



Cardiff and Vale UHB Annual Report

2019 - 2020



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WALES

Bwrdd Iechyd Prifysgol
Caerdydd a'r Fro
Cardiff and Vale
University Health Board

About

At Cardiff and Vale University Health Board (UHB) our aim is to care for people and keep people well. The Annual Report will outline the work of Cardiff and Vale 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 Report, A Remuneration and Staff Report and a National Assembly for Wales Accountability and Audit Report

Part 3 – Financial Statements which include the Audited Annual Accounts 2019-20.

Other key documents you might be interested in:

[Shaping our Future Wellbeing Strategy](#)

[Integrated Medium Term Plan](#)

Accessibility

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

Corporate Governance Department

Cardiff and Vale University Health Board,
Corporate Headquarters
Woodland House
Maes-y-Coed Road
Heath
Cardiff
CF14 4HH

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: <http://www.cavuhb.nhs.wales/>

Twitter: [@CAV_UHB](https://twitter.com/CAV_UHB)

Facebook: www.facebook.com/cardiffandvaleuhb

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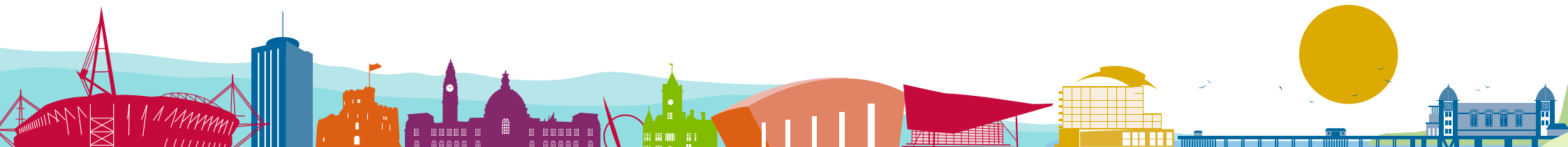
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Joint Chair and CEO foreword

We are delighted to bring you our Annual Report for 2019-20.

This year the NHS has experienced one of its biggest challenges in its 72 year history. The pandemic of COVID-19 has changed the way we live within Cardiff and the Vale of Glamorgan and has changed how we deliver services to our patient population.

Despite the impact of COVID-19 there was also a lot to celebrate over the year as 2020 recognised 100 years of nursing. With nursing making up the largest part of our workforce it was welcome to celebrate a truly diverse career which makes a huge difference to the needs of our patients, in caring for them and keeping them well.

As part of the celebration Nathan Wyburn, patron of our Health Charity, produced an image of Florence Nightingale using 100 pictures of our own nurses. Nathan also produced one of the most iconic images of 2020, with the thank you NHS image he produced using images of staff from across NHS Wales.

The past year has really captured the imagination and hearts of the public with their appreciation of the work the NHS does and our staff have really appreciated the outpourings of 'thank yous' and rainbows that people have displayed at their homes which has helped to lift spirits during a difficult time.

A key part of the work we do at Cardiff and Vale University Health Board is delivering innovation to

improve outcomes to patients.

The past year we have developed the use of the Da Vinci robot which was successfully used in prostate cancer surgery and its use was further expanded to include kidney and head and neck cancers.

The Da Vinci robot equips surgeons with 3D visualisation and high magnification of the area being operated upon, and enhances surgical dexterity through reducing physiological tremors, increasing range of motion, and translating large hand movements into micro-movement.

When operating on a kidney, the new procedure meant that lumps are removed using the Da Vinci robot so that it would remove suspected cancers while preserving the function of that kidney. The surgical team can only interrupt the blood supply to the kidney upon which they are operating for 20 short minutes. This means that they have to remove any lumps and sew the kidney back up in that very tight time limit.

The outcomes for the patients mean that they experience less pain, their recovery times are much quicker and their length of stay in hospital after the procedure is just 2 days on average, as opposed to the 6 days required for the traditional open procedure.

The Da Vinci robot was also used for the first Transoral Robotic Surgery (TORS) for head and neck cancer at the University Hospital of Wales (UHW) which was a first in Wales. Patients previously had

to travel to London or Newcastle for the robotic surgery but the development of the service and expertise in Cardiff has meant that patients can receive the treatment closer to home.

Treatment of head and neck cancers can have a severe impact on patients' overall quality of life, affecting how patients look, talk, eat or breathe, but the new procedure can greatly improve functional and cosmetic outcomes for patients.

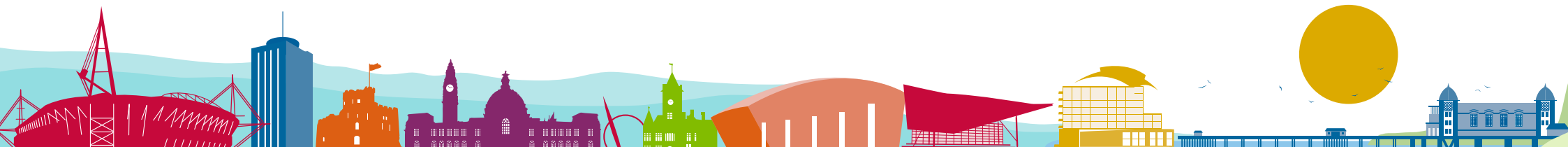
In a first for the United Kingdom, the transplant team at the UHW successfully transplanted kidneys from donors infected with Hepatitis C. The procedure was the first of its kind in the United Kingdom and represents a medical breakthrough in both organ transplantation and the treatment of Hepatitis C.

Hepatitis C is treated using direct acting antiviral (DAA) tablets. DAA tablets are the safest and most effective medicines for treating Hepatitis C.

In Wales, DAA tablets have been available on the NHS to treat and cure all cases of Hepatitis C since 2014.

With an estimated 12,000 people affected by Hepatitis C in Wales, it is this availability of treatment which is allowing them to now become organ donors whereas they would not have been previously considered.

Advances in the medicine used for the treatment of Hepatitis C means that those with the virus can now be cured entirely over the course of just 12 weeks. There is a less than a 1-in-2500 chance that the



disease would not be cured.

The Health Board is also committed to sustainability and promoting active travel. We joined thirteen other public sector organisations in Cardiff to sign the Healthy Travel Charter and offered our staff free membership to nextbike to promote active travel and reduce emissions.

We also launched nextbike on prescription which meant that some GP practices in Cardiff were able to prescribe their use to patients to get them active and moving. This has now been introduced in other parts of the UK.

