	Board Committee Membership 1 April 2018 - 31 March 2019	Number of Meetings Attended During Tenure	Champion Roles
Abigail Harris	Director of Planning		Board	7/7	
Akmal Hanuk	Independent Member	Community	Board Quality, Safety and Experience Committee Charitable Funds Committee Health and Safety Committee	7/7 5/5 4/4 2/4	
Charles Janczewski	Independent Member and Vice Chair		Board Remuneration and Terms of Service Committee (Chair) Mental Health and Capacity Legislation Committee (Chair) Strategy and Delivery Health and Safety Committee Finance Committee Audit (from May 18)	7/7 3/3 3/3 5/5 2/4 12/12 4/4	Mental Health and Primary Care Older People Wellbeing of Future Generations
Dawn Ward	Independent Member		Board Quality Safety and Experience Committee Audit Committee Strategy and Delivery Committee	6/7 4/5 5/6 5/5	
Eileen Brandreth	Independent Member		Board Mental Health and Capacity Legislation Committee Strategy and Delivery Committee	7/7 3/3 1/2	Caldicott/Data Protection (Independent Member Contact)
Fiona Jenkins	Director of Therapies and Health Sciences		Board	7/7	
Fiona Kinghorn	Director of Public Health (from 1 Oct 2018)		Board	3/3	

Gary Baxter	Independent Member	University	Board Quality Safety and Experience Committee Strategy and Delivery Committee	4/7 3/5 2/5	
Graham Shortland	Medical Director		Board	5/7	
John Antoniazzi	Independent Member	Estates	Board Chair Audit Committee (until November 2018) Remuneration and Terms of Service Committee Strategy and Delivery Committee Finance Committee (Chair from Dec 2018)	5/7 3/6 3/3 2/5 6/12	
John Union	Independent Member	Finance	Board Audit Committee (Chair from December 2018) (Chair until Nov 2018.) Finance Committee Charitable Funds Committee Remuneration Committee	7/7 5/6 12/12 3/4 3/3	
Lance Carver	Associate Member	Director of Social Services	Board	0/6	
Len Richards	Chief Executive		Board	6/7	
Maria Battle	Chair		(Chair) Board (Chair) Remuneration and Terms of Service Committee Strategy and Delivery Committee Charitable Funds Committee	7/7 3/3 3/5 4/4	Armed Forces and Veterans Children & Young People Patient Safety (cleaning, hygiene & infection management) (from Feb 2018) Public and Patient Involvement; Reputation Management & Culture;
Martin Driscoll	Director of Workforce and OD		Board	7/7	



Michael Imperato	Independent Member	Legal	Board Quality Safety and Experience Committee (Chair) Health and Safety Committee	6/7 4/5 4/4	Health & Safety
Paula Martyn	Associate Member (until 26/11/2018)	Stakeholder Reference Group (Chair) (until 26/11/2018)	Board Stakeholder Reference Group	0/5 4/5	
Richard Thomas	Associate Member (from 27/11/2018)	Stakeholder Reference Group (Chair) (from 27/11/2018)	Board Stakeholder Reference Group	0/3 5/6	
Robert Chadwick	Director of Finance		Board	5/7	
Ruth Walker	Executive Nurse Director		Board	7/7	Delayed Transfers of Care
Sara Moseley	Independent Member	Third Sector	Board Mental Health and Capacity Legislation Committee Strategy and Delivery Committee	6/7 3/4 3/5	Mental Health and Primary Care Welsh
Sharon Hopkins	Director of Public Health (until 30 Sept 2018)		Board	3/3	Healthy Sustainable Wales
Steve Curry	Chief Operating Officer		Board	6/7	
Sue Bailey	Associate Member	Healthcare Professionals Forum (Chair)	Board Health Professionals Forum	0/6 2/2	
Susan Elsmore	Independent Member	Local Authority Elected	Board Quality, Safety and Experience Committee	5/7 3/5	Older People

The Remuneration and Staff Report

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Background

The Treasury's Government Financial Reporting Manual (FReM) requires that a Remuneration Report shall be prepared by NHS bodies providing information under the headings in SI 2008 No 410 http://www.legislation.gov.uk/uksi/2008/410/contents/ made to the extent that they are relevant. The Remuneration Report contains information about senior manager's remuneration.

> The definition of "Senior Managers" 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."

This section of the Accountability Report meets these requirements. The following disclosures are subject to audit:

- Single total figure of remuneration for each director
- CETV disclosures for each director
- Payments to past directors, if relevant
- Payments for loss of office, if relevant
- Fair pay disclosures (Included in Annual Accounts) note 9.6
- Exit packages, (Included in Annual Accounts) if relevant note 9.5, and
- Analysis of staff numbers

The Remuneration Terms of Service Committee

Remuneration and terms of service for Executive Directors and the Chief Executive are agreed, and kept under review by the Remuneration and Terms of Service Committee. The Committee also monitors and evaluates the annual performance of the Chief Executive and individual Directors (the latter with the advice of the Chief Executive).

The Remuneration and Terms of Services Committee is chaired by the UHB's Chair, and the membership includes the Vice Chair and the Chairs of the Audit Committee and Finance Committee.

Independent Members' Remuneration

Remuneration for Independent Members is decided by the Welsh Government, which also determines their tenure of appointment.

Salary and Pension Entitlements of Senior Managers

Details of Directors' and Independent Members' remuneration for the 2018-19 financial year, together with comparators are given in Table 1, 1a and 2 below.

It should be noted that Executive Directors are not on any form of performance related pay. All contracts are permanent with a three month notice period. Conditions were set by Welsh Government as part of the NHS Reform Programme of 2009.

We wish to bring to your attention that the column for Bonus payments contains amounts paid to Dr Graham Shortland under the national Clinical Excellence and Distinction award scheme.

Clinical Excellence and Distinction awards are awarded at a National level by the Advisory Committee on Clinical Excellence awards (ACCEA) which is an independent, advisory Non-Departmental Public Body (NDPB) and succeeded the Advisory Committee on Distinction awards (ACDA). The awards are given to recognise and reward the exceptional contribution of NHS consultants, over and above that normally expected in a job, to the values and goals of the NHS and to patient care. All Clinical Excellence awards and Distinction awards are funded separately to the UHB by the Welsh Government.

Neither Dawn Ward or Susan Bailey are remunerated as Members of the Board, however they are employees of the Health Board and their salary costs are shown in the Other Remuneration column.

The Medical Director is a member of the UHBs Bike Salary Sacrifice scheme which is open to all UHB Employees. An element of an employee's salary is 'swapped' for the use of a new bicycle. In the Remuneration table for 2018-19 the amount of £578 swapped for the use of the bike has been included in the Salary column.

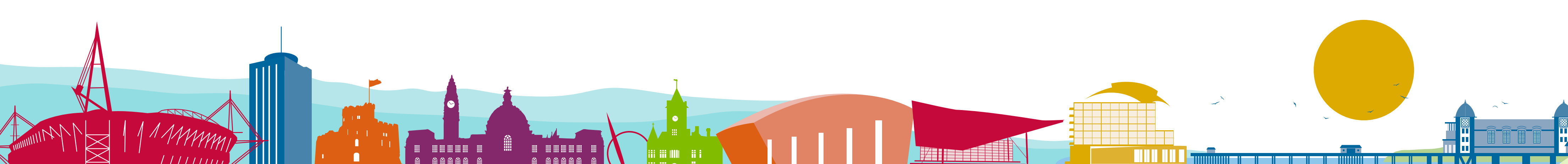


Table 1: Salaries of Senior Managers

During the preparation of the 2018-19 Remuneration Report information provided by the NHS Pensions Agency confirmed that the information which they had provided for 2017-18 report for the Chief Executive had been incorrect. The UHB has therefore re-stated the Pension Benefit and Total Remuneration figures for 2017-18 for the Chief Executive. The CETV figure for 2017-18 disclosed inthe Pensions Benefits table is the re-stated figure.

The pension benefit is not an amount which has been paid to an individual by the UHB during the year, it is a calculation which uses information from the pension benefit table. These figures can be influenced by many factors e.g. changes in a persons salary,whether or not they choose to make additional contributions to the pension scheme from their pay and other valuation factors affecting the pension scheme as a whole.

	31-Mar-2019					
Name and title	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Bonus Payments (bands of £5,000)	Benefits in kind (Rounded to the nearest £00)	Pension Benefits (Rounded to the nearest £000)	Total (bands of £5,000)
	£000	£000	£000	£00	£000	£000
Cardiff and Vale University Local Health Board						
Officer Members						
Leonard Richards, Chief Executive (see footnote)	205-210	0	0	0	14	220-225
Dr Sharon Hopkins, Executive Director of Public Health (1)	65-70	0	0	0	0	65-70
Ruth Walker, Executive Director of Nursing	135-140	0	0	0	0	135-140
Steve Curry, Chief Operating Officer	135-140	0	0	0	69	205-210
Abigail Harris, Executive Director of Planning	125-130	0	0	0	24	150-155
Robert Chadwick, Executive Director of Finance (2)	155-160	0	0	0	0	155-160
Martin Driscoll, Executive Director of Workforce & Organisational Development	130-135	0	0	0	30	160-165
Dr Fiona Jenkins, Executive Director of Therapies & Health Science	105-110	0	0	0	5	110-115
Dr Graham Shortland, Executive Medical Director	165-170	0	45-50	0	0	215-220
Fiona Kinghorn, Interim Executive Director of Public Health (3)	55-60	0	0	0	4	60-65
Other Directors						
Peter Welsh, Director of Corporate Governance (4)	50-55	0	0	0	0	50-55
Nicola Foreman, Director of Corporate Governance (4)	70-75	0	0	0	47	115-120
Dr Sharon Hopkins, Director of Transformation & Informatics (1)	55-60	0	0	0	0	55-60
Independent Members (IM)						
Maria Battle, Chair	65-70	0	0	0	0	65-70
Charles Janczewski, Vice Chair	55-60	0	0	19	0	55-60
John Union - Finance	15-20	0	0	4	0	15-20
Eileen Brandreth, IM - Information Communication & Technology	15-20	0	0	0	0	15-20
Professor Gary Baxter, IM - University	0	0	0	0	0	0-5
Sara Moseley, IM - Third (Voluntary) Sector	15-20	0	0	0	0	15-20
Councillor Susan Elsmore, IM - Local Authority	15-20	0	0	0	0	15-20
Michael Imperato, IM - Legal	15-20	0	0	0	0	15-20
Akmal Hanuk, IM - Local Community	15-20	0	0	0	0	15-20
John Antoniazzi, IM - Estates	15-20	0	0	0	0	15-20
Dawn Ward, IM - Trade Union	0	40-45	0	0	0	40-45
Associate Members						
Paula Martyn, Chair, Stakeholder Reference Group (5)	0	0	0	0	0	0
Richard Thomas, Chair, Stakeholder Reference Group (5)	0	0	0	0	0	0
Susan Bailey, Chair, Health Professionals' Forum	0	80-85	0	0	0	80-85
Lance Carver, Associate Member - Local Authority	0	0	0	0	0	0

Table 1a: Salaries of Senior Managers as at 31 March 2018 - re-stated

(1) During the preparation of the 2018-19 Remuneration Report information provided by the NHS Pensions Agency confirmed that the information which they had provided for 2017-18 report for the Chief Executive had been incorrect. The UHB has therefore re-stated the Pension Benefit and Total Remuneration figures for 2017-18 for the Chief Executive. The CETV figure for 2017-18 disclosed inthe Pensions Benefits table is the re-stated figure.

The pension benefit is not an amount which has been paid to an individual by the UHB during the year, it is a calculation which uses information from the pension benefit table. These figures can be influenced by many factors e.g. changes in a persons salary,whether or not they choose to make additional contributions to the pension scheme from their pay and other valuation factors affecting the pension scheme as a whole.

Between the 1st of April and the 13th November 2017 Steve Curry was Interim Chief Operating Officer and was a full member of theBoard with voting rights and therefore his remuneration for that period is shown within the heading of 'Officer Members' He was then appointed Chief Operating Officer with effect from 14th November and therefore his remuneration has been shown on one line.For her role as Executive Programme Director Unscheduled Care Alice Casey did not have voting rights from 31st March 2017 andtherefore her remuneration for this role is shown within the heading of 'Other Directors'.

	31-Mar-2018					
Name and title	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Bonus Payments (bands of £5,000)	Benefits in kind (Rounded to the nearest £00)	Re-stated Pension Benefits (Rounded to the nearest £000)	Re-stated Total (bands of £5,000)
	£000	£000	£000	£00	£000	£000
Cardiff and Vale University Local Health Board						
Officer Members						
Leonard Richards, Chief Executive (see footnote 1)	155-160	10-15	0	0	75	245-250
Dr Sharon Hopkins, Interim Chief Executive	40-45	0	0	0	0	40-45
Dr Sharon Hopkins, Executive Director of Public Health	100-105	0	0	0	0	100-105
Ruth Walker, Executive Director of Nursing & Interim Deputy Chief Executive	135-140	0	0	0	6	140-145
Steve Curry, Chief Operating Officer	125-130	0	0	0	131	260-265
Abigail Harris, Executive Director of Planning	125-130	0	0	0	30	155-160
Robert Chadwick, Executive Director of Finance	165-170	0	0	0	0	165-170
Martin Driscoll, Executive Director of Workforce & Organisational Development	60-65	0	0	0	15	75-80
Julie Cassley, Interim Executive Director of Workforce & Organisational Development	60-65	0	0	0	18	80-85
Dr Fiona Jenkins, Executive Director of Therapies & Health Science	105-110	0	0	0	58	160-165
Dr Graham Shortland, Executive Medical Director	160-165	0	45-50	0	0	210-215
Fiona Kinghorn, Interim Executive Director of Public Health	20-25	0	0	0	11	35-40
Other Directors						
Peter Welsh, Director of Corporate Governance	90-95	0	0	1	37	130-135
Alice Casey, Executive Programme Director Unscheduled Care	25-30	0	0	0	0	25-30
Independent Members (IM)						
Maria Battle, Chair	65-70	0	0	0	0	65-70
Charles Janczewski, Vice Chair	25-30	0	0	0	0	25-30
Marcus Longley, Vice Chair	25-30	0	0	0	0	25-30
Ivar Grey, IM - Finance	5-10	0	0	0	0	5-10
John Union - Finance	5-10	0	0	0	0	5-10
Eileen Brandreth, IM - Information Communication & Technology	15-20	0	0	0	0	15-20
Professor Elizabeth Treasure, IM - University	0	0	0	0	0	0-5
Professor Gary Baxter, IM - University	0	0	0	0	0	0-5
Margaret McLaughlin, IM - Third (Voluntary) Sector	5-10	0	0	0	0	5-10
Sara Moseley, IM - Third (Voluntary) Sector	5-10	0	0	0	0	5-10
Councillor Susan Elsmore, IM - Local Authority	15-20	0	0	0	0	15-20
Martyn Waygood, IM - Legal	5-10	0	0	0	0	5-10
Michael Imperato, IM - Legal	5-10	0	0	0	0	5-10
Akmal Hanuk, IM - Local Community	15-20	0	0	0	0	15-20
John Antoniazzi, IM - Estates	15-20	0	0	0	0	15-20
Stuart Egan, IM - Trade Union	0	25-30	0	0	0	25-30
Dawn Ward, IM - Trade Union	0	5-10	0	0	0	5-10
Associate Members						
Paula Martyn, Chair, Stakeholder Reference Group	0	0	0	0	0	0
Susan Bailey, Chair, Health Professionals' Forum	0	75-80	0	0	0	75-80
Tony Young, Associate Member - Local Authority	0	0	0	0	0	0
Phil Evans, Associate Member - Local Authority	0	0	0	0	0	0
Lance Carver, Associate Member - Local Authority	0	0	0	0	0	0

Changes to Board Membership in 2018-19

During 2018-19 the following changes to Board membership occurred (see references in Table 1):

1. Sharon Hopkins ended as Executive Director of Public Health on the 30 September 2018. She then took on the role of Director of Transformation & Informatics. She is still also the Deputy Chief Executive.
2. Robert Chadwick retired on the 31 December 2018 and returned to employment initially for 16 hours per week from the 15 January 2019, increasing to full-time hours from the 2 February 2019 under the provisions of the 1995 NHS Pension Scheme. During the two week break in employment Christopher Lewis, the Deputy Director of Finance, was temporary Director of Finance. He did not receive any additional remuneration for the two-week period to 15 January.
3. Fiona Kinghorn was Interim Executive Director of Public Health from 1 October 2018 until she was appointed permanent Executive Director of Public Health from 1 April 2019.
4. Nicola Foreman started on 23 July 2018. Peter Welsh's last day as Director of Governance was 22 July, however a handover period followed until his contract ended on the 30 September 2018. On 1 October 2018 he took up the post of Senior Hospital Manager, University Hospital of Llandough; working 25 hours per week.
5. Paula Martyn ended 26th November 2018. Richard Thomas started 27th November 2018.

Remuneration Relationship

The details of the Remuneration Relationship are reported at section 9.6 of the Financial Statements.

Pension Benefits

Table 2: Pension Benefits

Name and title	Real increase in pension at pension age (bands of £2,500) £000	Real increase in pension lump sum at pension age (bands of £2,500) £000	Total accrued pension at pension age at 31/03/19 (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31/03/2019 (bands of £5,000) £000	Cash Equivalent Transfer Value at 31 March 2019 £000	Cash Equivalent Transfer Value at 31 March 2018 £000	Real increase (decrease) in Cash Equivalent Transfer Value £000	Employer's contribution to stakeholder pension To nearest £100
Leonard Richards, Chief Executive (Note 1)	0-2.5	0-2.5	45-50	130-135	1,021	880	102	
Ruth Walker - Executive Director of Nursing & Interim Deputy Chief Executive	0-2.5	0-2.5	55-60	165-170	1,226	1,067	107	
Steve Curry - Chief Operating Officer	2.5-5	5-7.5	55-60	145-150	1,176	963	159	
Abigail Harris - Executive Director of Planning	0-2.5	(2.5)-0	35-40	85-90	704	583	84	
Martin Driscoll - Executive Director of Workforce & Organisational Development	0-2.5	0-2.5	0-5	0	47	13	14	
Dr Fiona Jenkins, Executive Director of Therapies & Health Science	0-2.5	2.5-5	50-55	150-155	1,259	1,105	107	
Fiona Kinghorn - Interim Executive Director of Public Health	0-2.5	(2.5)-0	35-40	90-95	756	647	37	
Nicola Foreman - Director of Governance	2.5-5	0	15-20	0	197	128	36	

Note 1

During the preparation of the 2018-19 Remuneration Report information provided by the NHS Pensions Agency confirmed that the information which they had provided for 2017-18 had been incorrect. The CETV figure for 2017-18 disclosed above is the re-stated figure.The Chief Executive chose not to be covered by the NHS pension arrangements from 1st September 2018.

Note 2

Sharon Hopkins, Graham Shortland and Robert Chadwick chose not to be covered by the NHS Pension arrangements for 2017/2018 and 2018/2019 and hence are not included in the table above.

The UHB is also contributing to the NEST (National Employment Savings Trust) Pension Scheme in respect of Peter Welsh. The UHB was unable to obtain pension benefit information from NEST in time for publication, however as the UHB has only paid Pension Contributions to this scheme of £398 during the period 1st April 18 to 30th September 2018 for Peter Welsh it does not expect the pension benefit would have been material.