To increase the use of active travel for staff and our patients the park and ride service at UHW was expanded until 11pm and a new park and ride service was provided at University Hospital Llandough (UHL). This helps with parking on sites, on site traffic and pollution which makes our sites more accessible and safer. The new service was enabled through the support and hard work of our Capital, Estates and Facilities team and our Health Charity.

COVID-19 provided a number of challenges to how we can deliver services to our patients while keeping them and our staff safe which has also posed thoughts on how we can deliver services in the future. We have embraced the use of technology using virtual consultations for appointments at GP surgeries and with some of our clinics. This has enabled us to provide services closer to home and within the local community and we will be continuing to develop this so that services are accessible and will

work effectively as we coexist with COVID-19.

We are incredibly proud of the commitment, passion and drive of our staff and volunteers across the Health Board in how they have risen to the challenge of COVID-19. They have adapted to make changes to services, physical locations to enable social distancing and even developed a field hospital – Dragon's Heart Hospital in a matter of weeks to respond to the expected demand for care of patients affected by COVID-19.

The Dragon's Heart Hospital was the second largest field hospital in the UK which was built to cope with a surge in capacity. It saw the home of Welsh rugby changed into a functional hospital space which was used to care for people who were recovering from COVID-19 before they were discharged home. The name of the hospital was chosen by the public and really fired up emotions of what the hospital was there to do.

It is clear we are not out of the woods yet and there is still a way to go in how we deliver services in the future and we are already scoping out capacity and services for rehabilitation and mental health which will form a big part of the recovery from COVID-19.

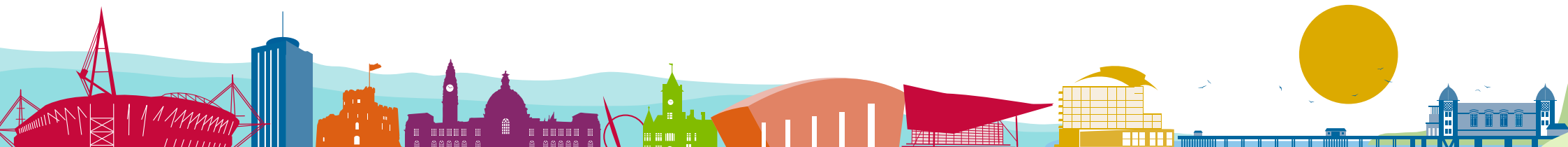
It is fair to say the past 18 months has really enabled a period of reflection and appreciation of the NHS and what it does for our local communities and population and we would like to thank each and every member of staff, the public and volunteers who have made a difference so we can continue to care for people and keep them well.



Len Richards
Len Richards
Chief Executive



Charles Janczewski
Charles Janczewski
UHB Chair



About Us

Cardiff and Vale UHB 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

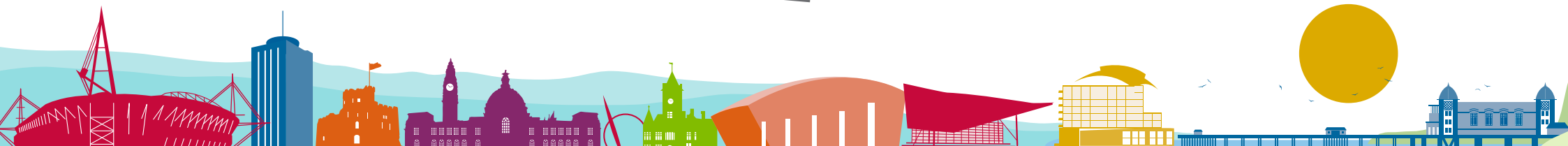
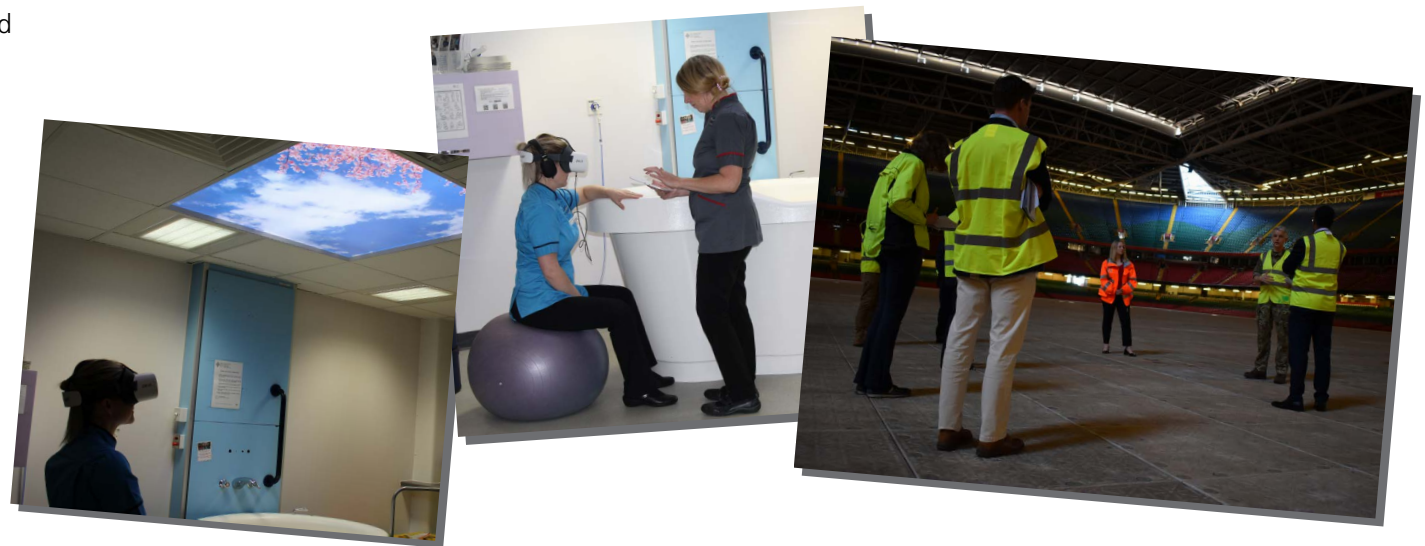
Offering first line health services at GP surgeries, dentists, optometrists, pharmacists and a range of therapy and community based services accessible as close to home as possible.

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 Minister for Health and Social Services 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.



Charles Janczewski
Chair



Len Richards
Chief Executive



Eileen Brandreth
Independent Member Information
Computer Technology



Steve Curry
Chief Operating Officer



Robert Chadwick
Executive Director of Finance



Dawn Ward
Independent Member Trade Union



Nicola Foreman
Director of Corporate Governance



Martin Driscoll
Executive Director of Workforce and
Organisational Development



Abigail Harris
Executive Director of Strategic Planning



Sara Moseley
Independent Member Third Sector



Dr Fiona Jenkins
Executive Director of Therapies
and Health Sciences



Councillor Susan Elsmore
Independent Member Local Authority



Akmal Hanuk
Independent Member Community



Jonathon Gray
Director of Transformation
and Informatics



Stuart Walker
Executive Medical Director



Ruth Walker
Chief Nurse/Executive Nurse Director



Fiona Kinghorn
Executive Director of Public Health



Michael Imperato
Independent Member Legal



John Union
Independent Member Finance



Professor Gary Baxter
Independent Member - University



Dr Rhian Thomas
Independent Member - Capital and Estates

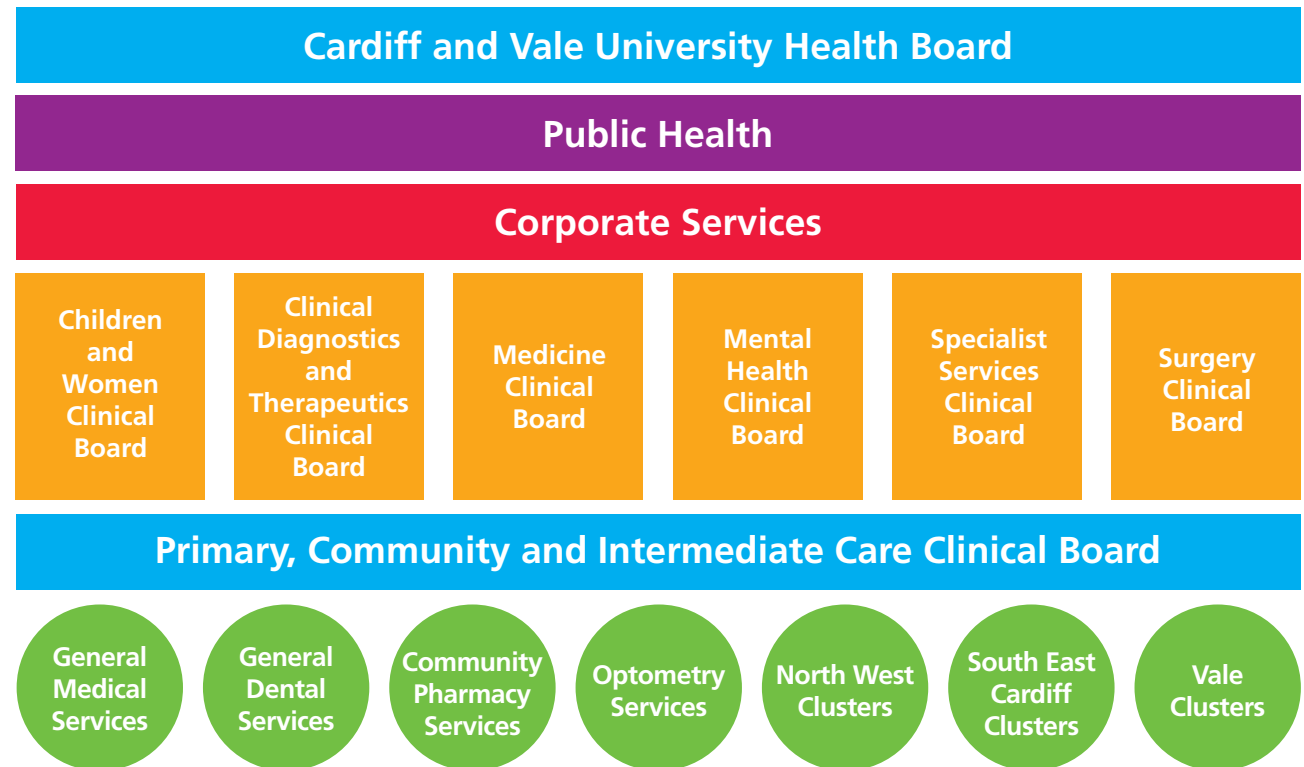


Our Structure

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 seven Clinical Boards who 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 diagram to the right.

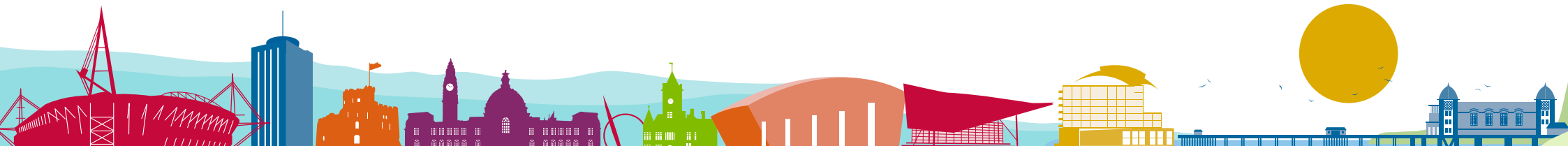


Our corporate and planning services are an integral part of the overall structure and smooth running of the UHB and include:

- Strategy and Planning
- Finance and Performance
- Human Resources
- Estates and Facilities
- Information and Technical Services

- Communications, Arts, Health Charity 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 wellbeing 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, Asian or minority ethnic (BAME) background. 'White other' and Indian ethnicities are the second and third most common ethnic groups after White British.



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.

South Glamorgan Community Health Council

We work closely with South Glamorgan 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:

Unit 3, Pro-Copy Business Centre
Parc Tŷ 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

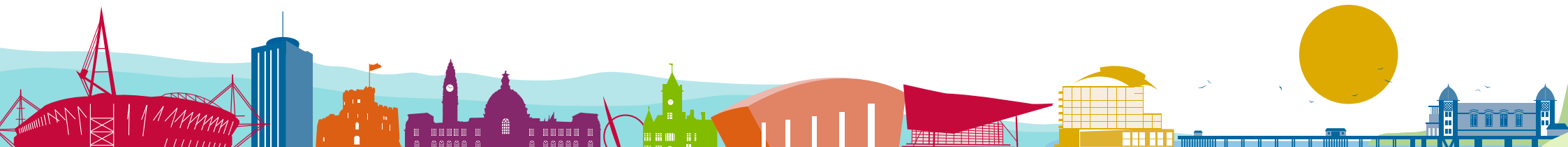
- We are focussed upon using information on the outcome and themes from concerns to improve services.