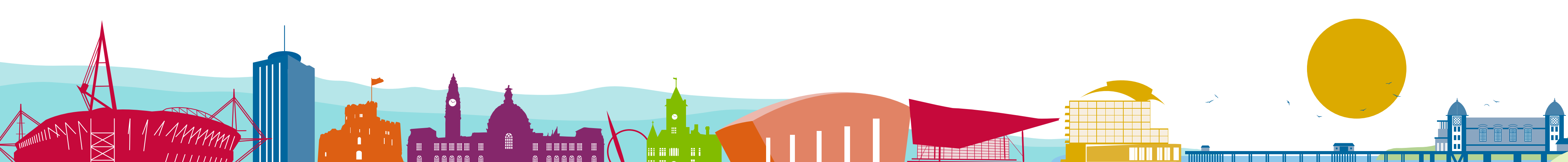
As Non-Officer members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Officer members.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable fromthe 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 asenior capacity to which disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV Name

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



Staff Report

Staff Numbers

The UHB workforce profile identifies that approximately 76% of the workforce is female. This is not representative of the local community where a little more than half the population is female. The numbers of female and male directors, managers and employees as at 31st March 2019 were as follows:

	Female	Male	Total
Director	13	14	27
Manager	135	74	209
Employee	11386	3474	14860
Total	11534	3562	15096

Staff Composition

The charts below indicate the following challenges when determining optimal ways to deploy the current and future workforce and how to consider future supply against service priorities:

- The UHB has an aging workforce with the largest age categories being aged 46-50 years and 51-55 years (approximately 2000 staff in each of these categories). The impact of employees retiring from service critical areas is key in Clinical Boards undertaking local workforce planning.
- The largest grade categories are staff in Agenda for Change Bands 2, 5 and 6. The UHB has made a shift in the skill mix and overall shape of its "Xmas Tree" over recent years as in 2012 the highest percentage of workforce was in band 6. Continually reviewing skill mix and new ways of working is important in ensuring adequate future supply of skills in the right place and grade.
- The majority of the workforce is female (76%) with an even split in this group of full-time (38%) and part-time working (39%). Use of our employment policies, such as the Flexible Working Policy, is crucial to retaining talent and keeping staff engaged.
- The majority of the workforce is white (82%) with 11% in Black and Minority Ethnic categories and 7% not stated. The Single Equality Plan has a number of actions to continue review of our workforce in this regard to ensure it strives to reflect the local population where relevant e.g. in recruiting practices.
- The nursing and midwifery registered staff and unqualified nursing staff make up just over 42% of the total workforce. Given there is a recognised national shortage of registered nurses, the UHB has made nurse sustainability a high priority on its workforce agenda.

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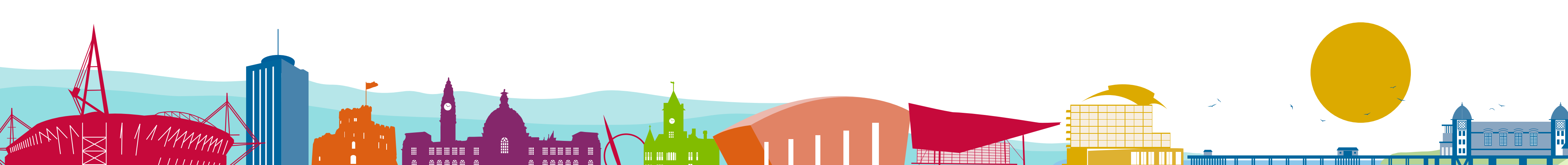
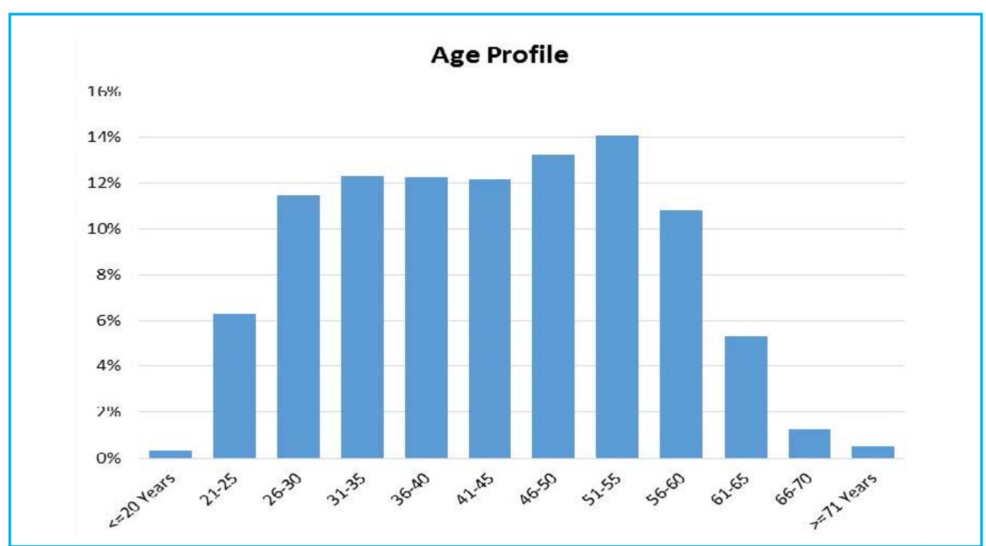
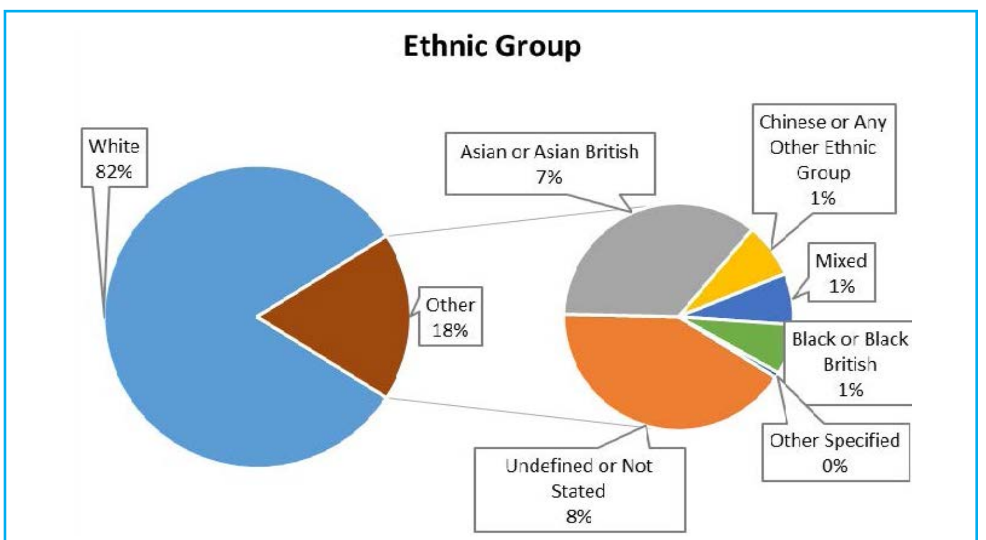
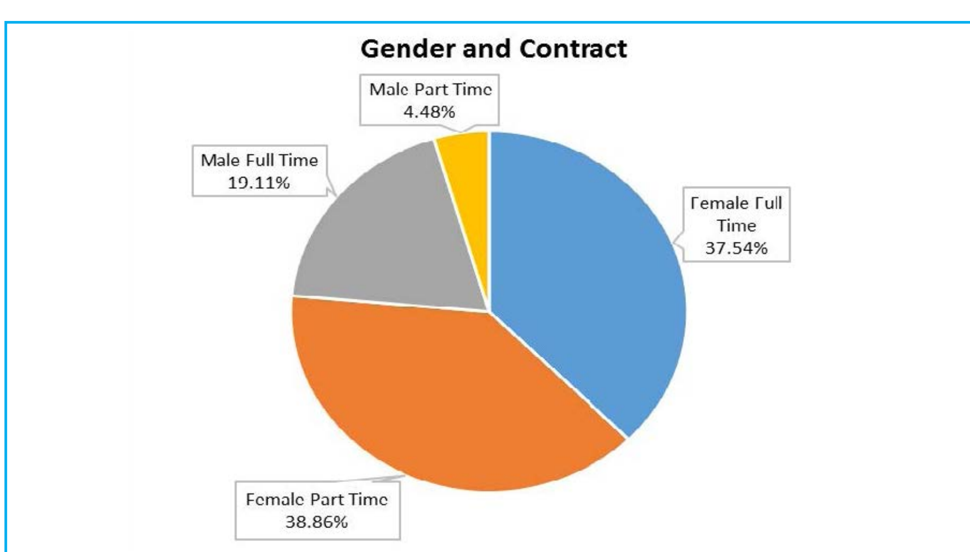
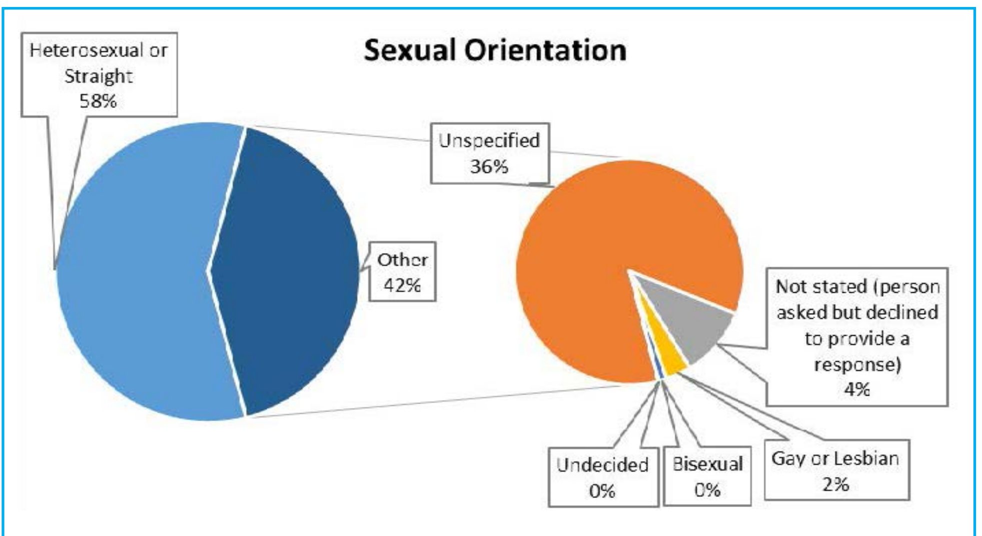
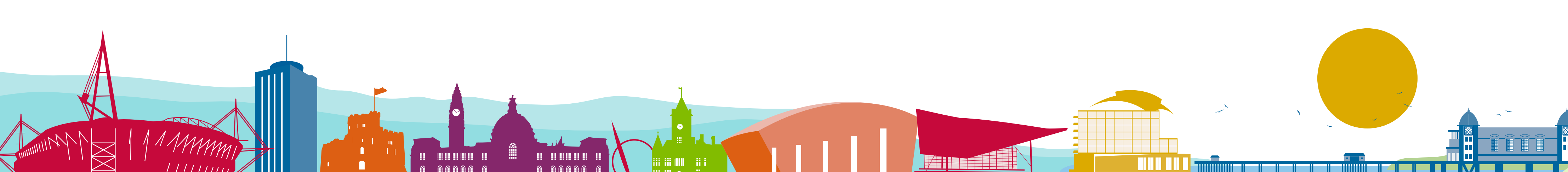


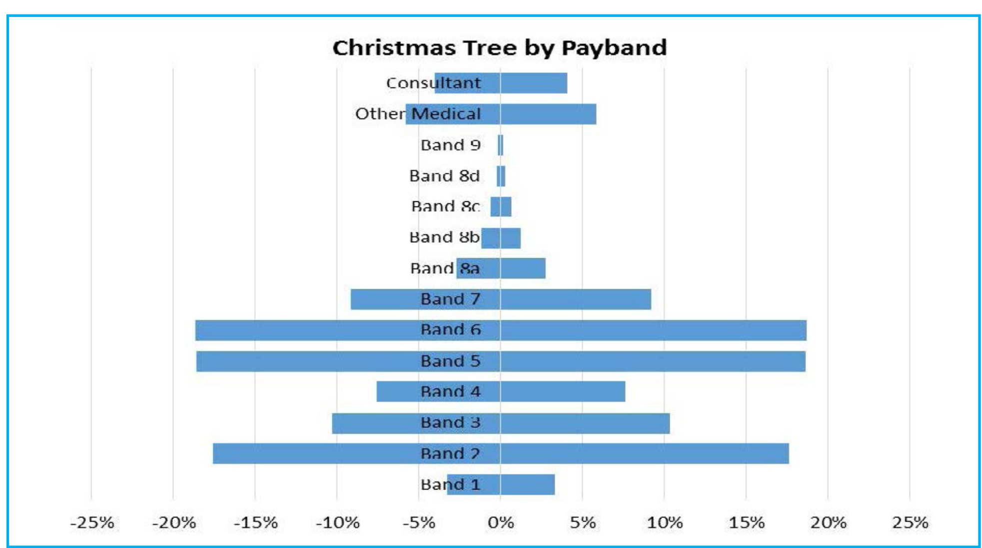

Age Profile
16%
14%
12%
10%
8%
6%
4%
2%
0%
<=20 Years
21-25
26-30
31-35
36-40
41-45
46-50
51-55
56-60
61-65
66-70
>=71 Years

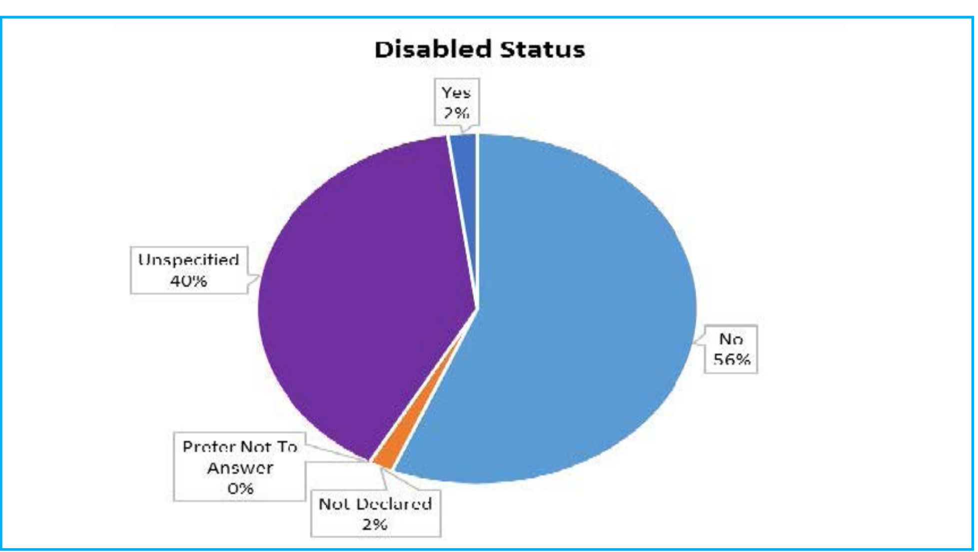

Ethnic Group
White
82%
Other
18%
Asian or Asian British
7%
Chinese or Any Other Ethnic Group
1%
Mixed
1%
Black or Black British
1%
Other Specified
0%
Undefined or Not Stated
8%

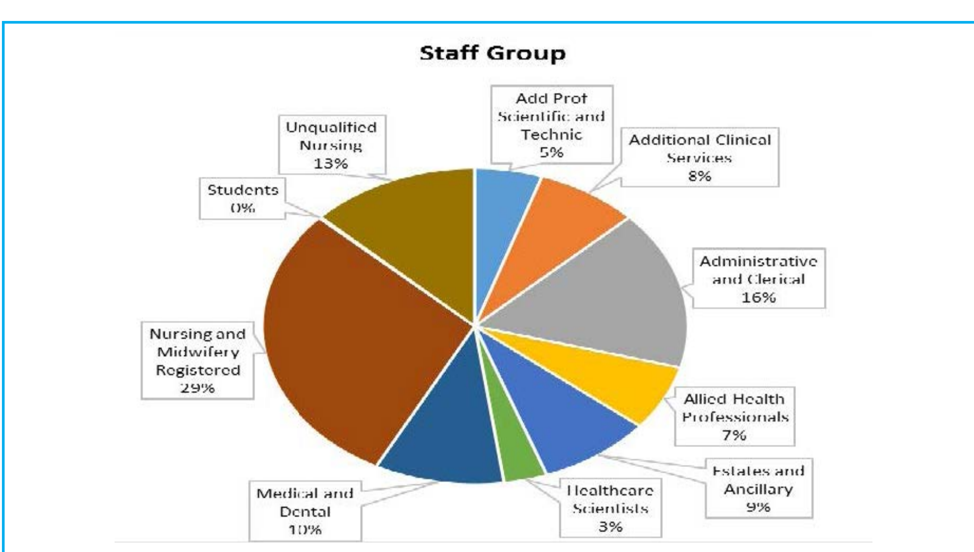

Gender and Contract
Male Part Time
4.48%
Male Full Time
19.11%
Female Full Time
37.54%
Female Part Time
38.86%


Sexual Orientation
Heterosexual or Straight
58%
Unspecified
36%
Other
42%
Not stated (person asked but declined to provide a response)
4%
Undecided
0%
Bisexual
0%
Gay or Lesbian
2%









Workforce profile information collected for the UHB in March 2019 shows that 2.13% of staff consider themselves to have a disability, but this information is not known for a significant number of staff (41.54%).

Sickness Absence Data

Staff well-being remains a priority for the UHB and is key to staff feeling engaged.

A multi-disciplinary group leads a strategic action plan for improving staff health and wellbeing. Dietetics, physiotherapy, health and safety, transport and travel, occupational health, employee well-being and the Public Health team have developed a collaborative plan, which has realised improvements across a range of areas. 2017/18 was a year of great success with the UHB achieving both the Gold and Platinum Corporate Health Standards and being recognised as an exemplar organization. In 2018/19 we have continued to use the learning from these standards to stretch our health and wellbeing activity even further, achieving further reductions in sickness absence through whole-system approaches.

The cumulative sickness rate for the 12-month period up to and including March 2019 is 5.11% which is 0.51% above the 2018-19 year-end target of 4.60%.

73% of this sickness was attributed to long-term absence and 27% to short-term absence. The UHB top reasons recorded for absence during 2018-19 were Anxiety/Stress and Musculoskeletal.

The following table provides information on the number of days lost due to sickness during 2017-18 and 2018-19.

	2018-19	2017-18
	Number	**Number**
Days lost (long term)	175,070	162,020
Days lost (short term)	64,752	73,707
Total days lost	239,822	235,727
Total staff years	12,823	12,726
Average working days lost	11.65	11.56
Total staff employed in period	14,658	14,170
Total staff employed in period with no absence (headcount)	6,247	5,248
Percentage staff with no sick leave	**41.36%**	**37.04%**

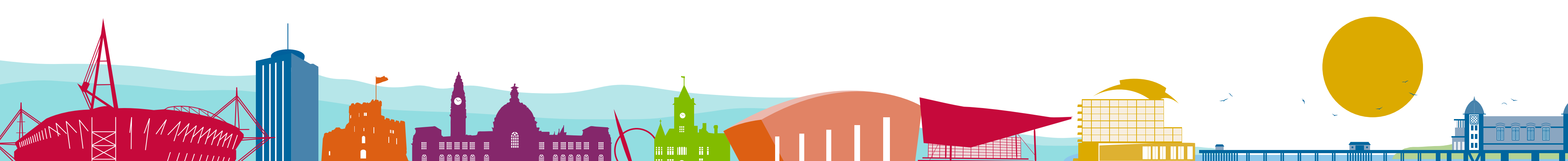
This year Cardiff & Vale UHB recommitted to the Time to Change Wales Pledge and in line with World Mental Health Day launched its 'Cav a Coffee and Talk' Campaign. This campaign is designed to encourage individuals to speak about their mental health and to feel confident to ask for support when needed. The campaign also encourages staff talk to their colleagues, ask how they are, listen to what they say and keep in touch. The campaign aims to make them aware that they have the ability to help that person, as even the smallest of gestures (having a coffee together for instance) can make a huge difference. This campaign is designed to empower staff to take breaks from their busy working days where and when they're able to.

We are proud of our CAV a Coffee Champions, who are approachable colleagues who staff can talk to if they feel they need someone to confide in. These Champions will listen and signpost staff to appropriate services if they need further support.

Staff Policies

The UHB has an Equality, Diversity and Human Rights Policy which sets out the organisation's commitment to promoting equality, diversity and human rights in relation to employment, service delivery, goods and service suppliers, contractors and partner agencies The UHB aims to ensure that no individual or group receives less favourable treatment either directly or indirectly.

The UHB is committed to ensuring that the recruitment and selection of staff is conducted in a systematic, comprehensive and fair manner,



promoting equality of opportunity at all times. For example, the Recruitment and Selection Policy aims to provide a robust framework to ensure compliance and promote best practice within the necessary legislative framework (including the Equality Act 2010), whilst maximising flexibility to meet the varying needs of the UHB and ensuring that the best candidate for each position is appointed. The Recruitment and Selection Policy was reviewed in 2018.

The UHB is committed to equal opportunities in recruitment, and demonstrates this by displaying the Disability Confident symbol (which replaces the 'two ticks' scheme) in all adverts, as well as Supporting Age Positive, Mindful Employer and Stonewall Cymru symbols.