6. Seeking continuous improvement

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

Welsh Language

The Welsh Language (Wales) Measure 2011 sets out a legal framework which imposes a duty on the organisation, among other public institutions, to comply with the standards relating to the Welsh language. The organisation has responded positively to the Welsh Language Standards as it provides an opportunity to reinforce the requirements and to improve the quality and availability of services



through the medium of Welsh.

During 2019/20 the organisation continued with its efforts to implement the requirements of the Welsh Language Standards, working closely with services to ensure they all conform. We have been working hard to raise awareness of the requirements of the Standards through corporate induction of all new staff, mandatory training for current staff as well as other events taking place across the organisation. CAV UHB has also been promoting its commitment towards the Welsh Language by attending the National Urdd Eisteddfod at Cardiff Bay in May 2019.

The organisation has also:

- Collaborated with the National Centre for Welsh Language Learning to offer a range of fully-funded Welsh Language courses for staff.
- Provided guidance to assist staff on complying with the standards which is now widely available on the intranet and internet sites.
- Promoted NHS careers and the need for Welsh Language skills at careers fairs in local schools and colleges.
- Established a service level agreement with Cardiff City Council to use their Welsh Language unit.

It is essential to note the impact of COVID-19 on progressing of the Welsh Language Standards. Frontline areas had to focus on dealing with the

direct and indirect impact of this significant public health issue. However, for the coming year it will re-engage with the process of complying with the standards. It will seek to establish a strategic group, chaired by the Deputy Chief Executive, to oversee and seek assurances that the organisation is complying with the standards. The organisation is proactively recruiting two new full time Welsh Language translators. The translators will be ensuring that CAV UHB is fully compliant with the bilingual aspect of the Welsh Language standards, prioritising communication which includes the website and social media. The organisation continues to promote the fully funded Welsh Language course available for all staff and is always looking for a diverse workforce which includes staff with Welsh Language skills.

Our population's health – Public Health Team

Cardiff and the Vale of Glamorgan 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.

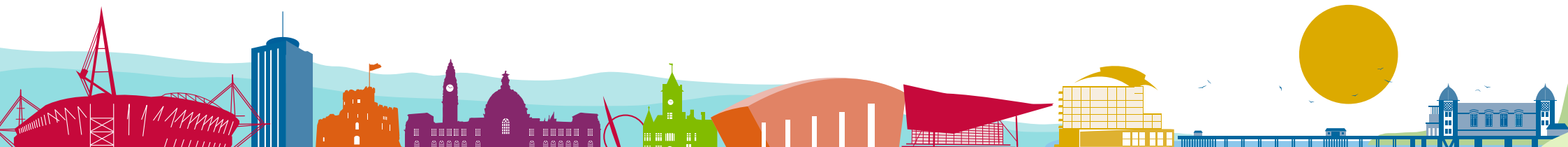
It is projected that in the next two decades there will be more people aged over 65, more school age children and more working age people between

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.



Our Strategy

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 2020 the Health Board received confirmation from the Minister for Health and Social Services, 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

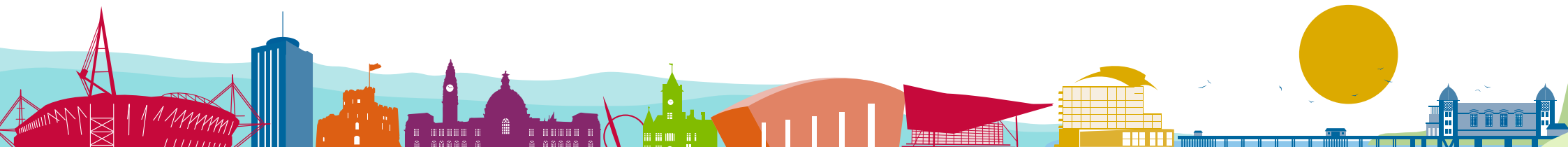
duties for Cardiff and Vale UHB, with responsibilities both as an individual organisation, and in partnership as a member of the two Public Services Boards (PSBs) in Cardiff and the Vale of Glamorgan.

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 Cardiff and Vale UHB, and support the culture change required for the Cardiff and Vale UHB 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 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 Cardiff and Vale UHB, our ten year strategy (Shaping our Future Well-being) objectives are the organisation's statutory well-being objectives under the WFG Act, as 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

Welsh Government confirmed in March 2020 that CAV UHB's IMTP was approvable for 2020-23. This plan 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.

We reviewed our well-being objectives in late 2019 while developing our updated IMTP, and confirmed that they remained appropriate and consistent with the sustainable development principle.

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.

We participated in self-reflection audits suggested by the Office of the Future Generations Commissioner during the year, and used learning from the audits to inform our IMTP development and WFG Steering Group action plan.

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.

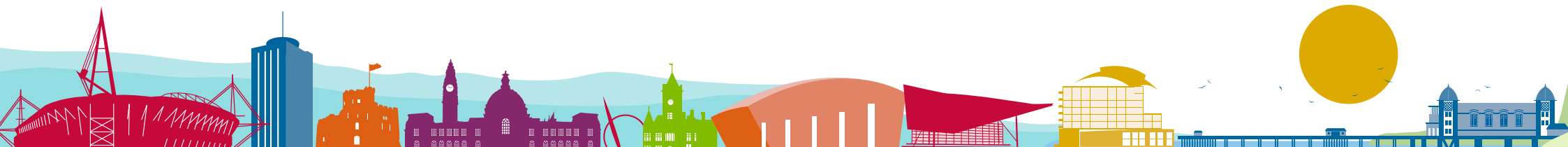
Other developments

During 2019/20 we continued to revise and update our WFG communications plan, to regularly showcase work internally and externally which Cardiff and Vale UHB is doing which demonstrates the Act in practice.

In January 2020 at the Cardiff and Vale UHB Board meeting the organisation declared a climate emergency, in line with some other statutory bodies in Wales, including Welsh Government itself. The declaration recognised that words needed to be accompanied by action, so we committed to developing detailed additional actions in a number of key areas:

- Reducing our energy and water use through further phases of the Refit programme
- Continuing to enhance our sustainable procurement approach
- Catering and food retail
- Healthy and sustainable travel
- Maintaining and enhancing biodiversity on our estate

This will accelerate our programme of decarbonisation and reduce our environmental impact. We already have some significant initiatives in place to reduce our environmental impact. These include a large scheme of works (the Refit programme) to dramatically increase energy efficiency in Cardiff and Vale UHB; a number of interventions being taken to support and encourage staff and visitors to use sustainable transport when



accessing our sites, contributing to our Healthy Travel Charter commitments (see below); the development of Our Orchard at UHL; a sustainable procurement programme; and work to increase the sustainability of our surgical theatres. We regularly report our carbon emissions to the regulator for our carbon management programmes and currently have a 3% annual reduction target.

At the same Board meeting we published our first biodiversity action plan under the Environment (Wales) Act, again recognising that this is an area on which we need to do more.

The Medical Director's Annual Conference in March 2020 was on the subject of sustainable healthcare, with some fascinating presentations of work already happening in Cardiff and Vale UHB to reduce the impact of providing healthcare on the environment.

During 2019/20 work began to develop a vision for a successor to the current University Hospital of Wales. This so-called 'UHW2' presents us with an opportunity to really consider what a health facility should look like in the 21st century, and how it should contribute to health and wellbeing not only directly, but indirectly through sustainable building principles and land use. The plans remain in an early stage but will be developed using the sustainable development principle from the outset.

In April 2019 Cardiff and Vale UHB formally signed the Cardiff Healthy Travel Charter, which commits the organisation along with a number of other public sector organisations in the City to support and increase

the number of staff and visitors reaching our sites by walking, cycling and public transport, and also support a shift from fossil fuel vehicles to electric vehicles.

In October 2019 a similar Charter in the Vale was launched, and in January 2020 leading businesses in Cardiff signed up to the Business Healthy Travel Charter, developed in conjunction with Cardiff's Business Improvement District, FOR Cardiff.

During summer 2019 we worked with Audit Wales to review our implementation of the Act in respect of our Shaping Our Future Wellbeing in the Community programme. The Audit Wales report was supportive of the approach taken, recognising the influence of the Act and how we now need to build on the success to date:

The five ways of working have been central to planning the health and well-being centres and well-being hubs but there is scope for the Health Board and its partners to build upon successes for the next phases of the programme

The emergence of the coronavirus pandemic in Q4 2019/20 led to the prioritisation of the immediate response to the virus, with other workstreams temporarily suspended. This included regular meetings of Cardiff and Vale UHB WFG Steering Group.

Partnerships established and strengthened through the Public Services Boards in Cardiff and the Vale enabled strong collaboration between partners in the response to the pandemic, from the outset.

Research, Development, Innovation and Partnerships

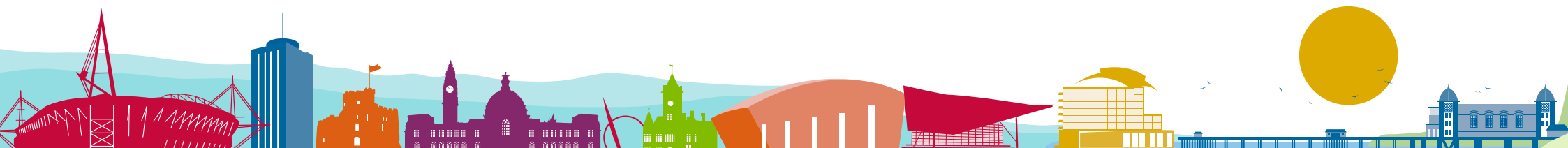
One of the core principles of the NHS and the UHB strategy is to bring benefits to patients through Research and Development (R&D) and innovation. Effective R&D performance is essential if the UHB is to meet its values and objectives as it brings many benefits:

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 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.

Performance

The UHB's performance management framework is underpinned by the NHS Wales Outcomes Framework 2017/18. This is made up of seven domains as follows:

Staying healthy

People in Wales are well informed and supported to manage their own health.

Safe care

People in Wales are protected from harm and protect themselves from known harm.

Effective care

People in Wales receive the right care and support as locally as possible and contribute to making their care a success.

Timely care

People in Wales have access to services based on clinical need and are actively involved in decisions about their care.

Dignified care

People in Wales are treated with dignity and respect and treat others the same.

Individual care

People in Wales are treated as individuals with their own needs and responsibilities.

Our staff and resources

People in Wales can find information about how their NHS is resourced and make careful use of it.

Our performance

The need to plan and respond to the COVID-19 pandemic has had a significant impact on the organisation, wider NHS and society as a whole. It has required a dynamic response which has presented a number of opportunities in addition to risks. The need to respond and recover from the pandemic will continue both for the organisation and wider society throughout 2020/21 and beyond.

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

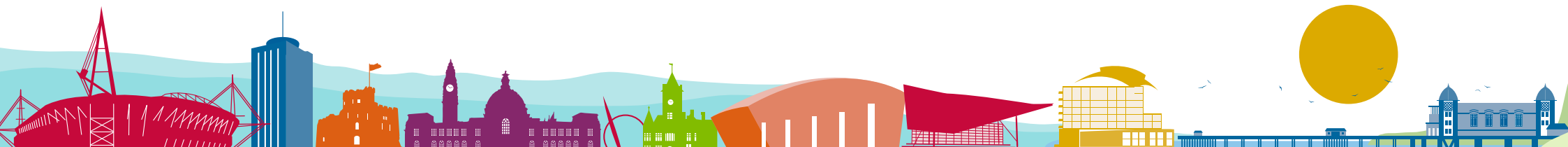
Complete performance data for the organisation has been presented for the first three quarters of 2019/20 only. The remaining quarter (January 2020 to March 2020) was impacted by the pandemic and the suspension of performance monitoring mid-March. Performance trends have been assessed using the April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

Local management information on the delivery of key service priorities throughout the final quarter of 2019/20 is provided in the absence of official performance data.