The UHB is committed to supporting its employees and keeping them well. Managers and employees need to work together to sustain attendance at work so that we can do what we are here for - care for our patients! The NHS Wales Managing Attendance at Work Policy was developed in 2018 to assist managers in supporting staff when they are ill, manage their absence and help facilitate their timely return to work, but it is about more than that - it is also designed to help you know your staff and focus on their health and wellbeing to keep them well and in work.

The Managing Attendance at Work Policy includes a number of toolkits. One of these deals with reasonable/tailored adjustments – it reminds managers of our legal duty to make reasonable adjustments to ensure workers with disabilities, or physical or mental health impairments, are not disadvantaged when doing their jobs or during the recruitment process. The Policy states that not all illnesses are disabilities, however, if an employee is asking for support with a health and wellbeing condition, it is best to provide the support accordingly, assuming it is proportionate to do so. There are many benefits to this including supporting the employee back into work and helping them remain in work.

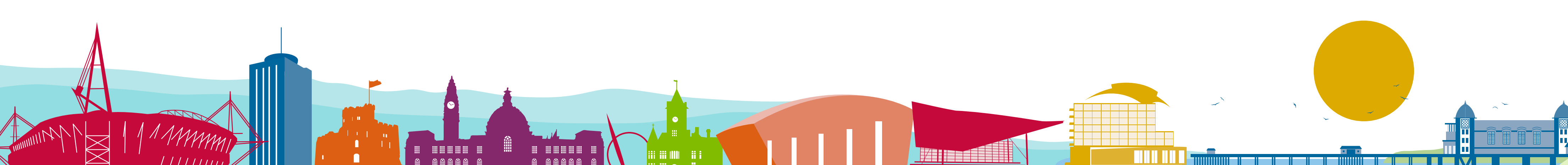
Our Redeployment Policy includes the following principles:

- We are committed to not discriminating on the grounds of the protected characteristics described in the Equality Act 2010.
- We recognise that we have a positive duty to make reasonable adjustments to ensure that employees with a disability remain in work whenever this is feasible.
- We want to provide security of employment and assist employees who are at risk of losing their job because of a change in circumstances.
- We recognise the skills and experience of our staff and want to retain them whenever possible.

By making reasonable adjustments for staff with disabilities we have been able to retain a number of valued employees in their substantive role. Typical changes include reviewing case loads, changes to equipment used, purchase of specialist equipment and modifying their workplaces. We have worked with organisations such as Dyslexia Cymru and Access to Work to support our disabled employees.

We also continue the partnership work with Elite, a Working Group organisation to help young people with Learning Disabilities into employment. From the work completed to date, the UHB along with Elite, has placed 3 individuals on our Apprenticeship programmes and we will continue to explore other roles within the organisation, including permanent employment, to recruit further candidates with learning disabilities into employment.

All employment and other related Human Resources (HR), Workforce and Organisational Development (WOD) policies, procedures and other control documents are required to have at least two authors, i.e. a management and staff representative and they are subject to robust consultation processes. This includes publication on the UHB intranet for a period of at least 28 days and consideration at the Employment Policies Sub Group of the Local Partnership Forum.



Consultancy Expenditure

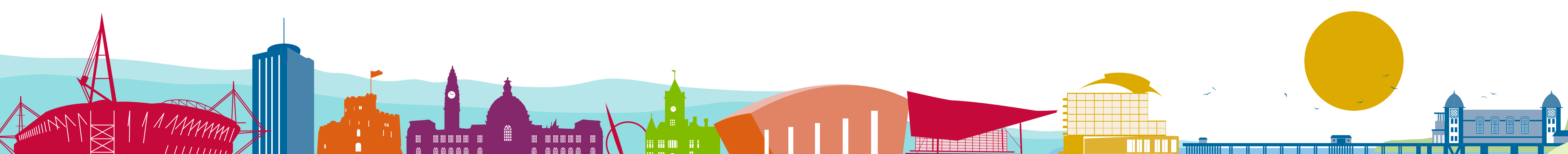
As disclosed in note 3.3 of its annual accounts, the UHB spent £2.186m on consultancy services during 2018-19, compared to £1.144m in 2017-18. The majority of this expenditure going towards projects aimed at delivering better clinical outcomes and efficiencies.

Tax assurance for off-payroll appointees

For all off-payroll engagements as of 31 March 2019, for more than £245 per day and that last longer than six months.

	Employees engaged via other public sector bodies	Employed for tax and NI purposes only	Other Engagements	Total
No. of existing engagements as of 31 March 2019	42	7	0	49
Of which:				
No. that have existed for less than one year at time of reporting	1	5	0	6
No. that have existed for between one and two years at the time of reporting	2	1	0	3
No. that have existed for between two and three years at the time of reporting	2	0	0	2
No. that have existed for between three and four years at the time of reporting	1	1	0	2
No. that have existed for four or more years at the time of reporting	36	0	0	36

The "other engagements" shown above represent staff employed via recruitment agencies. While the UHB is not responsible for deducting tax and national insurance in respect of these engagements, we have written to the agencies concerned stating that we believe that our relationship with the staff is one of employment and so they should be paying these employees under deduction of tax and national insurance.



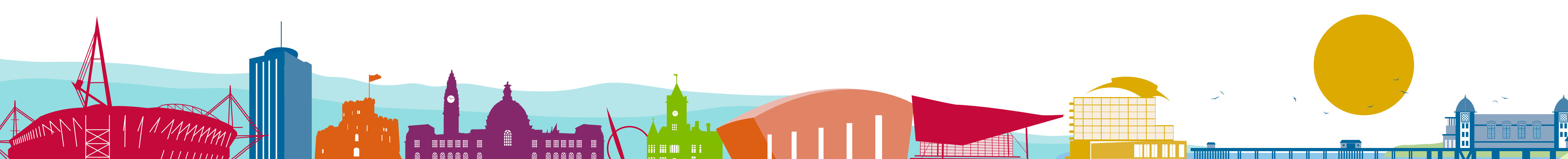
For all new off-payroll engagements, or those that reached six months in duration between 1 April 2018 and 31 March 2019, for more than £245 per day and the last for longer than six months.

	Employees engaged via other public sector bodies	Employed for tax and NI purposes only	Other Engagements	Total
No. of new engagements or those that reached six months in duration between 1st April 2018 & 31 March 2019	2	10	0	12
Of which:				
No. assessed as caught by IR35	0	10	0	10
No. assessed as not caught by IR 35	2	0	0	2
No. engaged directly (via PSC contracted to department payroll	0	10	0	10
No. of engagements reassessed for consistency / assurance purposes during the year whom assurance has been requested but not received, and	0	0	0	0
No. of engagements that saw a change to IR35 status following the consistency review	0	0	0	0

While the UHB does not have the contractual right to request assurance that the appropriate tax and national insurance is being deducted in respect of staff supplied by public sector bodies, it has been agreed by the Welsh Government that this assurance can be obtained via written confirmation from the Director of Finance of the public body who is invoicing us for the staff concerned. This has been requested and received for all staff meeting the disclosure criteria in 2018/19.

	Employees engaged via other public sector bodies	Employed for tax and NI purposes only	Other Engagements	Total
No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	2	0	0	2
No. of individuals that have been deemed "board members,and/or senior officials withsignificant financial responsibility", during thefinancial year.	0	0	0	0

Please note that the UHB considers that its Board members are the only officials who have significant financial responsibility within the Health Board.One of the members disclosed above was Acting Director of Public Health during 2018/19 and was on secondment during this time from another Welsh NHS Body. Written assurance has been received from this body that they wereappropriately deducting tax and national insurance on her salary during this time.The other member was acting Director of Operations Primary Care Clinical Board during 2018/19 and was on secondmentduring this time from Welsh Government. Written assurance has been requested from Welsh Government to confirm that they were appropriately deducting tax and national insurance on the salary during this time.



The National Assembly for Wales Accountability Report

Regularity of Expenditure

As a result of pressures on public spending, the UHB has had to meet considerable new cost pressures and increase in demand for high quality patient services, within a period of restricted growth in funding. This has resulted in the need to deliver significant cost and efficiency savings to offset unfunded cost pressures to work towards achieving its financial duty, which is break even over a three year period.

Unfortunately this has not been achieved and the expenditure of £65.968m which it has incurred in excess of its resource limit over that period is deemed to be irregular.

The UHB has an approved IMTP covering the years 2019-20 to 2021-22 which plans to deliver a break even position in each of these financial years.

Successful delivery of this plan will result in the UHB achieving its Statutory Financial Duty of a break even position at the end of this period.

Fees and Charges

The UHB levies charges or fees on its patients in a number of areas.

Where the UHB makes such charges or fees, it does so in accordance with relevant Welsh Health Circulars and charging guidance.

Charges are generally made on a full cost basis.

None of the items for which charges are made are by themselves material to the UHB, however details of some of the larger items (Dental Fees, Private and Overseas Patient income) are disclosed within Note 4 of the Annual Accounts.

Managing Public Money

This is the required Statement for Public Sector Information Holders as referenced at 1.2 (page 2) of the Directors' Report.

In line with other Welsh NHS bodies, the UHB has developed Standing Financial Instructions which enforce the principles outlined in HM Treasury on Managing Public Money.

As a result the UHB should have complied with the cost allocation and charging requirements of this guidance and the UHB has not been made aware of any instances where this has not been done.

Material Remote Contingent Liabilities

As disclosed in note 21.2 of its annual accounts, the UHB is not aware of any remote contingent liabilities as at March 31st 2019.

The proposed certificate and independent auditor's report of the Auditor General for Wales to the National Assembly for Wales

The Certificate of the Auditor General for Wales to the National Assembly for Wales

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements of Cardiff and Vale University Local Health Board for the year ended 31 March 2019 under Section 61 of the Public Audit (Wales) Act 2004. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Cash Flow Statement and Statement of Changes in Tax Payers Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and HM Treasury's Financial Reporting Manual based on International Financial Reporting Standards (IFRSs).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of Cardiff and Vale University Local Health Board as at 31 March 2019 and of its net operating costs for the year then ended; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

Basis for opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Cardiff and Vale University Local Health 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

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

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

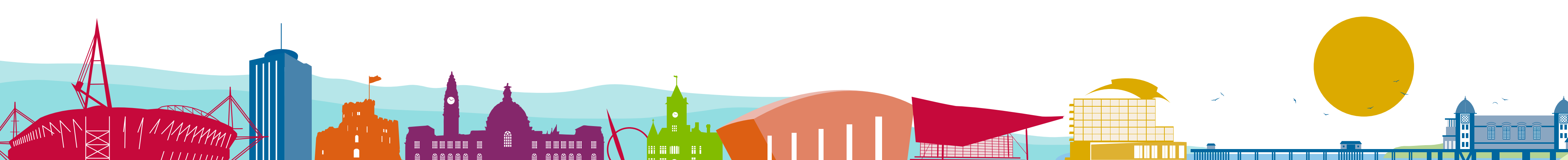
Other information

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

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

Basis for Qualified Opinion on Regularity

Cardiff and Vale University Local Health Board has breached its revenue resource limit by spending £65.968 million over the £2,693 million that it was authorised to spend in the three-year period 2016-17 to 2018-19. This spend constitutes irregular expenditure. Further detail is set out in my Report at page 79.



Qualified Opinion on Regularity

In my opinion, except for the irregular expenditure of £65.968 million explained in the paragraph above, in all material respects the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

Report on other requirements

Opinion on other matters

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

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

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

Matters on which I report by exception

In the light of the knowledge and understanding of the Cardiff and Vale University Local Health Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Foreword and Accountability Report or the Governance Statement.

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

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

Please see my Report on page 79.

Responsibilities

Responsibilities of Directors and the Chief Executive for the financial statements

As explained more fully in the Statements of Directors' and Chief Executive's Responsibilities set out on pages 8 and 9, the Directors and the Chief Executive are responsible for the preparation of financial statements which give a true and fair view and for such internal control as the Directors and Chief Executive determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors and Chief Executive are responsible for assessing the Cardiff and Vale University Local 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 deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

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

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

part of my auditor's report.

Responsibilities for regularity

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

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

Adrian Crompton
Auditor General for Wales

11 June 2019

24 Cathedral Road
Cardiff
CF11 9LJ

Report of the Auditor General to the National Assembly for Wales

Report of the Auditor General for Wales to the National Assembly for Wales

Introduction

Local Health Board (LHBs) are required to meet two statutory financial duties – known as the first and second financial duties.

For 2018-19 Cardiff and Vale University Local Health Board (the LHB) failed to meet both the first and the second financial duty and so I have decided to issue a narrative report to explain the position.

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 third three-year period under this duty is 2016-17 to 2018-19, and so it is measured this year for the third time.

Note 2.1 to the Financial Statements shows that the LHB did not manage its revenue expenditure within its resource allocation over this three-year period, exceeding its cumulative revenue resource limit of £2,693 million by £65.968 million. The LHB therefore did not meet its first financial duty.

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 2018-19 if it submitted a 2018-19 to 2020-21 plan approved by its Board to the Welsh Ministers who then approved it by 30 June 2018.

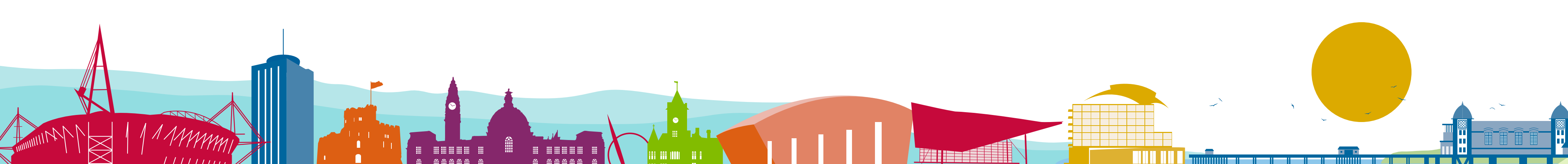
As shown in Note 2.3 to the Financial Statements, the LHB did not meet its second financial duty to have an approved three-year integrated medium term plan in place for the period 2018-19 to 2020-21.

In September 2016 the Welsh Government placed the LHB in 'targeted intervention'. In the absence of an approved integrated medium-term plan, with the agreement of the Welsh Government the LHB has been operating under annual planning arrangements. In March 2018 the Board approved the LHB's Annual Operating Plan for 2018-19, which set out a planned annual deficit of £19.9 million. Subsequent to the Board's approval, in July 2018 the Welsh Government provided additional funding of £10 million which reduced the planned annual deficit to £9.9m. The LHB's actual deficit for 2018-19 was £9.872 million, as shown in Note 2.1 to the Financial Statements.

In February 2019 the Welsh Government reduced the escalation status of the LHB from 'targeted intervention' to 'enhanced monitoring'. Further to this change, in April 2019 the Welsh Government approved the LHB's three-year integrated medium term plan for 2019-20 to 2021-22.

Adrian Crompton
Auditor General for Wales

11 June 2019



CARDIFF & VALE 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.

Performance Management and Financial Results

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.

Statement of Comprehensive Net Expenditure
for the year ended 31 March 2019

	Note	2018-19 £'000	2017-18 £'000
Expenditure on Primary Healthcare Services	3.1	**233,138**	228,347
Expenditure on healthcare from other providers	3.2	**301,919**	264,950
Expenditure on Hospital and Community Health Services	3.3	**862,403**	820,035
		1,397,460	1,313,332
Less: Miscellaneous Income	4	**(434,168)**	(387,394)
LHB net operating costs before interest and other gains and losses		**963,292**	925,938
Investment Revenue	5	**0**	0
Other (Gains) / Losses	6	**9**	(7,840)
Finance costs	7	**1,332**	1,386
Net operating costs for the financial year		**964,633**	919,484

See note 2 on page 102 for details of performance against Revenue and Capital allocations.

The notes on pages 87 to 151 form part of these accounts.

Other Comprehensive Net Expenditure

	2018-19	2017-18
	£'000	£'000
Net (gain) / loss on revaluation of property, plant and equipment	(4,172)	6,679
Net (gain) / (loss) on revaluation of intangibles	0	0
Net (gain) / loss on revaluation of available for sale financial assets	0	0
(Gain) / loss on other reserves	(7)	(499)
Impairment and reversals	0	0
Release of Reserves to Statement of Comprehensive Net Expenditure	0	0
Other comprehensive net expenditure for the year	(4,179)	6,180
Total comprehensive net expenditure for the year	**960,454**	925,664

The gain on other reserves reflects a correction in respect of balances transferred over from Abertawe Bro Morgannwg LHB in 2017/18.

The notes on pages 87 to 151 form part of these accounts.

Statement of Financial Position as at 31 March 2019

	Notes	31 March 2019 £'000	31 March 2018 £'000
Non-current assets			
Property, plant and equipment	11	**675,904**	657,424
Intangible assets	12	**2,902**	2,245
Trade and other receivables	15	**21,432**	57,469
Other financial assets	16	**0**	0
Total non-current assets		**700,238**	717,138
Current assets			
Inventories	14	**16,926**	15,697
Trade and other receivables	15	**176,987**	166,189
Other financial assets	16	**0**	0
Cash and cash equivalents	17	**1,219**	1,856
		195,132	183,742
Non-current assets classified as "Held for Sale"	11	**1,906**	0
Total current assets		**197,038**	183,742
Total assets		**897,276**	900,880
Current liabilities			
Trade and other payables	18	**(174,685)**	(180,290)
Other financial liabilities	19	**0**	0
Provisions	20	**(129,087)**	(120,512)
Total current liabilities		**(303,772)**	(300,802)
Net current assets/ (liabilities)		**(106,734)**	(117,060)
Non-current liabilities			
Trade and other payables	18	**(9,095)**	(9,635)
Other financial liabilities	19	**0**	0
Provisions	20	**(24,862)**	(60,471)
Total non-current liabilities		**(33,957)**	(70,106)
Total assets employed		**559,547**	529,972
Financed by :			
Taxpayers' equity			
General Fund		**443,904**	417,207
Revaluation reserve		**115,643**	112,765
Total taxpayers' equity		**559,547**	529,972

The financial statements on pages 81 to 86 were approved by the Board on 30th May 2019 and signed on its behalf by:

Signed on Behalf of the Chief Executive and Accountable Officer

On Behalf of the Chief Executive and Accountable Officer ....Date...................

Leonard Richards 30th May 2019

The notes on pages 87 to 151 form part of these accounts

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

	General Fund £000s	Revaluation Reserve £000s	Total Reserves £000s
Changes in taxpayers' equity for 2018-19			
Balance as at 31 March 2018	417,207	112,765	**529,972**
Adjustment for Implementation of IFRS 9	(1,259)	0	**(1,259)**
Balance at 1 April 2018	415,948	112,765	528,713
Net operating cost for the year	(964,633)		**(964,633)**
Net gain/(loss) on revaluation of property, plant and equipment	0	4,172	**4,172**
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**
Movements in other reserves	0	0	**0**
Transfers between reserves	1,294	(1,294)	**0**
Release of reserves to SoCNE	0	0	**0**
Transfers to/from (please specify)	7	0	**7**
Total recognised income and expense for 2018-19	(963,332)	2,878	**(960,454)**
Net Welsh Government funding	991,288		**991,288**
Balance at 31 March 2019	443,904	115,643	**559,547**

The £7k on the Transfers to/from line reflects a correction in respect of balances transferred over from Abertawe Bro Morgannwg LHB in 2017/18.

The notes on pages 87 to 151 form part of these accounts.

Statement of Changes in Taxpayers' Equity
For the year ended 31 March 2018

	General Fund £000s	Revaluation Reserve £000s	Total Reserves £000s
Changes in taxpayers' equity for 2017-18			
Balance at 31 March 2017	399,057	113,726	**512,783**
Net operating cost for the year	(919,484)		**(919,484)**
Net gain/(loss) on revaluation of property, plant and equipment	0	(6,679)	**(6,679)**
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**
Movements in other reserves	0	0	**0**
Transfers between reserves	(5,595)	5,595	**0**
Release of reserves to SoCNE	0	0	**0**
Transfers to/from (please specify)	376	123	**499**
Total recognised income and expense for 2017-18	(924,703)	(961)	**(925,664)**
Net Welsh Government funding	942,853		**942,853**
Balance at 31 March 2018	417,207	112,765	**529,972**

The notes on pages 87 to 151 form part of these accounts.