Cardiff and Vale UHB	Improved Performance	Sustained Performance	Decline in Performance	Performance Summary	Targets Achieved*
STAYING HEALTHY: People in Wales are well informed and supported to manage their own physical and mental health	2 measures	0 measures	3 measures	↓	
SAFE CARE: People in Wales are protected from harm and supported to protect themselves from known harm	7 measures	0 measures	8 measures	↓	3 measures
INDIVIDUAL CARE: People in Wales are treated as individuals with their own needs and responsibilities	2 measures	0 measures	3 measures	↓	
OUR STAFF AND RESOURCES: People in Wales can find information about how their NHS is resourced and make careful use of them	2 measures	0 measures	3 measures	↓	
TIMELY CARE: People in Wales have access to services based on clinical need and are actively involved in decisions about their care	11 measures	1 measure	14 measures	↓	5 measures
EFFECTIVE CARE: People in Wales receive the right care and support as locally as possible and are enabled to contribute to making that care successful	4 measures	0 measures	4 measures	→	1 measure
DIGNIFIED CARE: People in Wales are treated with dignity and respect and treat others the same	0 measures	0 measures	2 measures	↓	1 measure
<div>Note: This scorecard relates to the April to December 2019 period.</div> <div>SUMMARY</div>	28 measures	1 measure	37 measures	↓	10 measures


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

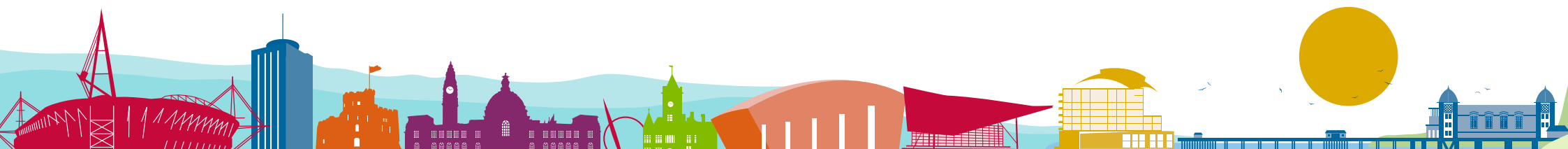


C&V - Staying Healthy				
	3 Quarter Trends			
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend
% of children who received 2 doses of the MMR vaccine by age 5	92.7%	92.6%	92.4%	↓
% of children who received 3 doses of the hexavalent '6 in 1' vaccine by age 1	94.0%	92.2%	93.9%	↓
% children 10 days old who accessed 10-14 days health visitor component of Healthy Child Wales Programme	96.6%	94.0%	94.1%	↓
European age standardised rate of alcohol attributed hospital admissions for individuals resident in Wales**	431.3	415.7	402.0	↑
	Annual Trends			
	2018	2019	Trend	
% of pregnant women who gave up smoking during pregnancy (by 36-38 weeks of pregnancy)*	16.0%	16.2%	↑	

*Taken from Jan-20 merged data set

**Taken from April APC refresh

 Achieved in Target Compliance
 Not achieved in Target Compliance





C&V - Safe Care

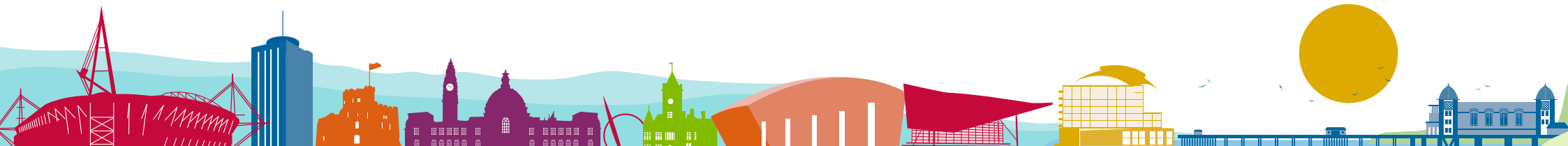
	9 Month Trends									
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Trend
Of the Serious Incidents due for assurance within the month, % which assured in agreed timescales***	29.4%	46.2%	14.3%	55.6%	75.0%	55.0%	17.4%	52.6%	30.0%	↑
Number of new Never Events***	0	0	0	0	1	1	0	0	1	↓
% of in-patients who have received 'Sepsis Six' first hour care bundle within 1 hour of positive screening	68.0%	75.0%	100.0%	72.7%	71.4%	75.0%	58.3%	66.7%	76.9%	↓
% ED patients who have received 'Sepsis Six' first hour care bundle within 1 hour of positive screening	51.1%	50.0%	50.0%	47.0%	40.0%	45.3%	45.0%	41.2%	47.4%	↓
	3 Quarter Trends									
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend						
Opioid average daily quantities per 1,000 patients	3,233.95	3,250.69	3,161.74	↑						
Number of patients aged 65+ prescribed an antipsychotic	1,195	1,222	1,192	↑						
Total antibacterial items per 1,000 STAR-PUs	243.16	238.83	287.05	↓						
Fluoroquinolones, Cephalosporins, Clindamycin & Co-amoxiclav per 1,000 patients	8.81	8.83	8.98	↓						
Number of Patient Safety Solutions Wales Alerts & Notices not assured within the agreed timescales	1	1	0	↑						
	Annual Trends									
	2018	2019	Trend							
Number of hospital admissions with any mention of self harm for children/young people per 1,000 pop*	3.27	2.73	↑							
	Dec-18 (9mths ending)	Dec-19 (9mths ending)	Trend							
Cumulative rate of C.Difficile cases per 100,000 of the population**	23.03	21.45	↑							
Cumulative rate of S.Aureus Bacteremia cases per 100,000 of the population**	33.05	21.18	↑							
Cumulative rate of E.coli cases per 100,000 of the population**	71.79	75.87	↓							
Cumulative number of Klebsiella sp cases**	61	62	↓							
Cumulative number of Aeruginosa cases**	26	28	↓							

*Taken from March APC refresh

**Data is provisional

***Data as at 29/04/20

 Achieved in Target Compliance
 Not achieved in Target Compliance



C&V - Individual Care

	9 Month Trends									
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Trend
% of HB residents in receipt of secondary MH services (all ages) who have a valid CTP	83.6%	82.9%	80.2%	79.2%	78.8%	76.3%	75.6%	74.5%	74.0%	↓
% of HB residents sent their outcome assessment report within 10 working days after assessment	75.0%	50.0%	76.9%	76.9%	90.0%	83.3%	93.8%	93.8%	87.5%	↑
	3 Quarter Trends									
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend						
Number of calls to the MH helpline CALL by Welsh residents per 100,000 of population	132.8	134.0	145.8	↑						
Number of calls to the Wales dementia helpline by Welsh residents per 100,000 of population (age 40+)	5.4	6.7	3.6	↓						
Number of calls to the DAN 24/7 helpline by Welsh residents per 100,000 of population	43.9	33.4	27.4	↓						

 Achieved in Target Compliance
 Not achieved in Target Compliance

C&V - Our Staff & Resources

	9 Month Trends									
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Trend
% of headcount who have had a PADR/medical appraisal in previous 12 months	57.8%	56.4%	58.4%	56.4%	58.0%	58.3%	56.7%	55.8%	55.5%	↓
% compliance for all completed Level 1 competencies within Core Skills & Training Framework	76.5%	76.9%	76.9%	77.3%	79.2%	76.4%	76.6%	76.7%	77.1%	↑
% staff sickness absence (rolling 12 months)	5.15%	5.16%	5.18%	5.22%	5.21%	5.16%	5.29%	5.32%	5.37%	↓
	3 Quarter Trends									
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend						
% adult dental patients in the HB pop re-attending NHS primary dental care between 6 & 9 mths	34.0%	34.4%	33.3%	↑						
% of critical care bed days lost to delayed transfer of care (ICNARC definition)	12.8%	9.4%	15.1%	↓						

 Achieved in Target Compliance
 Not achieved in Target Compliance



C&V - Timely Care

	9 Month Trends									
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Trend
% survival within 30 days of an emergency admission for a hip fracture***	70.8%	82.5%	65.1%	78.2%	67.4%	73.9%	71.4%	80.4%	68.8%	↓
% of OOH/111 patients prioritised as P1CH that started assessment <1hr of call being answered	88.0%	93.4%	96.4%	96.2%	98.8%	96.9%	98.7%	93.7%	83.3%	↓
% of OOH/111 patients prioritised as P1F2F seen <1hr following assessment	54.5%	81.8%	80.0%	60.0%	80.0%	58.8%	71.4%	70.0%	50.0%	↓
% of patients waiting less than 26 weeks for treatment	87.2%	86.2%	86.6%	87.0%	85.4%	85.2%	85.3%	85.4%	84.2%	↓
Number of patients waiting more than 36 weeks for treatment	690	657	684	638	995	682	922	1,222	1,747	↓
Number of patients waiting more than 8 weeks for a specified diagnostic	158	110	21	30	56	51	88	106	33	↑
Number of patients waiting more than 14 weeks for a specified therapy	1	5	0	0	5	38	40	13	21	↓
Number of patients waiting for a follow-up outpatient appointment	247,987	232,153	233,642	235,331	236,351	236,502	234,439	233,853	217,382	↑
Number of patients waiting for a follow-up outpatient appointment who are delayed by over 100%	86,377	72,921	78,195	78,931	79,599	79,112	76,652	79,641	77,016	↑
% compliance with stroke QIM Direct admission to an acute stroke unit (<4 hrs)*	40.9%	43.3%	51.0%	51.1%	56.3%	43.9%	37.3%	23.3%	48.1%	↓
Assessed by a stroke consultant (<24 hours)**	74.5%	76.6%	78.8%	68.0%	80.8%	92.9%	78.7%	71.7%	86.0%	↑
Patients receiving the required minutes for SALT	70.0%	61.5%	49.1%	60.0%	53.6%	61.6%	64.9%	63.9%	65.8%	↑
% of emergency responses to red calls arriving within 8 mins	78.2%	76.7%	79.0%	74.6%	75.1%	72.2%	71.7%	66.7%	72.0%	↓
Number ambulance handovers over one hour	163	200	330	244	265	357	472	529	489	↓
% of patients spend < 4 hours in emergency care from arrival until admit, transfer or discharge	85.0%	85.2%	82.6%	83.8%	83.7%	82.1%	81.8%	77.2%	81.3%	↓
Number of patients spent >=12 hrs in emergency care from arrival until admit, transfer or discharge	51	65	84	56	61	139	173	194	162	↓
% newly diagnosed with cancer, not via urgent route, started def treat within 31 days of diagnosis	95.1%	98.6%	97.2%	98.5%	98.6%	99.0%	97.8%	94.6%	98.8%	↑
% newly diagnosed with cancer, via urgent suspect route, started def treat within 62 days of referral	85.2%	80.6%	74.2%	80.0%	88.0%	96.5%	91.0%	90.4%	87.5%	↑
% of patients starting first definitive cancer treatment within 62 days from point of suspicion	76.1%	72.0%	75.2%	72.3%	85.1%	81.4%	81.4%	82.7%	83.4%	↑
% of MH assessments undertaken within 28 days from the date of receipt of referral	56.4%	49.8%	48.6%	41.6%	57.9%	80.3%	78.7%	74.3%	77.6%	↑
% of therapeutic interventions started within 28 days following an assessment by LPMHSS	69.6%	55.9%	55.4%	62.3%	81.1%	79.9%	80.4%	84.0%	88.1%	↑
% of patients waiting less than 26wks to start a psychological therapy	83.5%	85.2%	86.3%	85.8%	77.4%	80.8%	78.0%	75.3%	73.7%	↓
% of children/young people waiting less than 26 wks to start ADHD or ASD neurodevelopment assessment	79.9%	74.6%	68.6%	66.3%	59.1%	54.1%	53.5%	54.0%	48.5%	↓
% R1 ophthalmology patients waiting within target date or within 25% beyond target date for an OP appointment	51.4%	57.6%	58.0%	57.0%	58.6%	59.4%	59.3%	57.1%	64.9%	↑
	3 Quarter Trends									
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend						
% of qualifying patients who first had contact with an IMHA within 5 working days of their request	100.0%	100.0%	100.0%	↔						
	Annual Trends									
	2018	2019	Trend							
% GP practices offering appointments between 17:00 and 18:30 on 5 days a week	93.5%	88.7%	↓							

*Target used is the SSNAP Oct-19 to Dec-19 UK average of 53.3%

**Target used is the SSNAP Oct-19 to Dec-19 UK average of 84.1%

***Taken from April CHKS refresh



Achieved in Target Compliance
 Not achieved in Target Compliance



C&V - Effective Care

	9 Month Trends									
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Trend
Crude hospital mortality (<= 74 years of age) rolling 12 months ending*	0.59%	0.58%	0.59%	0.58%	0.57%	0.57%	0.57%	0.59%	0.58%	↑
% of episodes clinically coded within one reporting month post episode discharge end date	96.1%	95.7%	95.5%	95.5%	95.3%	95.6%	95.8%	96.0%	95.4%	↓
% comp of completed level 1 IG (Wales) training element of Core Skills & Training Framework	73.2%	73.0%	73.3%	73.1%	74.5%	72.2%	72.3%	71.3%	71.7%	↓
Number of health board non mental health DToC	39	42	40	40	34	42	59	52	48	↓
Number of health board mental health DToC	3	7	6	5	4	4	6	9	11	↓
% universal mortality reviews undertaken within 28 days of a death	74.3%	83.3%	76.5%	74.0%	77.2%	79.2%	79.7%	79.6%	76.0%	↑
	3 Quarter Trends									
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend						
All new medicines must be made available no later than 2 months after NICE and AWMSC appraisals	96.7%	96.6%	96.7%	↑						
	Annual Trends									
	2018/19	2019/20	Trend							
% clinical coding accuracy attained in the NWS national clinical coding accuracy audit programme	90.3%	94.6%	↑							