A part of the movement between reserves arises from the UHB's decision to hold its revaluation reserve at a building level for buildings and dwellings (instead of at a site level as had been our previous practice). In line with the recommendation of the NHS Wales Technical Accounting Group, the UHB has calculated the adjustment required on the basis that the change had been applied at the time of the NHS Wales Estate Valuation in April 2012. While the subsequent correction is significant, we do not believe it to be material enough to warrant a prior period adjustment. The adjustment concerned increased the UHB's Revaluation Reserve by £7.043m and reduced its General Fund by the same figure.

Statement of Cash Flows for year ended 31 March 2019

	Notes	2018-19 £'000	2017-18 £'000
Cash Flows from operating activities			
Net operating cost for the financial year		**(964,633)**	(919,484)
Movements in Working Capital	27	**22,537**	(23,495)
Other cash flow adjustments	28	**29,544**	63,623
Provisions utilised	20	**(25,133)**	(24,828)
Net cash outflow from operating activities		**(937,685)**	(904,184)
Cash Flows from investing activities			
Purchase of property, plant and equipment		**(52,538)**	(45,906)
Proceeds from disposal of property, plant and equipment		**131**	9,929
Purchase of intangible assets		**(1,532)**	(1,499)
Proceeds from disposal of intangible assets		**170**	208
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		**(53,769)**	(37,268)
Net cash inflow/(outflow) before financing		**(991,454)**	(941,452)
Cash Flows from financing activities			
Welsh Government funding (including capital)		**991,288**	942,853
Capital receipts surrendered		**0**	0
Capital grants received		**0**	0
Capital element of payments in respect of finance leases and on-SoFP		**(471)**	(426)
Cash transferred (to)/ from other NHS bodies		**0**	0
Net financing		**990,817**	942,427
Net increase/(decrease) in cash and cash equivalents		**(637)**	975
Cash and cash equivalents (and bank overdrafts) at 1 April 2018		**1,856**	881
Cash and cash equivalents (and bank overdrafts) at 31 March 2019		**1,219**	1,856

The notes on pages 87 to 151 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 2018-19 Manual for Accounts. The accounting policies contained in that manual follow the European Union version of the International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. 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 Local Health Boards (LHBs) are allocations (Welsh Government funding) from the Welsh Government within an approved cash limit, which is credited to the General Fund of the Local Health Board. 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 is applied, as interpreted and adapted for the public sector, in the Financial Reporting Manual (FReM). It replaces the previous standards IAS 11 Construction Contracts and IAS 18 Revenue and related IFRIC and SIC interpretations. Upon transition the accounting policy to retrospectively restate in accordance with IAS 8 has been withdrawn. All entities applying the FReM shall recognise the difference between previous carrying amount and the carrying amount at the beginning of the annual reporting period that includes the date of initial application in the opening general fund within Taxpayers' equity.
A review consistent with the portfolio approach was undertaken by the NHS Technical Accounting Group members, which

- identified that the only material income that would potentially require adjustment under IFRS 15 was that for patient care provided under Long term Agreements (LTAs) for episodes of care which had started but not concluded as at the end of the financial period;
- demonstrated that the potential amendments to NHS Wales NHS Trust and Local Health Board Accounts as a result of the adoption of IFRS 15 are significantly below materiality levels.

Under the Conceptual IFRS Framework due consideration must be given to the users of the accounts and the cost restraint of compliance and reporting and production of financial reporting. Given the income for LTA activity is recognised in accordance with established NHS Terms and Conditions affecting multiple parties across NHS Wales it was considered reasonable to continue recognising in accordance with those established terms on the basis that this provides information that is relevant to the user and to do so does not result in a material misstatement of the figures reported. More information on the work done in establishing this conclusion is shown in note 34 of the accounts.

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

1.4 Employee benefits

Short-term employee benefits

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

Retirement benefit costs

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

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 LHB 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 LHBs accounts. The assets are measured at fair value and the liabilities at the present value of the future obligations. The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The expected gain during the year from scheme assets is recognised within finance income. The interest cost during the year arising from the unwinding of the discount on the scheme liabilities is recognised within finance costs.

NEST Pension Scheme

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

1.5 Other expenses

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

1.6 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the LHB;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are treated as separate assets and depreciated over their own useful economic lives.

Valuation

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land and buildings used for the LHBs services or for administrative purposes are stated in the Statement of Financial Position 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 bodies have applied these new valuation requirements from 1 April 2009.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

In 2017-18 a formal revaluation exercise was applied to land and properties. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure.

References in IAS 36 to the recognition of an impairment loss of a revalued asset being treated as a revaluation decrease to the extent that the impairment does not exceed the amount in the revaluation surplus for the same asset, are adapted such that only those impairment losses that do not result from a clear consumption of economic benefit or reduction of service potential (including as a result of loss or damage resulting from normal business operations) should be taken to the revaluation reserve. Impairment losses that arise from a clear consumption of economic benefit should be taken to the Statement of Comprehensive Net Expenditure.

From 2015-16, the LHB must comply with IFRS 13 Fair Value Measurement 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.

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 entity or the asset which would prevent access to the market at the reporting date. If the LHB could access the market then the surplus asset should be used at fair value using IFRS 13. In determining whether such an asset which is not in use is surplus, an assessment should be made on whether there is a clear plan to bring the asset back into use as an operational asset. Where there is a clear plan, the asset is not surplus and the current value in existing use should be maintained. Otherwise the asset should be assessed as being surplus and valued under IFRS13.

Assets which are not held for their service potential should be valued in accordance with IFRS 5 or IAS 40 depending on whether the asset is actively held for sale. Where an asset is not being used to deliver services and there is no plan to bring it back into use, with no restrictions on sale, and it does not meet the IAS 40 and IFRS 5 criteria, these assets are surplus and are valued at fair value using IFRS 13.

Subsequent expenditure
Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any carrying value of the item replaced is written-out and charged to the 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, NHS bodies are required to get all All Wales Capital Schemes that are completed in a financial year revalued during that year (prior to them being brought into use) and also similar revaluations are needed for all Discretionary Building Schemes completed which have a spend greater than £0.5m. The write downs so identified are then charged to operating expenses.

1.7 Intangible assets

Recognition
Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the LHBs 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 LHB; 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 LHB expects to obtain economic benefits or service potential from the asset. This is specific to the LHB 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 LHB 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 Statement of Comprehensive Net Expenditure. On disposal, the balance for the asset on the revaluation reserve, is transferred to the General Fund.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead it is retained as an operational asset and its economic life adjusted. The asset is derecognised when it is scrapped or demolished.

1.11 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

1.11.1 The Local Health Board as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the Statement of Comprehensive Net Expenditure.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term. Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated and individually assessed as to whether they are operating or finance leases.

1.11.2 The Local Health Board as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the LHB net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the LHB's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.12 Inventories

Whilst it is accounting convention for inventories to be valued at the lower of cost and net realisable value using the weighted average or "first-in first-out" cost formula, it should be recognised that the NHS is a special case in that inventories are not generally held for the intention of resale and indeed there is no market readily available where such items could be sold. Inventories are valued at cost and this is considered to be a reasonable approximation to fair value due to the high turnover of stocks. Work-in-progress comprises goods in intermediate stages of production. Partially completed contracts for patient services are not accounted for as work-in-progress.

1.13 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Statement of Cash flows, 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 LHB has a present legal or constructive obligation as a result of a past event, it is probable that the LHB 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 LHB 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 LHB 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 (WRP) 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 not implemented in 2018-19***. The WRP is hosted by Velindre NHS Trust.

1.15 Financial Instruments

From 2018-19 IFRS 9 Financial Instruments is applied, as interpreted and adapted for the public sector, in the FReM. The principal impact of IFRS 9 adoption by NHS Wales bodies, will be 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 shall recognise the difference between previous carrying amount and the carrying amount at the beginning of the annual reporting period that includes the date of initial application in the opening general fund within Taxpayers' equity.

1.16 Financial assets

Financial assets are recognised on the Statement of Financial Position when the LHB 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.
NHS Wales Technical Accounting Group members reviewed the IFRS 9 requirements and determined 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. More detail on the approach taken in the adoption of IFRS 9 is given under Note 34 of these Accounts.

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 Statement of Financial Position date, the LHB 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 Statement of

Comprehensive Net Expenditure and the carrying amount of the asset is reduced directly, or through a provision of impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Comprehensive Net Expenditure to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.17 Financial liabilities

Financial liabilities are recognised on the Statement of Financial Position when the LHB 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 Statement of Comprehensive Net Expenditure or other financial liabilities.

1.17.2 Financial liabilities at fair value through the Statement of Comprehensive Net Expenditure

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

Most of the activities of the LHB 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 Statement of Comprehensive Net Expenditure. At the Statement of Financial Position 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 LHB has no beneficial interest in them. Details of third party assets are given in Note 29 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 LHBs 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 LHB accounts for all losses and special payments gross (including assistance from the WRP).
The LHB accrues or provides for the best estimate of future payouts for certain liabilities and discloses all other potential payments as contingent liabilities, unless the probability of the liabilities becoming payable is remote.

All claims for losses and special payments are provided for, where the probability of settlement of an individual claim is over 50%. Where reliable estimates can be made, incidents of clinical negligence against which a claim has not, as yet, been received are provided in the same way. Expected reimbursements from the WRP are included in debtors. For those claims where the probability of settlement is below 50%, the liability is disclosed as a contingent liability.

1.22 Pooled budget

The LHB has entered into a pooled arrangement with Cardiff and The Vale of Glamorgan Local Authorities, as permissable under section 33 of the NHS (Wales) Act 2006 for the operation of a Joint Equipment Store (JES). The purpose of the JES is the provision and delivery of common equipment and consumables to patients which are resident in the localities of the partners to the pooled budget. The pooled budget arrangement became operational from 1st January 2012.

During 2018-19 the UHB received funding from the Welsh Government's Integrated Care Fund and its Transformation Fund. The planning and delivery of the programmes associated with this funding has the involvement of social services, housing and the third independent sector.

Also during 2018-19 the UHB received funding from Cardiff Council which had been allocated from Welsh Government Families First monies. The service provided from this funding is operationally managed by the Local Authority with the UHB offering professional support.

As required under Part 9 of the Social Services and Well-being (Wales) Act 2014, a pooled budget arrangement has been agreed between ourselves and the Cardiff and Vale Local Authorities. This came into effect from April 1st 2018.

Details of the operational and accounting arrangements in place around each of the above can be found in Note 32 of these accounts on page 146.

1.23 Critical Accounting Judgements and key sources of estimation uncertainty
In the application of the LHB's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

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

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

(i) Provisions
The Health Board 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 Health Board or Trust, the full cost is recognised in year and matched to income (less a £25K excess) via a WRPS debtor, until reimbursement has been received from the WRPS Committee.

Probable & Certain Cases – Accounting Treatment

A provision for these cases is calculated in accordance with IAS 37. Cases are assessed and divided into four categories according to their probability of settlement;

Remote	Probability of Settlement	0 – 5%
	Accounting Treatment	Contingent Liability.
Possible	Probability of Settlement	6% - 49%
	Accounting Treatment	Defence Fee - Provision Contingent Liability for all other estimated expenditure.
Probable	Probability of Settlement	50% - 94%
	Accounting Treatment	Full Provision
Certain	Probability of Settlement	95% - 100%
	Accounting Treatment	Full Provision

The provision for probable and certain cases is based on case estimates of individual reported claims received by Legal & Risk Services within NHS Wales Shared Services Partnership.

The solicitor will estimate the case value including defence fees, using professional judgement and from obtaining counsel advice. Valuations are then discounted for the future loss elements using individual life expectancies and the Government Actuary's Department actuarial tables (Ogden tables) and Personal Injury Discount Rate of -0.75%.

Future liabilities for certain & probable cases with a probability of 95%-100% and 50%- 94% respectively are held as a provision on the balance sheet. Cases typically take a number of years to settle, particularly for high value cases where a period of development is necessary to establish the full extent of the injury caused.

ii) The LHB provides for potential bad debts both as a result of specific disputes and based on historic collectability patterns. As a result of this, the LHB is carrying a bad debt provision of £8.137m re non NHS organisations and a credit note provision of £0.945m in respect of NHS debts. While this provision is considered prudent and accurate as at the statement of financial position date, due to the ongoing trading relationships it covers, potentially there could be gains and losses re the ultimate recoverability in respect of amounts provided for.

iii) In line with IAS 19 the LHB has reviewed the level of annual leave taken by its staff to March 31st 2019. Based on a sample the LHB has accrued £0.741m re untaken annual leave. This is based on a sample of the leave records of 57% of all LHB staff and reflects the LHB's policy of only allowing annual leave to be carried forward into 2019/20 under exceptional circumstances or when this has been necessary to help the LHB achieve service performance targets.

iv) The LHB has estimated a liability of £2.503m in respect of retrospective claims for continuing healthcare funding. The estimated provision is based upon an assessment of the likelihood of claims meeting criteria for continuing healthcare and the actual costs incurred by individuals in care homes. The provision is based on information made available to the LHB at the time of these accounts and could be subject to significant change as outcomes are determined. Accordingly the UHB is disclosing a contingent liability of £7.869m in respect of such cases within note 21.1 of these Accounts.

v) During 2009/10 the LHB counted inventory (excluding drugs which were already being counted) held on wards for the first time as part of its year end inventory figure. From a practical perspective it would be extremely difficult for the LHB to physically count all such areas immediately prior to March 31st, hence an extrapolation method was agreed. As a result, on a three yearly rolling basis the stock in 28 different wards has now been counted. This represents 654 beds out of a possible 1,911 across the LHB. In this way a figure of £0.697m has been calculated for ward stock and has been included within the inventory balance shown in note 14.1 of the accounts. As the number of wards counted increases a picture has emerged of a strata of wards which have a relatively low level of stockholding and one for those which have higher than average levels. This intelligence is now being built in to the calculation of the balance involved.

vi) As in other years due to the relatively short timescale available to prepare the annual accounts, the primary care expenditure disclosed contains a number of significant estimates where the value of actual liabilities was not available prior to the date of the accounts submission. The most material areas being:

> GMS Enhanced Services £1.835m
> GMS Quality and Outcomes Framework £1.887m
> Prescribing £11.694m
> Pharmacy £5.591m

1.25 Private Finance Initiative (PFI) transactions

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The LHB 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'.

Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

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 LHBs approach for each relevant class of asset in accordance with the principles of IAS 16.

PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the Statement of Comprehensive Net Expenditure.

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 Statement of Comprehensive Net Expenditure.

Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the LHBs 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.

Assets contributed by the LHB 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 LHBs Statement of Financial Position.

Other assets contributed by the LHB to the operator
Assets contributed (e.g. cash payments, surplus property) by the LHB 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 LHB, 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 LHB through the asset being made available to third party users.

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

Where the time value of money is material, contingencies are disclosed at their present value.
Remote contingent liabilities are those that are disclosed under Parliamentary reporting requirements and not under IAS 37 and, where practical, an estimate of their financial effect is required.

1.27 Carbon Reduction Commitment Scheme
Carbon Reduction Commitment Scheme allowances are accounted for as government grant funded intangible assets if they are not realised within twelve months and otherwise as current assets. The asset should be measured initially at cost. Scheme assets in respect of allowances shall be valued at fair value where there is evidence of an active market.

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 (The European Financial Reporting Advisory Group recommended in October 2015 that the Standard should not be endorsed as it is unlikely to be adopted by many EU countries.),
IFRS 16 Leases, HMT have confirmed that IFRS 16 Leases, as interpreted and adapted by the FReM is to be effective from 1st April 2020.
IFRS 17 Insurance Contracts,
IFRIC 23 Uncertainty over Income Tax Treatment.

1.30 Accounting standards issued that have been adopted early

During 2018-19 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 LHB has established that as the LHB is the corporate trustee of the linked NHS Charity (Cardiff & Vale Health Charity), it is considered for accounting standards compliance to have control of Cardiff & Vale Health Charity as a subsidiary and therefore is required to consolidate the results of Cardiff & Vale Health Charity within the statutory accounts of the LHB. The determination of control is an accounting standards test of control and there has been no change to the operation of Cardiff & Vale Health Charity or its independence in its management of charitable funds.

However, the LHB 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 [consolidate/disclose] the Charitable Accounts of Local Health Boards in the Welsh Government Consolidated Accounts. Details of the transactions with the charity are included in the related parties' notes.

2. Financial Duties Performance

The National Health Service Finance (Wales) Act 2014 came into effect from 1 April 2014. The Act 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 reponsible, and the provision of health care to such people, and for that plan to be submitted to and approved by the Welsh Ministers.

The first assessment of performance against the 3 year statutory duty under section 175 (1) was at the end of 2016-17, being the first 3 year period of assessment.

Welsh Health Circular WHC/2016/054 "Statutory and Financial Duties of Local Health 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			
	2016-17	2017-18	2018-19	**Total**
	£'000	£'000	£'000	**£'000**
Net operating costs for the year	936,816	919,484	**964,633**	**2,820,933**
Less general ophthalmic services expenditure and other non-cash limited expenditure	(21,567)	(19,396)	**(18,186)**	**(59,149)**
Less revenue consequences of bringing PFI schemes onto SoFP	(1,028)	(1,028)	**(1,028)**	**(3,084)**
Total operating expenses	914,221	899,060	945,419	**2,758,700**
Revenue Resource Allocation	884,978	872,207	**935,547**	**2,692,732**
Under /(over) spend against Allocation	(29,243)	(26,853)	**(9,872)**	**(65,968)**

Cardiff & Vale University LHB has not met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2016-17 to 2018-19.

The Health Board received £9.325m repayable cash only support in 2018-19. The accumulated cash only support provided to the Health Board by the Welsh Government is £54.849m as at 31 March 2019. The cash only support is provided to assist the Health Board with ensuring payments to staff and suppliers, there is no interest payable on cash only support. Repayment of this cash assistance will be in accordance with the Health Boards future Integrated Medium Term Plan submissions.

2.2 Capital Resource Performance

	2016-17	2017-18	2018-19	**Total**
	£'000	£'000	£'000	**£'000**
Gross capital expenditure	44,061	55,936	**49,349**	**149,346**
Add: Losses on disposal of donated assets	9	0	**4**	**13**
Less: NBV of property, plant and equipment and intangible assets disposed	(621)	(2,297)	**(310)**	**(3,228)**
Less: capital grants received	0	0	**0**	**0**
Less: donations received	(1,423)	(6,606)	**(630)**	**(8,659)**
Charge against Capital Resource Allocation	42,026	47,033	**48,413**	**137,472**
Capital Resource Allocation	42,104	47,121	**48,487**	**137,712**
(Over) / Underspend against Capital Resource Allocation	78	88	**74**	**240**

The LHB met its financial duty to break-even against its Capital Resource Limit over the 3 years 2016-17 to 2018-19.

2.3 Duty to prepare a 3 year plan

The NHS Wales Planning Framework for the period 2018-19 to 2020-21 issued to LHBs placed a requirement upon them to prepare and submit Integrated Medium Term Plans to the Welsh Government.

The LHB submitted an Integrated Medium Term Plan for the period 2018-19 to 2020-21 in accordance with NHS Wales Planning Framework.

	2018-19 to 2020-21
The Minister for Health and Social Services approval status	**Not Approved**

The LHB **has not met** its statutory duty to have an approved financial plan for the period 2018-19 to 2020-21.

In the absence of an approved Integrated Medium Term Plan, the LHB submitted a one year Operational Plan to Welsh Government in July 2018. This postion was accepted and the UHB has been operating with a planned deficit of £9.9m in 2018/19.

The LHB Integrated Medium Term Plan **was not** approved in 2017-18.

3. Analysis of gross operating costs

3.1 Expenditure on Primary Healthcare Services

	Cash limited £'000	Non-cash limited £'000	2018-19 Total £'000	2017-18 £'000
General Medical Services	74,929		**74,929**	72,250
Pharmaceutical Services	21,894	13,038	**34,932**	35,904
General Dental Services	32,806		**32,806**	31,854
General Ophthalmic Services	1,924	5,148	**7,072**	6,973
Other Primary Health Care expenditure	11,327		**11,327**	7,160
Prescribed drugs and appliances	72,072		**72,072**	74,206
Total	**214,952**	**18,186**	**233,138**	228,347

The Total expenditure above includes £12.923m in respect of staff costs (£13.208m 2017-18).

3.2 Expenditure on healthcare from other providers

	2018-19 £'000	2017-18 £'000
Goods and services from other NHS Wales Health Boards	**26,331**	25,866
Goods and services from other NHS Wales Trusts	**28,606**	25,366
Goods and services from Health Education and Improvement Wales (HEIW)	**0**	0
Goods and services from other non Welsh NHS bodies	**2,244**	1,433
Goods and services from WHSSC / EASC	**121,693**	119,424
Local Authorities	**35,414**	5,666
Voluntary organisations	**7,309**	7,810
NHS Funded Nursing Care	**8,979**	10,811
Continuing Care	**57,757**	55,920
Private providers	**13,586**	12,654
Specific projects funded by the Welsh Government	**0**	0
Other	**0**	0
Total	**301,919**	264,950

3.3 Expenditure on Hospital and Community Health Services

	2018-19	2017-18
	£'000	£'000
Directors' costs	**2,331**	2,182
Staff costs	**597,790**	575,399
Supplies and services - clinical	**177,070**	165,455
Supplies and services - general	**8,561**	6,108
Consultancy Services	**2,186**	1,144
Establishment	**10,666**	10,650
Transport	**865**	642
Premises	**27,863**	29,831
External Contractors	**0**	0
Depreciation	**31,574**	25,686
Amortisation	**717**	658
Fixed asset impairments and reversals (Property, plant & equipment)	**(123)**	(7,033)
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**	(56)
Audit fees	**401**	451
Other auditors' remuneration	**0**	8
Losses, special payments and irrecoverable debts	**2,898**	5,391
Research and Development	**0**	0
Other operating expenses	**(396)**	3,519
Total	**862,403**	820,035

3.4 Losses, special payments and irrecoverable debts: charges to operating expenses

	2018-19	2017-18
Increase/(decrease) in provision for future payments:	**£'000**	£'000
Clinical negligence	**22,390**	51,613
Personal injury	**277**	1,649
All other losses and special payments	**440**	180
Defence legal fees and other administrative costs	**372**	1,028
Gross increase/(decrease) in provision for future payments	**23,479**	**54,470**
Contribution to Welsh Risk Pool	**0**	0
Premium for other insurance arrangements	**0**	0
Irrecoverable debts	**875**	1,834
Less: income received/due from Welsh Risk Pool	**(21,456)**	(50,913)
Total	**2,898**	**5,391**

Personal injury includes -£20k (2017-18 £972k) in respect of Permanent Injury Benefits.
The Permanent Injury figure for 2018-19 is negative due to a reduction in the provision required as a result of a change in the discount rate applied to these cases.
Clinical Redress expenditure during the year was £331k in respect of 46 cases (2017-18 £608k re 60 cases).

4. Miscellaneous Income

		2018-19	2017-18
		£'000	£'000
Local Health Boards		71,217	69,442
Welsh Health Specialised Services Committee (WHSSC) / Emergency Ambulance Services Committee (EASC)		221,552	204,324
NHS trusts		5,311	4,745
Health Education and Improvement Wales (HEIW)		9,953	0
Other NHS England bodies		4,848	5,540
Foundation Trusts		224	69
Local authorities		35,585	8,824
Welsh Government		4,739	2,668
Non NHS:			
Prescription charge income		83	95
Dental fee income		5,859	5,739
Private patient income		1,055	831
Overseas patients (non-reciprocal)		302	91
Injury Costs Recovery (ICR) Scheme		1,654	2,748
Other income from activities		1,965	2,051
Patient transport services		0	0
Education, training and research		38,520	46,752
Charitable and other contributions to expenditure		2,842	2,686
Receipt of donated assets		631	6,606
Receipt of Government granted assets		0	0
Non-patient care income generation schemes		2,227	1,880
NHS Wales Shared Services Partnership (NWSSP)		0	0
Deferred income released to revenue		224	243
Contingent rental income from finance leases		0	0
Rental income from operating leases		0	0
Other income:			
	Provision of laundry, pathology, payroll services	7,415	6,238
	Accommodation and catering charges	3,577	2,344
	Mortuary fees	343	326
	Staff payments for use of cars	0	0
	Business Unit	0	0
	Other	14,042	13,152
Total		434,168	387,394

Injury Costs Recovery (ICR) Scheme income is subject to a provision for impairment of 50.28% re personal injury claims and 18.42% re RTA claims to reflect expected rates of collection based on the UHB's past recoverability performance.

Other Income includes:		
Non Staff SLAs with Cardiff University	3,338	4,209
Creche Fees	600	658
Compensation Payments received	1,218	43
Pharmacy sales	2,070	1,751
Equipment Evaluation Income	442	737
NHS Non Patient Care Income	2,114	2,029
Non Patient Related Staff Recharges	1,305	1,162
Total	11,087	10,589

HEIW is a new Welsh Health Body that began operations on October 1st 2018. The income that the UHB receives from HEIW would previously have come from Cardiff University or Velindre NHS Trust and would have been classed as Education, training and research.
The increase in Local Authorities income relates to new arrangements put in place during the year with our Local Authority partners for the exercise of care home accommodation functions. More detail in respect of this is given in note 32 of these accounts.

5. Investment Revenue

	2018-19	2017-18
	£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

	2018-19	2017-18
	£000	£000
Gain/(loss) on disposal of property, plant and equipment	(12)	244
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of assets held for sale	3	7,596
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	(9)	7,840

7. Finance costs

	2018-19	2017-18
	£000	£000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	8	10
Interest on obligations under PFI contracts		
main finance cost	1,282	1,303
contingent finance cost	0	0
Interest on late payment of commercial debt	0	1
Other interest expense	0	0
Total interest expense	1,290	1,314
Provisions unwinding of discount	42	72
Other finance costs	0	0
Total	1,332	1,386

8. Operating leases

LHB as lessee

As at 31st March 2019 the LHB had 22 operating leases agreements in place for the leases of premises, 0 arrangements in respect of equipment and 55 in respect of vehicles, with 1 premises, 1 equipment and 3 vehicle leases having expired in year. The periods in which the remaining 77 agreements expire are shown below:

Payments recognised as an expense	2018-19	2017-18
	£000	£000
Minimum lease payments	1,353	1,566
Contingent rents	0	0
Sub-lease payments	0	0
Total	**1,353**	1,566

Total future minimum lease payments		
Payable	£000	£000
Not later than one year	1,129	1,388
Between one and five years	2,564	3,043
After 5 years	2,167	2,621
Total	**5,860**	7,052

Number of operating leases expiring	Land & Buildings	Vehicles	Equipment	Total
Not later than one year	3	29	0	32
Between one and five years	6	26	0	32
After 5 years	13	0	0	13
Total	22	55	0	77
Charged to the income statement (£000)	**1,170**	**174**	**0**	**1,344**

There are no future sublease payments expected to be received.

LHB as lessor

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	Other Staff	Total 2018-19	2017-18
	£000	£000	£000	£000	£000	£000
Salaries and wages	483,438	2,159	11,343	9,132	**506,072**	490,298
Social security costs	48,394	0	0	0	**48,394**	44,141
Employer contributions to NHS Pension Scheme	59,065	0	0	0	**59,065**	56,817
Other pension costs	386	0	0	0	**386**	35
Other employment benefits	0	0	0	0	**0**	0
Termination benefits	315	0	0	0	**315**	154
Total	591,598	2,159	11,343	9,132	**614,232**	591,445
Charged to capital					**1,294**	913
Charged to revenue					**612,938**	590,532
					614,232	591,445
Net movement in accrued employee benefits (untaken staff leave accrual included above)					85	(253)

During the preparation of the 2018/19 accounts, it was identified that the figures shown above for "salaries and wages" and "social security costs" for the year ending 31/3/18 are misstated by a compensatory amount of £2.3 million. The misstatement would increase social security costs and decrease salaries and wages. The figures effected have not been restated as the error doesn't impact upon our financial performance in either 2017/18 or 2018/19.

9.2 Average number of employees

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Other Staff	Total 2018-19	2017-18
	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	2,011	7	25	12	**2,055**	2,006
Medical and dental	1,328	15	2	46	**1,391**	1,355
Nursing, midwifery registered	3,758	1	134	1	**3,894**	3,876
Professional, Scientific, and technical staff	590	4	0	10	**604**	596
Additional Clinical Services	2,480	0	0	0	**2,480**	2,457
Allied Health Professions	820	4	6	25	**855**	828
Healthcare Scientists	461	0	2	1	**464**	471
Estates and Ancilliary	1,083	0	1	0	**1,084**	1,095
Students	13	0	0	0	**13**	11
Total	**12,544**	**31**	**170**	**95**	**12,840**	12,695

9.3. Retirements due to ill-health

During 2018-19 there were 11 early retirements from the LHB agreed on the grounds of ill-health (20 in 2017-18 - £1,142,043). The estimated additional pension costs of these ill-health retirements (calculated on an average basis and borne by the NHS Pension Scheme) will be £427,856.

9.4 Employee benefits

The LHB does not have an employee benefit scheme.

9.5 Reporting of other compensation schemes - exit packages

	2018-19	2018-19	2018-19	2018-19	2017-18
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	1
£10,000 to £25,000	0	2	2	2	2
£25,000 to £50,000	0	4	4	4	1
£50,000 to £100,000	0	2	2	2	1
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	**0**	**8**	**8**	**8**	**5**

	2018-19	2018-19	2018-19	2018-19	2017-18
Exit packages cost band (including any special payment element)	**Cost of compulsory redundancies**	**Cost of other departures**	**Total cost of exit packages**	**Cost of special element included in exit packages**	**Total cost of exit packages**
	£'s	**£'s**	**£'s**	**£'s**	**£'s**
less than £10,000	0	0	**0**	0	528
£10,000 to £25,000	0	28,098	**28,098**	28,098	46,402
£25,000 to £50,000	0	134,061	**134,061**	134,061	35,578
£50,000 to £100,000	0	153,161	**153,161**	153,161	71,156
£100,000 to £150,000	0	0	**0**	0	0
£150,000 to £200,000	0	0	**0**	0	0
more than £200,000	0	0	**0**	0	0
Total	**0**	**315,320**	**315,320**	**315,320**	**153,664**

Redundancy costs have been paid in accordance with the NHS Redundancy provisions, 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 pension scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table.

All 8 special payments are severance payments, the highest payment was £90,998 the lowest payment was £12,269 and the median payment was for £29,020.

9.6 Remuneration Relationship

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

The banded remuneration of the highest-paid director in the LHB in the financial year 2018-19 was £215,000 - £220,000 (2017-18, £210,000 - £215,000). This was 7.42 times (2017-18, 7.47) the median remuneration of the workforce, which was £29,302 (2017-18, £28,535). In both 2018-19 and 2019-20 the highest-paid director was the Medical Director.

	2018-19	2017-18
Band of Chief Executive Remuneration	205-210	200-205
Median Total Remuneration £	29,302	28,435
Ratio	7.08	7.12
Band of Highest-Paid Director's Remuneration	215-220	210-215
Median Total Remuneration £	29,302	28,435
Ratio	7.42	7.47

In 2018-19, 6 (2017-18, 3) employees received remuneration in excess of the highest-paid director. Remuneration for these staff ranged from £215,000 to £250,000 (2017-18 £215,000 to £235,000). All these employees are Medical Consultants and remuneration for the highest-paid staff includes payments for additional sessions worked, and varies from month to month.

Total remuneration includes salary and non-consolidated performance-related pay. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions. The guidance also suggests that this information should include benefits-in-kind, the LHB does not have the relevant information available to comply with this requirement. In addition, please note that overtime payments are included where applicable in the calculation of both elements of the relationship.

There has been an increase in year in the median remuneration of the workforce which was partly the result of an average 3% inflationary pay increase received by staff covered by the Agenda for Change agreement. In addition, Medical Staff and Executives received an inflationary pay award of 2% and there were also slight changes to the composition of the workforce which will have contributed to the change in ratio.

9.7 Pension costs

PENSION COSTS

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health 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 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

c) National Employment Savings Trust (NEST)

NEST is a workplace pension scheme, which was set up by legislation and is treated as a trust-based scheme. The Trustee responsible for running the scheme is NEST Corporation. It's a non-departmental public body (NDPB) that operates at arm's length from government and is accountable to Parliament through the Department for Work and Pensions (DWP).

NEST Corporation has agreed a loan with the Department for Work and Pensions (DWP). This has paid for the scheme to be set up and will cover expected shortfalls in scheme costs during the earlier years while membership is growing.

NEST Corporation aims for the scheme to become self-financing while providing consistently low charges to members.

Using qualifying earnings to calculate contributions, currently the legal minimum level of contributions is 5% of a jobholder's qualifying earnings, for employers whose legal duties have started. The employer must pay at least 2% of this. The legal minimum level of contribution level is due to increase to 8% in April 2019.

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £6,032 and £46,350 for the 2018-19 tax year (2017-18 £5,876 and £45,000).

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.

The figures for 2018-19 and 2017-18 exclude both the number and value of non-NHS bills paid to primary care services and contractor services.

	2018-19	**2018-19**	2017-18	2017-18
NHS	**Number**	**£000**	Number	£000
Total bills paid	**8,361**	**231,945**	6,889	219,335
Total bills paid within target	**5,991**	**217,636**	5,056	208,588
Percentage of bills paid within target	**71.7%**	**93.8%**	73.4%	95.1%
Non-NHS				
Total bills paid	**308,555**	**606,354**	271,953	534,405
Total bills paid within target	**293,203**	**580,435**	250,865	505,636
Percentage of bills paid within target	**95.0%**	**95.7%**	92.2%	94.6%
Total				
Total bills paid	**316,916**	**838,299**	278,842	753,740
Total bills paid within target	**299,194**	**798,071**	255,921	714,224
Percentage of bills paid within target	**94.4%**	**95.2%**	91.8%	94.8%

The above performance was achieved after the UHB received £20.959m of non recurrent cash support from WG. £9.325m of this is repayable.

10.2 The Late Payment of Commercial Debts (Interest) Act 1998

	2018-19	2017-18
	£	£
Amounts included within finance costs (note 7) from claims made under this legislation	**0**	340
Compensation paid to cover debt recovery costs under this legislation	**0**	197
Total	**0**	537

11.1 Property, plant and equipment

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 April 2018	103,055	496,155	4,087	20,641	120,476	870	18,666	180	**764,130**
Indexation	2,041	1,113	41	0	0	0	0	0	**3,195**
Additions									
- purchased	425	6,199	0	29,772	8,914	0	1,877	0	**47,187**
- donated	0	191	0	200	206	0	22	0	**619**
- 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	1,950	10,729	0	(12,679)	0	0	0	0	**0**
Revaluations	0	1,019	0	0	0	0	0	0	**1,019**
Reversal of impairments	20	3,848	0	0	0	0	0	0	**3,868**
Impairments	(29)	(5,196)	0	0	0	0	0	0	**(5,225)**
Reclassified as held for sale	(1,122)	(2,675)	0	0	0	0	0	0	**(3,797)**
Disposals	0	0	0	0	(8,317)	(15)	(1,931)	0	**(10,263)**
At 31 March 2019	106,340	511,383	4,128	37,934	121,279	855	18,634	180	**800,733**
Depreciation at 1 April 2018	0	14,358	103	0	77,714	824	13,527	180	**106,706**
Indexation	0	41	1	0	0	0	0	0	**42**
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	97	0	0	0	0	0	0	**97**
Impairments	0	(1,577)	0	0	0	0	0	0	**(1,577)**
Reclassified as held for sale	0	(1,773)	0	0	0	0	0	0	**(1,773)**
Disposals	0	0	0	0	(8,294)	(15)	(1,931)	0	**(10,240)**
Provided during the year	0	20,025	104	0	9,219	20	2,206	0	**31,574**
At 31 March 2019	0	31,171	208	0	78,639	829	13,802	180	**124,829**
Net book value at 1 April 2018	103,055	481,797	3,984	20,641	42,762	46	5,139	0	**657,424**
Net book value at 31 March 2019	106,340	480,212	3,920	37,934	42,640	26	4,832	0	**675,904**
Net book value at 31 March 2019 comprises :									
Purchased	106,340	464,037	3,920	37,734	39,521	26	4,748	0	**656,326**
Donated	0	16,175	0	200	3,119	0	84	0	**19,578**
Government Granted	0	0	0	0	0	0	0	0	**0**
At 31 March 2019	106,340	480,212	3,920	37,934	42,640	26	4,832	0	**675,904**
Asset financing :									
Owned	105,748	460,996	2,882	37,934	42,456	26	4,832	0	**654,874**
Held on finance lease	0	1,402	0	0	184	0	0	0	**1,586**
On-SoFP PFI contracts	592	17,814	1,038	0	0	0	0	0	**19,444**
PFI residual interests	0	0	0	0	0	0	0	0	**0**
At 31 March 2019	106,340	480,212	3,920	37,934	42,640	26	4,832	0	**675,904**

The net book value of land, buildings and dwellings at 31 March 2019 comprises :

	£000
Freehold	**569,626**
Long Leasehold	**20,846**
Short Leasehold	**0**
	590,472

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation was prepared in accordance with the terms of the Royal Institute of Chartered Surveyors Valuation Standards, 6th Edition. 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 arm's length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

Of the totals at 31st March 2019, £0 related to land valued at open market value and £0 related to buildings, installations and fittings valued at open market value.
Figures for freehold land and buildings are given gross with separate accumulated depreciation.
The LHB had to charge accelerated depreciation on the following: (1) Rookwood Hospital which has been earmarked for closure, £0.659m. (2) Two buildings at UHW which have been earmarked for closure: Brecknock House £1.846m and Denbigh House £0.748m. (3) Non specialised assets reclassified as Assets Held for Sale: Iorwerth Jones £1.158m and Lansdowne Hospital £0.479m.

11.1 Property, plant and equipment

	Land	Buildings, excluding dwellings	Dwellings	Assets under construction & payments on account	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2017	127,304	512,382	5,553	6,479	111,874	937	19,400	180	**784,109**
Indexation	0	0	0	0	0	0	0	0	**0**
Additions									
- purchased	0	10,802	0	21,706	13,507	0	1,816	0	**47,831**
- donated	0	5,945	0	0	591	0	59	0	**6,595**
- government granted	0	0	0	0	0	0	0	0	**0**
Transfer from/into other NHS bodies	110	396	0	0	0	0	0	0	**506**
Reclassifications	0	7,674	(130)	(7,544)	0	0	0	0	**0**
Revaluations	(23,560)	0	(1,336)	0	0	0	0	0	**(24,896)**
Reversal of impairments	0	(17,072)	0	0	0	0	0	0	**(17,072)**
Impairments	(519)	(23,972)	0	0	0	0	0	0	**(24,491)**
Reclassified as held for sale	(280)	0	0	0	0	0	0	0	**(280)**
Disposals	0	0	0	0	(5,496)	(67)	(2,609)	0	**(8,172)**
At 31 March 2018	103,055	496,155	4,087	20,641	120,476	870	18,666	180	**764,130**
Depreciation at 1 April 2017	0	65,449	795	0	74,824	858	13,961	180	**156,067**
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	6	(6)	0	0	0	0	0	**0**
Revaluations	0	(17,423)	(794)	0	0	0	0	0	**(18,217)**
Reversal of impairments	0	(34,704)	0	0	0	0	0	0	**(34,704)**
Impairments	0	(14,004)	0	0	0	0	0	0	**(14,004)**
Reclassified as held for sale	0	0	0	0	0	0	0	0	**0**
Disposals	0	0	0	0	(5,446)	(67)	(2,609)	0	**(8,122)**
Provided during the year	0	15,034	108	0	8,336	33	2,175	0	**25,686**
At 31 March 2018	0	14,358	103	0	77,714	824	13,527	180	**106,706**
Net book value at 1 April 2017	127,304	446,933	4,758	6,479	37,050	79	5,439	0	**628,042**
Net book value at 31 March 2018	103,055	481,797	3,984	20,641	42,762	46	5,139	0	**657,424**
Net book value at 31 March 2018 comprises :									
Purchased	103,055	465,566	3,984	20,641	38,744	46	5,021	0	**637,057**
Donated	0	16,231	0	0	4,018	0	118	0	**20,367**
Government Granted	0	0	0	0	0	0	0	0	**0**
At 31 March 2018	103,055	481,797	3,984	20,641	42,762	46	5,139	0	**657,424**
Asset financing :									
Owned	95,525	443,768	2,925	20,641	42,486	46	5,139	0	**610,530**
Held on finance lease	0	1,485	0	0	276	0	0	0	**1,761**
On-SoFP PFI contracts	7,530	36,544	1,059	0	0	0	0	0	**45,133**
PFI residual interests	0	0	0	0	0	0	0	0	**0**
At 31 March 2018	103,055	481,797	3,984	20,641	42,762	46	5,139	0	**657,424**

The net book value of land, buildings and dwellings at 31 March 2018 comprises :

	£000
Freehold	**542,218**
Long Leasehold	**21,330**
Short Leasehold	**25,288**
	588,836

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation has been prepared in accordance with the terms of the Royal Institute of Chartered Surveyors Valuation Standards, 6th Edition. LHB s are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

Of the totals at 31st March 2018, £0 related to land valued at open market value and £0 related to buildings, installations and fittings valued at open market value.
Figures for freehold land and buildings are given gross with separate accumulated depreciation.
The LHB had to charge accelerated depreciation on the following: Rookwood Hospital which has been earmarked for closure, £0.562m.

11. Property, plant and equipment (continued)

Additional disclosures re Property, Plant and Equipment

i) Donated additions 2018/2019
Of the donated additions shown in Note 11.1, the Latch Charity funded £0.186m of building works. The Noah's Ark Charity also funded £0.095m of equipment for the Children's Hospital. The LHB's Charitable Fund contributed £0.133m towards the purchase of equipment during the year. Other donors funded building and assets under construction costs worth £0.205m.

ii) Professional valuations are carried out by the District Valuer Service (which as the commercial arm of the Valuation Office Agency, is part of HMRC). The valuations are carried out in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Assembly and HM Treasury. The last full Valuation of the LHB's estate was carried out on 1st April 2017.

However, the LHB will periodically instruct the District Valuer to Carry out "Good Housekeeping Valuations" when assets resulting from major capital schemes are first brought into use. During the year the LHB carried out 6 such revaluations the total effect of which were:
Impairments written off via the Statement of Comprehensive Net Expenditure (SoCNE) were (£3.290m), reversal of Impairments of £0.004m were credited to the SoCNE.

The significant schemes brought into use were:
CRI Safeguarding Works (£1.860m) was written off the carrying value via the SoCNE.
UHW Renal Facility Upgrading (£0.848m) was written off the carrying value via the SoCNE.

In addition four minor schemes were brought into use and (£0.578m) was written off the carrying value via the SoCNE, whilst a reversal of impairment of £0.004m was credited to the SoCNE.

iii) The useful economic life of LHB buildings has been determined on an asset by asset basis by the District Valuer. These lives are reviewed by the LHB on an annual basis to ascertain their appropriateness and are reviewed every five years by the District Valuer. Major new construction projects are allocated useful economic lives by the District Valuer when they are first brought into use, smaller alterations to existing structures are initially allocated a useful life of 30 years and alterations to mechanical and engineering assets are allocated 15 year lives. Equipment assets are allocated lives on an individual basis based on the professional judgement and past experience of clinicians, finance staff and other LHB professionals. Again the appropriateness of these lives is reviewed on an annual basis.

iv) During the year the LHB has received Non Cash Allocation from the Welsh Government for impairment to assets charged to the SoCNE and this Allocation is included in our Revenue Resource Limit.

v) During the year the Board approved the sale of four of its properties and a parcel of land, these were revalued accordingly by the District Valuer and an impairment of (£0.355m) has been charged to the SoCNE, see Note 11.2 for further detail. In addition, the Board purchased two parcels of land and two properties during the year. The parcels of land were valued by the District Valuer and an impairment of (£0.003m) has been charged to the SoCNE. One of the properties is undergoing refurbishment and part of the building is now available for use. Therefore it has been revalued by the District Valuer, and an upward revaluation of £1.019m has been set against the revaluation reserve. The final property was purchased at the end of the financial year and its value is currently shown in assets under construction as it requires alteration before it can be used by the LHB.

vi) As per Welsh Government guidance the LHB has applied an Indexation factor to its Land and Buildings for 2018/2019, for a handful of sites this has resulted in a reversal of a prior period Impairment charge and therefore £3.767m has been credited to the SoCNE.

vii) All fully depreciated assets still in use are being carried at nil net book value.

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 2018	0	0	0	0	0	**0**
Plus assets classified as held for sale in the year	1,122	902	0	0	0	**2,024**
Revaluation	0	0	0	0	0	**0**
Less assets sold in the year	(36)	(82)	0	0	0	**(118)**
Add reversal of impairment of assets held for sale	0	0	0	0	0	**0**
Less impairment of assets held for sale	0	0	0	0	0	**0**
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	**0**
Balance carried forward 31 March 2019	1,086	820	0	0	0	**1,906**
Balance brought forward 1 April 2017	1,815	0	0	0	0	**1,815**
Plus assets classified as held for sale in the year	280	0	0	0	0	**280**
Revaluation	0	0	0	0	0	**0**
Less assets sold in the year	(2,039)	0	0	0	0	**(2,039)**
Add reversal of impairment of assets held for sale	0	0	0	0	0	**0**
Less impairment of assets held for sale	(56)	0	0	0	0	**(56)**
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 2018	0	0	0	0	0	**0**

Assets sold in the period

The LHB sold a property and a parcel of land in 2018/2019 - a profit of £0.003m was made on the sales.

Assets classified as held for sale during the year

As mentioned on page 117 during 2018/19, the LHB obtained the appropriate approvals to sell four of its properties and a parcel of land, the properties were classified as Held for Sale during the year.

At the time the properties and parcel of land were classified as Held for Sale they were revalued appropriately and any adjustments for these has been included in Note 11.1.

12. Intangible non-current assets

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure-internally generated	Carbon Reduction Commitments	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2018	5,854	0	112	0	74	365	**6,405**
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	**1,106**	**0**	**0**	**0**	**0**	**0**	**1,106**
Additions- internally generated	**0**	**0**	**0**	**0**	**426**	**0**	**426**
Additions- donated	**11**	**0**	**0**	**0**	**0**	**0**	**11**
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	**(37)**	**0**	**0**	**0**	**0**	**(169)**	**(206)**
Gross cost at 31 March 2019	**6,934**	**0**	**112**	**0**	**500**	**196**	**7,742**
Amortisation at 1 April 2018	4,085	0	75	0	0	0	**4,160**
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	**680**	**0**	**37**	**0**	**0**	**0**	**717**
Reclassified as held for sale	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Transfers	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Disposals	**(37)**	**0**	**0**	**0**	**0**	**0**	**(37)**
Amortisation at 31 March 2019	**4,728**	**0**	**112**	**0**	**0**	**0**	**4,840**
Net book value at 1 April 2018	**1,769**	**0**	**37**	**0**	**74**	**365**	**2,245**
Net book value at 31 March 2019	**2,206**	**0**	**0**	**0**	**500**	**196**	**2,902**
At 31 March 2019							
Purchased	**2,118**	**0**	**0**	**0**	**0**	**196**	**2,314**
Donated	**88**	**0**	**0**	**0**	**0**	**0**	**88**
Government Granted	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Internally generated	**0**	**0**	**0**	**0**	**500**	**0**	**500**
Total at 31 March 2019	**2,206**	**0**	**0**	**0**	**500**	**196**	**2,902**

12. Intangible non-current assets

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure-internally generated	Carbon Reduction Commitments	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2017	5,203	0	112	0	0	0	**5,315**
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	852	0	0	0	0	573	**1,425**
Additions- internally generated	0	0	0	0	74	0	**74**
Additions- donated	11	0	0	0	0	0	**11**
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	(212)	0	0	0	0	(208)	**(420)**
Gross cost at 31 March 2018	**5,854**	**0**	**112**	**0**	**74**	**365**	**6,405**
Amortisation at 1 April 2017	3,677	0	37	0	0	0	**3,714**
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	620	0	38	0	0	0	**658**
Reclassified as held for sale	0	0	0	0	0	0	**0**
Transfers	0	0	0	0	0	0	**0**
Disposals	(212)	0	0	0	0	0	**(212)**
Amortisation at 31 March 2018	**4,085**	**0**	**75**	**0**	**0**	**0**	**4,160**
Net book value at 1 April 2017	**1,526**	**0**	**75**	**0**	**0**	**0**	**1,601**
Net book value at 31 March 2018	**1,769**	**0**	**37**	**0**	**74**	**365**	**2,245**
At 31 March 2018							
Purchased	1,643	0	37	0	0	365	**2,045**
Donated	126	0	0	0	0	0	**126**
Government Granted	0	0	0	0	0	0	**0**
Internally generated	0	0	0	0	74	0	**74**
Total at 31 March 2018	**1,769**	**0**	**37**	**0**	**74**	**365**	**2,245**

Additional disclosures re Intangible Assets

i) On initial recognition Intangible non-current assets are measured at cost. 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 asset basis), indexed for relevant price increases, as a proxy for fair value.

ii) The useful economic life of Intangible non-current assets are assigned on an individual basis based on the professional judgement and past experience of clinicians, finance staff and other LHB professionals. The appropriateness of these lives is reviewed on an annual basis.

iii) All fully depreciated assets still in use are being carried at nil net book value.

iv) The LHB's Charitable Fund contributed £0.011m to the purchase of intangible assets during the year.

13 . Impairments

	2018-19		2017-18	
	Property, plant & equipment	Intangible assets	Property, plant & equipment	Intangible assets
	£000	£000	£000	£000
Impairments arising from :				
Loss or damage from normal operations	0	0	0	0
Abandonment in the course of construction	0	0	0	0
Over specification of assets (Gold Plating)	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0
Unforeseen obsolescence	0	0	0	0
Changes in market price	0	0	30,637	0
Others (specify)	3,648	0	7,069	0
Reversal of impairments	(3,771)	0	(17,632)	0
Total of all impairments	**(123)**	**0**	20,074	0
Analysis of impairments charged to reserves in year :				
Charged to the Statement of Comprehensive Net Expenditure	(123)	0	(7,089)	0
Charged to Revaluation Reserve	0	0	27,163	0
	(123)	**0**	20,074	0

During 2017/18 the Welsh Government commissioned the District Valuer Service to provide a valuation of the entire Welsh NHS Estate, the LHB's estate was revalued as at 1st April 2017 and the effect was included in the Statement of Financial Position values as at 31st March 2018. There was no such full valuation of the NHS Estates in 2018/19 which is why the impairment figures for this year are correspondingly much smaller than in the year before.

The LHB will periodically instruct the District Valuer to carry out "Good Housekeeping Valuations" when assets resulting from major capital schemes are first brought into use. During the year the LHB carried out 6 such revaluations the total effect of which were:
Impairments written off via the Statement of Comprehensive Net Expenditure (SoCNE) were (£3.290m), reversal of Impairments of £0.004m were credited to the SoCNE.

The significant schemes brought into use were:
CRI Safeguarding Works (£1.860m) was written off the carrying value via the SoCNE.
UHW Renal Facility Upgrading (£0.848m) was written off the carrying value via the SoCNE.

In addition four minor schemes were brought into use and (£0.578m) was written off the carrying value via the SoCNE, whilst a reversal of impairment of £0.004m was credited to the SoCNE.

During the year the LHB has received Non Cash Allocation from the Welsh Government for impairment to assets charged to the SoCNE and this allocation is included in our Revenue Resource Limit.

During the year the Board approved the sale of four of its properties and a parcel of land, these were revalued accordingly by the District Valuer and an impairment of (£0.355m) has been charged to the SoCNE, see Note 11.2 for further detail. During the year the Board purchased two parcels of land and two properties. The parcels of land were valued by the District Valuer and an impairment of (£0.003m) has been charged to the SoCNE.

As per Welsh Government guidance the LHB has applied an Indexation factor to its Land and Buildings for 2018/2019, for a handful of sites this has resulted in a reversal of a prior period Impairment charge and therefore £3.767m has been credited to the SoCNE.

14.1 Inventories

	31 March 2019 £000	31 March 2018 £000
Drugs	4,809	4,541
Consumables	12,071	11,094
Energy	46	62
Work in progress	0	0
Other	0	0
Total	**16,926**	15,697
Of which held at realisable value	0	0

14.2 Inventories recognised in expenses

	31 March 2019 £000	31 March 2018 £000
Inventories recognised as an expense in the period	2,795	1,898
Write-down of inventories (including losses)	62	61
Reversal of write-downs that reduced the expense	0	0
Total	**2,857**	**1,959**

15. Trade and other Receivables

Current	**31 March 2019 £000**	31 March 2018 £000
Welsh Government	3,390	2,379
Welsh Health Specialised Services Committee (WHSSC) / Emergency Ambulance Services Committee (EASC)	5,964	5,009
Welsh Health Boards	3,463	4,085
Welsh NHS Trusts	1,796	2,403
Health Education and Improvement Wales (HEIW)	653	0
Non - Welsh Trusts	2,508	2,472
Other NHS	131	184
Welsh Risk Pool	133,521	131,876
Local Authorities	9,595	2,002
Capital debtors	0	0
Other debtors	18,524	17,324
Provision for irrecoverable debts	(8,172)	(5,427)
Pension Prepayments	0	0
Other prepayments	5,614	3,882
Other accrued income	0	0
Sub total	176,987	166,189
Non-current		
Welsh Government	0	0
Welsh Health Specialised Services Committee (WHSSC) / Emergency Ambulance Services Committee (EASC)	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Health Education and Improvement Wales (HEIW)	0	0
Non - Welsh Trusts	0	0
Other NHS	0	0
Welsh Risk Pool	19,582	55,130
Local Authorities	0	0
Capital debtors	0	0
Other debtors	2,760	3,516
Provision for irrecoverable debts	(910)	(1,177)
Pension Prepayments	0	0
Other prepayments	0	0
Other accrued income	0	0
Sub total	21,432	57,469
Total	198,419	223,658

Receivables past their due date but not impaired		
By up to three months	12,474	5,278
By three to six months	1,092	1,175
By more than six months	4,447	4,498
	18,013	10,951

Reflective of the fact that IFRS 9 requires bodies to account for the expected credit loss on all outstanding invoices (not just the non-NHS ones) the UHB has in 2018-19 included its NHS Credit note provision within the figure for irrecoverable debts in note 15 and have also included outstanding NHS invoices within the above disclosure on receivables not impaired. Comparatives have not been restated.

Expected Credit Losses (ECL) / Provision for impairment of receivables		
Balance at 31 March 2018	(7,012)	
Adjustment for Implementation of IFRS 9	(1,259)	
Balance at 1 April 2018	(8,271)	(5,244)
Transfer to other NHS Wales body	0	0
Amount written off during the year	63	67
Amount recovered during the year	0	0
(Increase) / decrease in receivables impaired	(874)	(1,835)
Bad debts recovered during year	0	0
Balance at 31 March	(9,082)	(7,012)

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	1,921	1,494
Total	1,921	1,494

16. Other Financial Assets

	Current		Non-current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£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)				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SoCNE	0	0	0	0
Available for sale at FV	0	0	0	0
Total	0	0	0	0

17. Cash and cash equivalents

	2018-19	2017-18
	£000	£000
Balance at 1 April	1,856	881
Net change in cash and cash equivalent balances	(637)	975
Balance at 31 March	1,219	1,856
Made up of:		
Cash held at GBS	998	1,704
Commercial banks	0	20
Cash in hand	221	132
Current Investments	0	0
Cash and cash equivalents as in Statement of Financial Position	1,219	1,856
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in Statement of Cash Flows	1,219	1,856

In response to the IAS 7 requirement for additional disclosure, the changes in liabilities arising for financing activities are;

Lease Liabilities £297k
PFI liabilities £175k

The movement relates to cash, no comparative information is required by IAS 7 in 2018-19.

18. Trade and other payables

Current	31 March 2019 £000	31 March 2018 £000
Welsh Government	64	36
Welsh Health Specialised Services Committee (WHSSC) / Emergency Ambulance Services Committee (EASC)	1,121	4,030
Welsh Health Boards	5,549	5,670
Welsh NHS Trusts	2,982	3,205
Health Education and Improvement Wales (HEIW)	0	0
Other NHS	15,508	14,013
Taxation and social security payable / refunds	5,663	5,448
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	7,010	6,794
Non-NHS creditors	24,983	26,941
Local Authorities	20,936	13,944
Capital Creditors	11,744	17,095
Overdraft	0	0
Rentals due under operating leases	0	0
Obligations under finance leases, HP contracts	299	296
Imputed finance lease element of on SoFP PFI contracts	225	175
Pensions: staff	0	0
Accruals	57,394	57,084
Deferred Income:		
Deferred Income brought forward	1,059	1,011
Deferred Income Additions	829	291
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	(224)	(243)
Other creditors	18,710	23,496
PFI assets –deferred credits	18	104
Payments on account	815	900
Total	**174,685**	180,290
Non-current		
Welsh Government	0	0
Welsh Health Specialised Services Committee (WHSSC) / Emergency Ambulance Services Committee (EASC)	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Health Education and Improvement Wales (HEIW)	0	0
Other NHS	0	0
Taxation and social security payable / refunds	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 creditors	0	0
Local Authorities	0	0
Capital Creditors	0	0
Overdraft	0	0
Rentals due under operating leases	0	0
Obligations under finance leases, HP contracts	301	601
Imputed finance lease element of on SoFP PFI contracts	8,708	8,933
Pensions: staff	0	0
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	86	101
Payments on account	0	0
Total	**9,095**	9,635

It is intended to pay all invoices within the 30 day period directed by the Welsh Government.

Amounts falling due more than one year are expected to be settled as follows:	**31-Mar-19 £000**	**31-Mar-18 £000**
Between one and two years	602	542
Between two and five years	1,344	1,413
In five years or more	7,149	7,680
Sub-total	9,095	9,635

19. Other financial liabilities

	Current		Non-current	
Financial liabilities	**31 March 2019**	31 March 2018	**31 March 2019**	31 March 2018
	£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 2018	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2019
Current	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Clinical negligence	**106,881**	(27,171)	(2,110)	46,939	29,331	(19,457)	(19,319)	0	**115,094**
Personal injury	**814**	0	0	215	437	(758)	(169)	41	**580**
All other losses and special payments	**0**	0	0	0	440	(440)	0	0	**0**
Defence legal fees and other administration	**2,383**	0	0	544	912	(1,098)	(885)		**1,856**
Pensions relating to former directors	**0**			0	0	0	0	0	**0**
Pensions relating to other staff	**189**			71	115	(190)	0	1	**186**
Restructuring	**0**			0	0	0	0	0	**0**
Other	**10,245**		(444)	221	6,231	(2,840)	(2,042)		**11,371**
Total	**120,512**	**(27,171)**	**(2,554)**	47,990	37,466	(24,783)	(22,415)	**42**	**129,087**
Non Current									
Clinical negligence	**53,717**	0	0	(46,939)	12,410	(262)	(32)	0	**18,894**
Personal injury	**3,884**	0	0	(215)	8	0	0	0	**3,677**
All other losses and special payments	**0**	0	0	0	0	0	0	0	**0**
Defence legal fees and other administration	**764**	0	0	(544)	347	(88)	(2)		**477**
Pensions relating to former directors	**0**			0	0	0	0	0	**0**
Pensions relating to other staff	**1,172**			(71)	0	0	0	0	**1,101**
Restructuring	**0**			0	0	0	0	0	**0**
Other	**934**		0	(221)	0	0	0		**713**
Total	**60,471**	**0**	**0**	**(47,990)**	**12,765**	**(350)**	**(34)**	**0**	**24,862**
TOTAL									
Clinical negligence	**160,598**	**(27,171)**	**(2,110)**	**0**	**41,741**	**(19,719)**	**(19,351)**	**0**	**133,988**
Personal injury	**4,698**	**0**	**0**	**0**	**445**	**(758)**	**(169)**	**41**	**4,257**
All other losses and special payments	**0**	**0**	**0**	**0**	**440**	**(440)**	**0**	**0**	**0**
Defence legal fees and other administration	**3,147**	**0**	**0**	**0**	**1,259**	**(1,186)**	**(887)**		**2,333**
Pensions relating to former directors	**0**			**0**	**0**	**0**	**0**	**0**	**0**
Pensions relating to other staff	**1,361**			**0**	**115**	**(190)**	**0**	**1**	**1,287**
Restructuring	**0**			**0**	**0**	**0**	**0**	**0**	**0**
Other	**11,179**		**(444)**	**0**	**6,231**	**(2,840)**	**(2,042)**		**12,084**
Total	**180,983**	**(27,171)**	**(2,554)**	**0**	**50,231**	**(25,133)**	**(22,449)**	**42**	**153,949**

Expected timing of cash flows:

	In year to 31 March 2020	Between 1 April 2020 31 March 2024	Thereafter	Total
				£000
Clinical negligence	115,094	18,894	0	**133,988**
Personal injury	580	891	2,786	**4,257**
All other losses and special payments	0	0	0	**0**
Defence legal fees and other administration	1,856	477	0	**2,333**
Pensions relating to former directors	0	0	0	**0**
Pensions relating to other staff	186	755	346	**1,287**
Restructuring	0	0	0	**0**
Other	11,371	250	463	**12,084**
Total	**129,087**	**21,267**	**3,595**	**153,949**

The Clinical Negligence provision includes £0.078m in respect of 13 potential claims under The Welsh Government "Putting Things Right" Redress Scheme. In addition 36 claims were settled during the year under this scheme to the value of £0.335m.

Note 20. 2018/2019 (continued)

The expected timing of cashflows in respect of provisions arising from clinical negligence or personal injury claims (together with the associated defence costs) are based on legal opinion obtained by the LHB. The nature of litigation however means that these could be subject to change.

Amounts due in respect of pensions are profiled based on the regime which the NHS Pensions agency currently uses to recover payments in respect of such amounts. This could be subject to change in the future.

The LHB is able to recover amounts paid out in respect of clinical negligence or personal injury claims (subject to an excess per case of £25k) from the Welsh Risk Pool. An amount of £153.103m has been shown within note 15 (Trade and Other receivables) in respect of such expected reimbursements.

Other Provisions include:

Continuing Healthcare IRP & Ombudsman claims £2.503m
Potential Payments to staff in respect of time off in lieu £0.350m
Employment Tribunal Litigation Cases £1.050m
Carbon Reduction Commitments £0.190m
Holiday Pay on Voluntary Overtime £0.910m
Other provisions considered commercially sensitive £7.081m

Continuing Healthcare Cost uncertainties

Liabilities for continuing healthcare costs continue to be a significant financial issue for the LHB. Following various annual deadlines for the submission of new claims, effected since 31st July 2014, which increased the number of claims registered each financial year, a rolling deadline now applies which allows new claims to go back one year from date of application.

Cardiff and Vale University Health Board 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 £2.503m provision made for probable continuing care costs relating to 97 claims received;

Note [21.1] sets out the £7.869m contingent liability for possible continuing care costs relating to 97 claims received;

The UHB is providing £0.037m in respect of 2 Phase 2 claims received between 16th August 2010 and 30th April 2014.
The UHB is providing £1.500m in respect of 75 Phase 3 claims received between 1st May 2014 and 31st July 2014.
The UHB is providing £0.225m in respect of 6 Phase 5 claims received between 1st November 2015 and 31st October 2016.
The UHB is providing £0.741m in respect of 14 Phase 6 claims received between 1st November 2016 and 31st October 2017.

For Phase 7 (2018/19) claims received between 1st April 2018 and 31st March 2019, due to the low number of claims completed the LHB does not currently have sufficient information available regarding the likelihood of claim success to calculate a provision for this Phase.

20. Provisions (continued)

	At 1 April 2017	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 2018
Current	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Clinical negligence	95,442	(535)	(3,427)	12,105	52,198	(20,971)	(25,458)	(2,473)	**106,881**
Personal injury	1,054	0	(127)	(10)	3,484	(1,137)	(2,512)	62	**814**
All other losses and special payments	0	0	0	0	180	(180)	0	0	**0**
Defence legal fees and other administration	2,492	0	0	229	2,468	(1,014)	(1,792)		**2,383**
Pensions relating to former directors	0			0	0	0	0	0	**0**
Pensions relating to other staff	200			134	28	(194)	0	21	**189**
Restructuring	0			0	0	0	0	0	**0**
Other	3,089		(126)	(391)	9,408	(889)	(846)		**10,245**
Total	**102,277**	**(535)**	**(3,680)**	**12,067**	**67,766**	**(24,385)**	**(30,608)**	**(2,390)**	**120,512**
Non Current									
Clinical negligence	38,848	0	0	(12,105)	48,434	(370)	(20,368)	(722)	**53,717**
Personal injury	3,184	0	0	10	690	0	0	0	**3,884**
All other losses and special payments	0	0	0	0	0	0	0	0	**0**
Defence legal fees and other administration	734	0	0	(229)	384	(73)	(52)		**764**
Pensions relating to former directors	0			0	0	0	0	0	**0**
Pensions relating to other staff	1,306			(134)	0	0	0	0	**1,172**
Restructuring	0			0	0	0	0	0	**0**
Other	543		0	391	0	0	0		**934**
Total	**44,615**	**0**	**0**	**(12,067)**	**49,508**	**(443)**	**(20,420)**	**(722)**	**60,471**
TOTAL									
Clinical negligence	134,290	(535)	(3,427)	0	100,632	(21,341)	(45,826)	(3,195)	**160,598**
Personal injury	4,238	0	(127)	0	4,174	(1,137)	(2,512)	62	**4,698**
All other losses and special payments	0	0	0	0	180	(180)	0	0	**0**
Defence legal fees and other administration	3,226	0	0	0	2,852	(1,087)	(1,844)		**3,147**
Pensions relating to former directors	0			0	0	0	0	0	**0**
Pensions relating to other staff	1,506			0	28	(194)	0	21	**1,361**
Restructuring	0			0	0	0	0	0	**0**
Other	3,632		(126)	0	9,408	(889)	(846)		**11,179**
Total	**146,892**	**(535)**	**(3,680)**	**0**	**117,274**	**(24,828)**	**(51,028)**	**(3,112)**	**180,983**

The Clinical Negligence provision includes £0.226m in respect of 26 potential claims under The Welsh Government "Putting Things Right" Redress Scheme. In addition 37 claims were settled during the year under this scheme to the value of £0.383m.

During the course of the 2018/19 audit, it was identified that the figures shown above for "arising during the year" and "reversed unused" are misstated by a compensatory amount of £42.3million. The misstatement mainly affects the "clinical negligence" provision. The affected figures have not been restated as they do not impact upon the financial performance of the Health Board either in 2017/18 or 2018/19.

Note 20. 2017/2018 (continued)

The expected timing of cashflows in respect of provisions arising from clinical negligence or personal injury claims (together with the associated defence costs) are based on legal opinion obtained by the LHB. The nature of litigation however means that these could be subject to change.

Amounts due in respect of pensions are profiled based on the regime which the NHS Pensions agency currently uses to recover payments in respect of such amounts. This could be subject to change in the future.

The LHB is able to recover amounts paid out in respect of clinical negligence or personal injury claims (subject to an excess per case of £25k) from the Welsh Risk Pool. An amount of £187.006m has been shown within note 15 (Trade and Other receivables) in respect of such expected reimbursements.

On Monday 27th February 2017 the Lord Chancellor announced a change in the Personal Injury discount rate from +2.5% to minus 0.75%. The new rate came into effect on 20th March 2017. The discount rate adjusts personal injury compensation payouts to take into account how much an individual can expect if they invest a lump sum over their lifetime. Given the proximity of this announcement to the end of the financial year 2016-17, it was not been possible for Legal & Risk Services to assess the effect of this change on a case by case basis. Instead they developed a model in conjunction with Welsh Government which was used to estimate the effect of the discount rate change for all NHS Wales bodies in the 2016-17 Annual Accounts.

In respect of Cardiff & Vale we were advised to increase our Clinical Negligence provision by £16.820m and increase our Personal Injury provision by £0.058m and these amounts were consequently included in Note 20. During 2017/18 all cases outstanding have been worked through by Legal & Risk Services and the liability of each has been amended accordingly. As a result the general provision held in the 2016/17 accounts in respect of this issue has been reversed.

Other Provisions include:

Continuing Healthcare IRP & Ombudsman claims £3.227m
Potential Payments to staff in respect of time off in lieu £0.380m
Employment Tribunal Litigation Cases £0.940m
Carbon Reduction Commitments £0.209m
Other provisions considered commercially sensitive £6.342m

Continuing Healthcare Cost uncertainties

Liabilities for continuing healthcare costs continue to be a significant financial issue for the LHB. Various annual deadlines for the submission of new claims, effected since 31st July 2014, have increased the number of claims registered each financial year.

Cardiff and Vale University Health Board 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 £3.227m provision made for probable continuing care costs relating to 204 claims received;

Note [21.1] sets out the £14.189 contingent liability for possible continuing care costs relating to 204 claims received;

The UHB is providing £0.401m in respect of 20 Phase 2 claims received between 16th August 2010 and 30th April 2014.
The UHB is providing £2.607m in respect of 159 Phase 3 claims received between 1st May 2014 and 31st July 2014.
The UHB is providing £0.177m in respect of 6 Phase 4 claims received between 1st August 2014 and 31st October 2015.
The UHB is providing £0.041m in respect of 19 Phase 5 claims received between 1st November 2015 and 31st October 2016.

For Phase 6 claims received between 1st November 2016 and 31st October 2017, and Phase 7 claims received between 1st November 2017 and 31st March 2018, due to the low number of claims completed the UHB does not currently have sufficient information available regarding the likelihood of claim success to calculate a provision for these Phases.

21. Contingencies

21.1 Contingent liabilities

	2018-19	2017-18
Provisions have not been made in these accounts for the following amounts :	£'000	£'000
Legal claims for alleged medical or employer negligence	152,590	71,533
Doubtful debts	0	0
Equal Pay costs	0	0
Defence costs	1,075	897
Continuing Health Care costs	7,869	14,189
Other	0	0
Total value of disputed claims	161,534	86,619
Amounts (recovered) in the event of claims being successful	(150,989)	(69,411)
Net contingent liability	**10,545**	**17,208**

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. The amounts disclosed as contingent liabilities in relation to potential clinical negligence or personal injury claims against the LHB arise where legal opinion as to the possibility of the claims success has deemed this to be possible, rather than remote, and no provision has already been made for such items within note 20. The LHB is assuming that all such costs would be reimbursed by the Welsh Risk Pool (subject to a £25k excess per claim). The net contingent liability contains £1.759m re clinical negligence and £0.917m re personal injury.

Continuing Healthcare Cost uncertainties

Liabilities for continuing healthcare costs continue to be a significant financial issue for the LHB. Various annual deadlines for the submission of new claims, effected since 31st July 2014, have increased the number of claims registered each financial year.

Cardiff and Vale University Health Board 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 £2.503m provision made for probable continuing care costs relating to 97 claims received;

Note [21.1] sets out the £7.869m contingent liability for possible continuing care costs relating to 97 claims received;

The UHB is providing £0.037m in respect of 2 Phase 2 claims received between 16th August 2010 and 30th April 2014.
The UHB is providing £1.500m in respect of 75 Phase 3 claims received between 1st May 2014 and 31st July 2014.
The UHB is providing £0.225m in respect of 6 Phase 5 claims received between 1st November 2015 and 31st October 2016.
The UHB is providing £0.741m in respect of 14 Phase 6 claims received between 1st November 2016 and 31st October 2017.

For Phase 7 (2018/19) claims received between 1st April 2018 and 31st March 2019, due to the low number of claims completed the LHB does not currently have sufficient information available regarding the likelihood of claim success to calculate a provision for this Phase.

21.2 Remote Contingent liabilities

	2018-19	2017-18
	£'000	£'000
Please disclose the values of the following categories of remote contingent liabilities :		
Guarantees	0	0
Indemnities	0	50
Letters of Comfort	0	0
Total	**0**	**50**

The figure shown above under Indemnities for 2017-18 relates to Clinical Negligence claims against the LHB, where our legal advisors have informed us that the claimants chance of success is remote. There were no such cases in 2018-19.

21.3 Contingent assets

	2018-19	2017-18
	£'000	£'000
	0	0
	0	0
	0	0
Total	**0**	0

22. Capital commitments

Contracted capital commitments at 31 March	2018-19	2017-18
	£'000	£'000
Property, plant and equipment	30,479	7,591
Intangible assets	0	158
Total	**30,479**	7,749

The in year increase in commitments disclosed is largely due to the contract for the replacement of Rookwood Hospital which gained Welsh Government approval to proceed in 2018/19.

23. Losses and special payments

Losses and special payments are charged to the Statement of Comprehensive Net Expenditure in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore this note is prepared on a cash basis.

Gross loss to the Exchequer

Number of cases and associated amounts paid out or written-off during the financial year

	Amounts paid out during period to 31 March 2019		Approved to write-off to 31 March 2019	
	Number	£	Number	£
Clinical negligence	169	24,382,400	122	31,627,997
Personal injury	72	757,663	43	613,124
All other losses and special payments	767	1,023,662	767	1,023,662
Total	1,008	26,163,725	932	33,264,783

Analysis of cases which exceed £300,000 and all other cases

Cases exceeding £300,000	Case type	Amounts paid out in year £	Cumulative amount £	Approved to write-off in year £
00RWMMN0008	Clinical Negligence	190,000	325,000	
09RWMMN0026	Clinical Negligence	100,000	1,370,000	
10RWMMN0013	Clinical Negligence	2,550,000	4,466,250	
12RWMMN0025	Clinical Negligence	1,473,000	2,485,000	2,485,000
13RWMMN0023	Clinical Negligence	229,434	1,919,434	1,919,434
13RWMMN0046	Clinical Negligence	(75,000)	1,705,787	1,705,787
13RWMMN0047	Clinical Negligence	0	488,971	
14RWMMN0001	Clinical Negligence	1,080,000	1,130,000	
14RWMMN0009	Clinical Negligence	93,010	6,378,010	6,378,010
14RWMMN0016	Clinical Negligence	1,480,000	1,550,000	
14RWMMN0019	Clinical Negligence	3,990,987	4,540,987	
14RWMMN0021	Clinical Negligence	3,645,000	3,890,000	3,890,000
14RWMMN0072	Clinical Negligence	225,000	1,140,000	1,140,000
14RWMMN0141	Clinical Negligence	165,000	1,490,000	1,490,000
15RWMMN0118	Clinical Negligence	23,750	630,902	630,902
15RWMMN0119	Clinical Negligence	0	1,176,994	1,176,994
16RWMMN0014	Clinical Negligence	68,000	353,000	353,000
16RWMMN0037	Clinical Negligence	298,861	358,861	358,861
16RWMMN0050	Clinical Negligence	464,654	464,654	
16RWMMN0062	Clinical Negligence	45,000	375,000	375,000
16RWMMN0072	Clinical Negligence	68,800	1,338,800	1,338,800
16RWMMN0074	Clinical Negligence	120,000	545,000	545,000
16RWMMN0084	Clinical Negligence	0	1,400,000	
16RWMMN0136	Clinical Negligence	120,000	810,000	810,000
17RWMMN0019	Clinical Negligence	86,250	760,731	760,731
17RWMMN0030	Clinical Negligence	612,500	612,500	
17RWMMN0060	Clinical Negligence	725,160	725,160	725,160
17RWMMN0118	Clinical Negligence	270,000	540,000	
17RWMMN0183	Clinical Negligence	941,814	941,814	941,814
Sub-total		**18,991,220**	**43,912,855**	**27,024,493**
All other cases		7,172,505	14,793,284	6,240,290
Total cases		**26,163,725**	**58,706,139**	**33,264,783**

24. Finance leases

24.1 Finance leases obligations (as lessee)

As at 31st March 2019 the LHB currently has one finance lease agreement in place for the lease of a building. This lease agreement is due to expire in 2020/21. The LHB also had one finance lease agreement in place for the lease of equipment which is due to expire in 2020/21. The present value of the minimum lease payments have been arrived at by applying the treasury discount rate (3.5%) as it has not been possible to determine the discount rate implicit in the lease agreement.

Amounts payable under finance leases:

Land	**31 March 2019**	31 March 2018
	£000	£000
Minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	0	0
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	0	0
Present value of minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Present value of minimum lease payments	0	0
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	0	0

24.1 Finance leases obligations (as lessee) continue

Amounts payable under finance leases:

Buildings	**31 March 2019**	31 March 2018
Minimum lease payments	**£000**	£000
Within one year	210	210
Between one and five years	210	420
After five years	0	0
Less finance charges allocated to future periods	(5)	(11)
Minimum lease payments	415	619
Included in:		
Current borrowings	207	205
Non-current borrowings	208	414
	415	619
Present value of minimum lease payments		
Within one year	200	198
Between one and five years	194	381
After five years	0	0
Present value of minimum lease payments	394	579
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	0	0

Other	**31 March 2019**	31 March 2018
Minimum lease payments	**£000**	£000
Within one year	94	94
Between one and five years	94	188
After five years	0	0
Less finance charges allocated to future periods	(2)	(5)
Minimum lease payments	186	277
Included in:		
Current borrowings	93	91
Non-current borrowings	93	186
	186	277
Present value of minimum lease payments		
Within one year	89	89
Between one and five years	87	171
After five years	0	0
Present value of minimum lease payments	176	260
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	0	0

24.2 Finance leases obligations (as lessor) continued

The Local Health Board has no finance leases receivable as a lessor.

Amounts receivable under finance leases:

	31 March 2019	31 March 2018
Gross Investment in leases	**£000**	£000
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	0	0
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	0	0
Present value of minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
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 which are deemed to be off-statement of financial position.

Commitments under off-SoFP PFI contracts	**Off-SoFP PFI contracts**	Off-SoFP PFI contracts
	31 March 2019	31 March 2018
	£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

On 31st March 2000, a 31 year Private Finance Initiative (PFI) Contract was signed between the former Cardiff & Vale Trust and IMC (Impregilio/Macob consortium) for the provision of a new hospital to be built on the former St. David's site. The hospital, which opened on 1st March 2002 provides a range of services but primarily services linked to the care for older people.

The estimated capital value of the scheme at the time of construction was £13.847m and the annual payments to be made for the provision of the site and for a range of facilities management services is £3.658m.

Total obligations for on-Statement of Financial Position PFI contracts due:

	On SoFP PFI	**On SoFP PFI**	**On SoFP PFI**
	Capital element	**Imputed interest**	**Service charges**
	31 March 2019	**31 March 2019**	**31 March 2019**
	£000	**£000**	**£000**
Total payments due within one year	225	1,256	2,207
Total payments due between 1 and 5 years	1,570	4,594	8,588
Total payments due thereafter	7,138	4,307	14,805
Total future payments in relation to PFI contracts	**8,933**	**10,157**	**25,600**

	On SoFP PFI	On SoFP PFI	On SoFP PFI
	Capital element	Imputed interest	Service charges
	31 March 2018	31 March 2018	31 March 2018
	£000	£000	£000
Total payments due within one year	175	1,282	2,293
Total payments due between 1 and 5 years	1,282	4,786	8,932
Total payments due thereafter	7,651	5,371	16,978
Total future payments in relation to PFI contracts	9,108	11,439	28,203
Total present value of obligations for on-SoFP PFI contracts	£20.730m		

The capital value of the scheme included in property, plant and equipment (note 11) is £17.814m.

25.3 Charges to expenditure

	2018-19	2017-18
	£000	£000
Service charges for On Statement of Financial Position PFI contracts (excl interest costs)	2,201	2,195
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	2,201	2,195

The LHB is committed to the following annual charges

	31 March 2019	31 March 2018
PFI scheme expiry date:	£000	£000
Not later than one year	2,207	2,293
Later than one year, not later than five years	8,588	8,932
Later than five years	14,805	16,978
Total	25,600	28,203

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	1	0
Number of PFI contracts which individually have a total commitment > £500m	0	0

PFI Contract	On / Off-statement of financial position
Number of PFI contracts which individually have a total commitment > £500m	0

PFI Contract	
St. David's Hospital	On

25.5 The LHB had 3 Public Private Partnerships during the year

In addition to the St. David's PFI Scheme set out previously in Note 27.2, the LHB had three other Public Private Partnerships (PPP) Schemes during 2018/19 as set out below:

UHW Car Park

In 1996/7 the former UHW Trust granted a 20 year leasehold interest in land owned by the Trust with the exclusive rights for the Private Partner (Impregilo UK Ltd) to collect all car park income, (at rates set out in the contract), in exchange for the building of a multi storey car park and infrastructure works with a capital cost of £6.7m. Impregilo UK Ltd later sold their interests to Vinci Park Ltd (now trading as Indigo) in 2001.

This contract ended on June 4th and the LHB received the residual interest in the multi storey car parks and the reversionary interest in the land for nil consideration. As the scheme has been assessed as being "on-statement of financial position" under IFRIC 12, these assets were already included in the LHB's statement of financial position (note 11). At the date the contract ended their carrying values were £14.348m for the buildings and £6.273m for the land.

25.5 The LHB had 3 Public Private Partnerships during the year (Continued)

Concourse

In 1998/99 the former UHW Trust granted a 20 year leasehold interest in land owned by the Trust, together with the rights for a Private Partner (Gentian Ltd) to collect rent from shop outlets, in exchange for the building of a Concourse entrance to the hospital, with a capital cost of £1.982m.

This contract ended on June 4th and the LHB received the residual interest in the concourse and the reversionary interest in the land for nil consideration. As the scheme has been assessed as being "on-statement of financial position" under IFRIC 12, these assets were already included in the LHB's statement of financial position (note 11). At the date the contract ended their carrying values were £4.110m for the buildings and £0.816m for the land.

On initial recognition of the asset a deferred income creditor balance was recognised in the LHB's accounts at a value of £1.730m. In line with Department of Health Guidance this creditor is being released to the SoCNE annually over the 20 year life of the contract. The amount that has been credited to operating expenses in 2018/19 was £0.083m.

Llandough Hospital Staff Accommodation

On 28th October 1999, the former University Hospital and Llandough NHS Trust entered into an agreement with Charter Housing for the design, construction, fit out and the subsequent operation of its staff accommodation at Llandough Hospital. The contract period is 25 years; however Charter Housing have since undergone a restructure which has seen a transfer of its interest in the contract to Fairlake Properties Limited. This transfer was completed during 2007/8.

In return for the provision of the new serviced accommodation, the Trust transferred a parcel of surplus land to Charter on which seven of its existing properties resided. These properties were subsequently demolished and the land sold off by Charter. The accommodation is located on the remaining land, which had previously housed three additional properties. This is granted to Charter under a 99 year head lease for a peppercorn rent. Charter then leases the properties back to the LHB in return for an annual unitary payment of £0.047m. The LHB then leases the property back to Charter under a 27 year sub-underlease. The value of the property transferred to Charter in 1999/2000 was £0.763m.

The scheme has been assessed as being "on-statement of financial position" under IFRIC 12 and therefore the building is currently valued at £1.038m and the land at £0.592m on the LHB's statement of financial position (note 11).

On initial recognition of the asset a deferred income creditor balance was recognised in the LHB's accounts at a value of £0.454m. In line with Department of Health Guidance this creditor is being released to the SoCNE annually over the 25 year life of the contract. The amount that has been credited to operating expenses in 2018/19 was £0.018m.

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

	2018-19	2017-18
	£000	£000
(Increase)/decrease in inventories	(1,229)	(568)
(Increase)/decrease in trade and other receivables - non-current	36,037	(15,032)
(Increase)/decrease in trade and other receivables - current	(10,798)	(28,696)
Increase/(decrease) in trade and other payables - non-current	(540)	(572)
Increase/(decrease) in trade and other payables - current	(5,504)	22,879
Total	17,966	(21,989)
Adjustment for accrual movements in fixed assets - creditors	5,351	(1,925)
Adjustment for accrual movements in fixed assets - debtors	0	0
Other adjustments	(780)	419
	22,537	(23,495)

28. Other cash flow adjustments

	2018-19	2017-18
	£000	£000
Depreciation	31,574	25,686
Amortisation	717	658
(Gains)/Loss on Disposal	9	(7,840)
Impairments and reversals	(123)	(7,089)
Release of PFI deferred credits	(101)	(105)
Donated assets received credited to revenue but non-cash	(631)	(6,606)
Government Grant assets received credited to revenue but non-cash	0	0
Non-cash movements in provisions	(1,901)	58,919
Total	29,544	63,623

29. Third Party assets

The LHB held £202,070 cash at bank and in hand at 31 March 2019 (31 March 2018, £209,568) which relates to monies held by the LHB on behalf of patients. This has been excluded from the cash and cash equivalents figure reported in the Accounts. None of this cash was held in Patients' Investment Accounts in either 2018-19 or 2017-18. In addition the LHB had located on its premises a significant quantity of consignment stock. This stock remains the property of the supplier until it is used. The value of consignment stock at 31st March 2019 was £11,779,421 (£11,847,383 31st March 2018).

30. Events after the Reporting Period

The LHB **has not** experienced any events having a material effect on the accounts, between the date of the statement of financial position and the date on which these accounts were approved by its Board.

31. Related Party Transactions

The Welsh Government is regarded as a related party. During the accounting period the Cardiff and Vale University 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:

	Debtor @ 31 -Mar 19	Creditor @ 31-Mar-19	Income @ 31-Mar-19	Expenditure @ 31-Mar-19
	£'000s	£'000s	£'000s	£'000s
Welsh Government	3,390	64	1,024,801	179
Abertawe Bro Morgannwg University Health Board	1,469	2,034	11,292	16,821
Aneurin Bevan Health Board	592	1,646	31,830	3,524
Betsi Cadwaladr Health Board	46	241	605	689
Cwm Taf University Health Board	752	1,145	23,914	8,771
Hywel Dda Local Health Board	165	187	6,359	553
Powys Local Health Board	440	296	2,032	373
Public Health Wales NHS Trust	546	798	4,515	6,591
Velindre NHS Trust	1,248	1,970	6,392	32,602
Welsh Ambulance Services Trust	3	215	38	4,231
Welsh Health Specialised Services Committee	5,964	1,121	221,723	121,693
Health Education and Improvement Wales (HEIW)	653		9,978	3
Total £'000s	15,268	9,717	1,343,479	196,030

During the period, other than the individuals set out below, there were no other material related party transactions involving other board members or key senior management staff.

Mrs Maria Battle is Chair of the Cardiff and Vale University Health Board.

Mrs Eileen Brandeth is an independent member of Cardiff and Vale University Health Board. She is also Director of Information and Technology at **Cardiff University**.

Ms Ruth Walker is Executive Nurse Director. She is also a member of **Cardiff and Vale Health Charity**.

Dr Sharon Hopkins was Deputy Chief Executive Officer for 2018/19. She was Executive Director of Public Health until 30th September 2018. She was Director of Transformation and Informatics from 1st October 2018. In 2015 she was appointed Chair of the Public Health Advisory Committee **NICE**.

Peter Welsh Director of Corporate Governance until 30/09/18. His wife is an optician at **RN Roberts and GL Rees Opticians**.

Charles Janczewski is Vice Chair of Cardiff and Vale University Health Board and is also Chair of **WHSCC** subcommittee. He is also Chair of Governance Board for Health & Wellbeing Academy at **Swansea University**.

Sara Moseley is Director of **Mind Cymru** and an Executive Director of **Mind.**

Len Richards is Chief Executive of the Cardiff and Vale University Health Board. He is advisor to the Life Sciences Hub Wales Board (**Welsh Government**). He is also an Independent Member of **Cardiff University**.

Prof Gary Baxter is an independent member of Cardiff and Vale University Health Board. He is also Pro Vice-Chancellor, College of Biomedical Life Sciences, **Cardiff University**.

Mrs Abigail Harris is the Executive Director of Planning. She has a relative who is a Trustee of the **Teenage Cancer Trust**. She is also a Director of **Social Care Wales**.

Fiona Kinghorn Interim Director of Public Health from 1st October 2018 - 31st March 2019. Her Husband is a Director of Public Protection in **Rhondda Cynon Taf County Borough Council**.

John Union is an Independent Member of Cardiff and Vale University Health Board and an ambassador for **Blake Morgan Solicitors**.

Susan Elsmore is an Independent Member of Cardiff and Vale University Health Board and elected member for Health Housing & Wellbeing for the **City of Cardiff Council**.

Lance Carver is an Associate Member of Cardiff and Vale University Health Board and the Director of Social Services in the **Vale of Glamorgan Council**.

Hanuk Akmal is an Independent Member and a member of **Glas Cymru Holdings (Welsh Water)**.

31. Related Party Transactions (Continued)

The material transactions involving the related parties were as follows unless shown in the table re NHS Bodies above:

	Payments to related party £'000	Receipts from related party £'000	Amounts owed to related party £'000	Amounts due from related party £'000
Cardiff & Vale Health Charity	368			
Cardiff University	8,089	7,559	2,049	1,843
City of Cardiff Council	40,390	24,741	16,310	9,434
Vale of Glamorgan Council	7,591	1,175	4,624	130
National Institute for Health and Care Excellence (NICE)		529		5
RN Roberts and GL Rees Opticians	413			
MIND (Mental Health Charity)	304		-22	
Cardiff Mind	587			
Teenage Cancer Trust		88		16
Swansea University	177	100	129	-58
RCT Borough Council	116	1		
Blake Morgan Solicitors	397	1	-7	1
Social Care Wales		7		
Welsh Water	1,767		163	
Total £'000s	60,199	34,201	23,246	11,371

The LHB has close links with Cardiff University which includes the sharing of staff as well as sharing accommodation of the University Hospital of Wales Site.

The LHB is a member of the Welsh Risk Pool for Clinical Negligence and Personal Injury Claims. The LHB has received settlements of £28.188m in respect of claims made. In addition as at March 31st the LHB had a debtor balance of £153.103m in respect of amounts due from the Welsh Risk Pool.

The corporate body is a registered charity and as a Corporate Trustee, the LHB Board were responsible for the management of charitable fund expenditure in the period connected with Cardiff and Vale University Health Board.

The LHB has not been made aware of any direct relationship between Assembly Members or their families and Cardiff and Vale University Health Board.

32. Pooled budgets

The Health Board has entered into a pooled budget arrangement with Cardiff and Vale of Glamorgan Local Authorities, as permissible under section 33 of the NHS (Wales) Act 2006 for the operation of a Joint Equipment Store (JES).The purpose of the JES is the provision and delivery of common equipment and consumables to patients who are resident in the localities of the partners to the pooled budget. The pooled budget arrangement became operational from 1st January 2012.
The pool is hosted by Cardiff Council, who are the lead body and act as principal for this scheme. The financial operation of the pool is governed by a pooled budget agreement between Cardiff Council, Vale of Glamorgan Council and the Health Board. Currently the Health Board will make payments to Cardiff Council on receipt of an invoice in line with the agreed contributions to the pooled budget as set out in the agreement. Expenditure incurred will be subject to regular review by the partners to the agreement. Any expenditure incurred by Cardiff Council above the agreed contributions in respect of NHS equipment and consumables will be invoiced separately. As the funding for the UHB's contribution to the pooled budget has not yet been top-sliced and is being provided via invoicing, then no adjustment in respect of the income and expenditure arising from the activities of the pooled budget is required in these accounts. In addition as the UHB's proportion of the assets and liabilities held by the pool are not material in relation to the UHB, they have therefore not been consolidated within these financial statements.
The JES service had an agreed budget for the 2018-19 of £1.715m of which Cardiff & Vale UHB's contribution was £1.196m. In addition Cardiff and Vale made an agreed contribution of £0.041m towards the cost of two drivers/installers.
Overall the Pooled Budget was overspent by £0.125m in the year. The Health element of the overspend was £0.012m and Cardiff & Vale has accounted for this in its annual accounts for the year ended 31/3/19.

During the year the UHB received £10.089m of revenue income and a capital allocation of £0.472m from the Welsh Government integrated care fund. The Regional Partnership Board (RPB) leads on the planning and use of the funding to ensure delivery and to maximise outcomes for the use of this resource. The delivery mechanism provides assurance that the objectives for the use of this fund are met as outlined in the Welsh Government guidance. The planning and delivery of the programmes has the involvement of the social services, housing and third independent sector. The RPB has established a programme Board to monitor measurable performance outcomes and financial returns. A results based accountability (outcome) methodology is used for this purpose. The expenditure for the year was £10.089m and the capital expenditure was £0.472m, which is in line with funding allocated.

In addition, the UHB received £0.366m of revenue income from the Welsh Government's Transformation fund during 2018-19. The planning and delivery of the programme is led by the Regional Partnership Board and has the involvement of local authorities and third sector as set out in the submission to Welsh Government. The expenditure for the year was in line with the funding allocated.

Also during 2018-19 Welsh Government passed funding for Integrated Families First Services directly to Cardiff Council. From this allocation, £39,148 was passed to Cardiff & Vale UHB. This allocation has funded 1 Band 7 integrated Support worker with a Nursing background for the period April to September as part of the local delivery mechanism to support families. The team is operationally managed by the Local Authority with the UHB providing professional supervision.

Part 9 of the Social Services and Well-being (SSWWA) (Wales) Act 2014 requires Local Authorities and the Health Board for each region to establish and maintain pooled funds in relation to the exercise of care home accommodation functions. A pooled budget arrangement has been agreed between Cardiff and Vale Local Authorities and Cardiff and Vale University Health Board in relation to the provision of care home accommodation for older people. The arrangement came into effect on 1st April 2018 for a period of 12 months renewable on an ongoing basis. Cardiff Council is acting as host authority during this period. Whilst there is one pooled budget in place, the processes for commissioning and payment for services has remained with the three organisations, with each partner continuing to be responsible for their own budget and expenditure. The accountability for the functions of the statutory bodies remains with each individual organisation, in accordance with the Part 9 Guidance under SSWWA 2014. The transactions into the pool for 2018/19 were £27,408,331

33. Operating segments

IFRS 8 requires bodies to report information about each of its operating segments.

The LHB has formed the view that the activities of its divisions are sufficiently similar for the results of their operations not to have to be disclosed separately. In reaching this decision we are satisfied that the following criteria are met:

(1) Aggregation still allows users to evaluate the business and its operating environment.
(2) Divisions have similar economic characteristics.
(3) The Divisions are similar re all of the following:

- (1) The nature of the services provided.
- (2) The Divisions operate fundamentally similar processes.
- (3) The end customers to the processes (the patients) fall into broadly similar categories.
- (4) They share a common regulatory environment.

The LHB did operate as a home to one hosted body during the period, The Wales External Quality Assessment Service (WEQAS). During 2018/19 these accounts contain income of £3.966m and expenditure of £2.555m in respect of WEQAS. The UHB does not consider the amounts involved to be sufficiently material to be reported as a separate segment.

34. Other Information

1) IFRS 15

Work was undertaken by the TAG IFRS sub group, consistent with the 'portfolio' approach allowed by the standard. Each income line in the notes from a previous year's annual accounts (either 2016/17 or 2017/18) was considered to determine how it would be affected by the implementation of IFRS 15. It was determined that the following types of consideration received from customers for goods and services (hereon referred to as income) fell outside the scope of the standard, as the body providing the income does not contract with the body to receive any direct goods or services in return for the income flow.

- Charitable Income and other contributions to Expenditure.
- Receipt of Donated Assets.
- WG Funding without direct performance obligation (e.g. SIFT/SIFT®/Junior Doctors & PDGME Funding).

Income that fell wholly or partially within the scope of the standard included:

- Welsh LHB & WHSCC LTA Income;
- Non Welsh Commissioner Income;
- NHS Trust Income;
- Foundation Trust Income;
- Other WG Income;
- Local Authority Income;
- ICR Income ;
- Training & Education income ;
- Accommodation & Catering income

It was identified that the only material income flows likely to require adjustment for compliance with IFRS15 was that for patient care provided under Long Term Agreements (LTAs). The adjustment being, for episodes of patient care which had started but not concluded (FCEs), as at period end, e.g. 31 March.

When calculating the income generated from these episodes, it was determined that it was appropriate to use length of stay as the best proxy for the attributable Work In Progress (WIP) value. In theory, as soon as an episode is opened, income is due. Under the terms and conditions of the contract this will only ever be realised on episode closure so the average length of stay would be the accepted normal proxy for the work in progress value.

For Cardiff & Vale University Health Board, the following methodology was applied to assess the value of the unaccounted WIP re Welsh In-patients:

1. For 2016/17 , income for inpatient activity recorded on an FCE basis was £83m (total income from LTAs, including WHSSC and Welsh Health Boards, was £246m).

34. Other Information (continued)

2. This related to circa 19,000 FCEs, with an estimated average unit cost of £4,400.
3. Most contracts still work on 25% marginal rates, however there are some cost per case contract (e.g. Orthopaedics or Thoracic Surgery). Therefore to ensure a prudent assessment of exposure, a 35% marginal rate has been determined for this calculation.
4. As such, £1,500 per FCE is the derived estimate for a WIP calculation.
5. Using available Business Intelligence/ Costing Information, the total open episodes at year-end and the average length of stay (ALoS) were identified.
6. This provided assumptions of a 6 day ALoS (with 50% completed) and circa 300 FCEs attributable to contracts at year-end, which lead to an adjustment calculation to align revenue recognised to the requirements of the standard :
   £1,500 / 6 days x 3 days x 300 FCEs = 225K
7. Because the number of non welsh inpatients which were undischarged at 31/3/17 was much smaller this was looked at on a case by case basis and in doing so it was established that the WIP in relation to these patients equated to 23 patient days and a cost of £20k.

A summary of the Impact Assessment carried out by Cardiff & Vale University Health Board is shown below:

Total Income Recorded in 2016/17 Annual Accounts	£366.303m
Total Income looked at during the IFRS 15 Impact Assessment	£303.229m
Total Income Looked at Considered to be outside the Scope of IFRS 15	£42.794m
Total Income Looked at Considered to be inside the Scope of IFRS 15	£260.435m
Total Income Looked at Considered to be inside the Scope of IFRS 15 and potentially requiring adjustment for incomplete service provision episodes	£252.186m
Total Estimated Adjustment Required Under IFRS 15	£0.245m

2) **IFRS 9**

For consistency across Wales, the practical expedient provision matrix was used to estimate expected credit losses (ECLs) based on the 'age' of receivables as follows:

- Receivables were segregated into appropriate groups

- Each group, was analysed:
  a) age-bands
  - 1-30 days (including current)
  - 31-60 days
  - 61-90 days
  - 91-180 days
  - 181- 365 days
  - > 1 year

  b) at historical back-testing dates (data points)

- For each age-band, at each back-testing date the following were determined:
  a) the gross receivables
  b) the amounts ultimately collected/written-off. If material, adjustments should be made to exclude the effect of non-collections for reasons other than credit loss (e.g. credit notes issued for returns, short-deliveries or as a commercial price concession).

34. Other Information (continued)

- The average historical loss rate by age-band was calculated, and adjusted where necessary e.g. to take account of changes in:
  - a) economic conditions
  - b) types of customer
  - c) credit management practices
- Consideration was given as to whether ECLs should be estimated individually for any period-end receivables, e.g. because information was available specific debtors.
- Loss rate estimates were applied to each age-band for the other receivables.
- The percentages calculated have been applied to those invoices outstanding as at 31st March 2018 (which don't already have a specific provision against them) to recalculate the value of the HB/Trust non-specific provision under IFRS 9.

A summary of the Impact of restating its opening balances adter adopting IFRS 9 for Cardiff & Vale University Health Board is shown below:

Bad Debt Provision per 2017/18 Accounts	£0.580m
NHS Credit Note Provision per 2017/18 Accounts	£0.088m
Bad Debt Provision restated under IFRS 9	£1.608m
NHS Credit Note restated under IFRS 9	£0.319m
Overall Increase in Provisions held under IFRS 9	£1.259m

3) Cardiff Medicentre

On its formation on 1st October 2009 the UHB inherited an interest in a joint venture which had been entered into by one of its predecessor organisations (South Glamorgan Health Authority) in 1992.

Our original partners in this venture are Cardiff Council, Cardiff University and the Welsh Government. The purpose of the venture was to provide dedicated business incubation facilities for start-up and spin-out companies operating in the medical healthcare and life sciences. On 1st April 2016 Welsh Government and Cardiff Council withdrew from the joint venture and sold their shares in it to Cardiff University.

The UHB does not make any direct financial contribution into the venture and ordinarily does not ordinarily directly benefit financially from its operations. Given the immaterial amount involved, no adjustment has been made to these accounts to reflect the UHB's share of the joint venture. For illustrative purposes, had the UHB fully applied IFRS 11 "Joint Arrangements", then based on the last available published accounts of the Medicentre and applying the UHB's 11% share would mean that the UHB would show an investment in a joint venture (as defined by IAS 28 Investments in Associates and Joint Ventures) of £0.392m.

34. Other Information (continued)

4) Brexit

On 29 March 2017, the UK Government submitted its notification to leave the EU in accordance with Article 50. The triggering of Article 50 started a two-year negotiation process between the UK and the EU. On 11 April 2019, the government confirmed agreement with the EU on an extension until 31 October 2019 at the latest, with the option to leave earlier as soon as a deal has been ratified.

In 2018-19 the NHS Estate has been valued using indices provided by the District Valuer and disclosed in the Manual For Accounts."

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.

GIG
CYMRU
NHS
WALES
Bwrdd Iechyd Prifysgol
Caerdydd a'r Fro
Cardiff and Vale
University Health Board