*Taken from April CHKS refresh

 Achieved in Target Compliance
 Not achieved in Target Compliance

C&V - Dignified Care

	3 Quarter Trends				Trend
	Q1 2019/20	Q2 2019/20	Q3 2019/20		
% complaints that had final reply (Reg 24)/interim reply (Reg 26) <30 working days of concern received	79.9%	83.6%	78.4%		↓
Annual Trends					
	Dec-18 (9mths ending)	Dec-19 (9mths ending)	Trend		
Number procedures postponed either on the day or day before for specified non-clinical reasons*	1,495	1,763	↓		

*Taken from April refresh

 Achieved in Target Compliance
 Not achieved in Target Compliance



Unscheduled Care

Whilst attendances at our Emergency Units in the first two months of the quarter were higher than last year, we saw a significant decrease in patients presenting for emergency care during March as a result of the pandemic. 80% of patients in January and February 2020 and 85% of patients in March 2020 were admitted, discharged or treated within 4 hours of arrival in EU. 137 and 130 patients waited more than 12 hours in the first two months. This improved in March with 34 patients waiting more than 12 hours to be admitted, discharged or treated.

The Ambulance Service responded to 75%, 73% and 67% of patients with a potentially immediate or life threatening condition within Cardiff and the Vale within 8 minutes in January, February and March respectively. There were 585, 434 and 255 ambulance handovers greater than one hour for the same period.

Primary Care Out of Hours

The Health Board continued to monitor 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. The proportion of home visits for patients prioritised as “emergency” and seen within one hour continued to fluctuate at 38% in January, 78% in February and 60% in March 2020. The proportion of primary care centre

appointments provided within 1 hour for those prioritised as “emergency” again varied throughout the quarter at 78% in January, 50% in February and 67% in March 2020.

Cancer

We have maintained cancer activity throughout the COVID-19 pandemic. 83%, 77% and 81% of patients on an urgent suspected cancer pathway were seen and treated within 62 days and 95%, 97% and 97% of patients on a non-urgent suspected cancer pathway were seen and treated within 31 days of the date of decision to treat for January, February and March 2020 respectively. The Health Board also continued to shadow report on the Single Cancer Pathway, with 77%, 75% and 79% of patients being seen and treated within 62 days of the point of suspicion.

Elective Access

COVID-19 has had an unprecedented impact on elective access waiting times. Whilst the overall Referral to Treatment Times waiting list volume has stayed fairly static over the period, waiting times deteriorated over the quarter with resources reprioritised to manage COVID-19 and maintain essential services. As at the end of March 2020, 82% of patients were waiting under 26 weeks and 3,515 patients were waiting in excess of 36 weeks. There was a similar picture for patients waiting for a diagnostic test with 782 patients waiting

greater than 8 weeks at the end of March 2020 in comparison to 33 patients at the end of December 2019. The impact on therapies came after the end of quarter 4 and, at the end of March 2020, there were 106 patients waiting greater than 14 weeks.

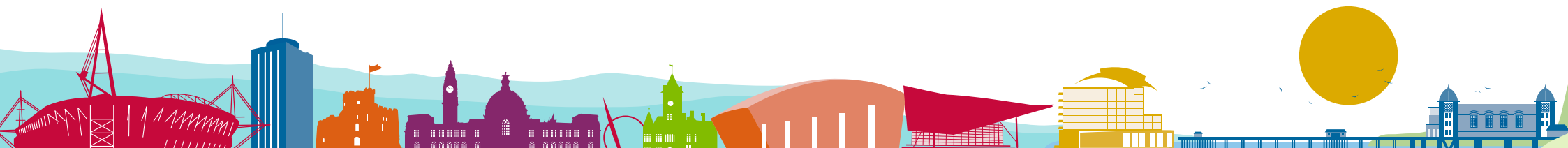
The overall position for outpatient follow-ups improved over the last quarter with reductions in both the volume of patients waiting for a follow-up appointment and those 100% delayed past their clinically agreed target date. As at the end of March 2020, there were 183,412 patients waiting for a follow-up appointment in comparison to 217,382 at the end of December 2019 and 44,519 patients 100% delayed compared to 77,016 at the end of December 2019.

Local management Information for quarter 4 (January 2020 to March 2020) for key indicators.

Mental Health

Part 1: Service users should receive an assessment within 28 days and receive therapeutic intervention following the assessment within a further 28 days. For January to March respectively, 64%, 77% and 63% of service users of primary mental health services received an assessment within 28 days from the receipt of referral and 74%, 84% and 84% of users received a therapeutic intervention following assessment within 28 days.

Part 2: 84%, 83% and 81% of Health Board residents in receipt of secondary Mental Health services had a valid care and treatment plan in January, February



and March respectively.

Part 3: 100%, 83% and 84% of Health Board residents were sent their outcome assessment report within 10 days of their assessment.

Sustainability

1.0 Introduction

The Government Financial Reporting Manual (FReM) requires that entities falling within the scope of reporting under the Greening Government commitments and which are not exempted by de minimis limit or other exemption under Greening Government (or other successor policy), shall produce a sustainability report to be included within the Management Commentary in accordance with HM Treasury issued Sustainability Reporting in the Public Sector guidance.

Public bodies in Wales that report under the FReM and meet the FReM de-minimis are required to produce a FReM sustainability report. This report has been prepared by Cardiff and Vale University Health Board to meet this requirement and summarises the performances, projects, challenges and achievements of the UHB during 2019/20.

Cardiff and Vale UHB was established in 2009 and is one of the largest health boards in Wales, which has close links to Cardiff University's Wales School of Medicine, Life and Sciences.

The aim of this report is to give an insight into Cardiff and Vale UHB and the activities that they

undertake to demonstrate and ensure that as an organisation every care is taken to have a positive sustainable, well-being effect to everyone and everything that may be directly or indirectly affected.

The Cardiff and Vale UHB assets value is £687.6M and has an estate that covers 94.3 hectares, with an annual budget of £1.483billion.

Across the UHB's large estate, Cardiff and Vale UHB has a bed range of 1,286 across varied sites, 13,432 full time working equivalent staff base, which is made up of full and part time staff members, all of whom support Cardiff and Vale UHB's services that pertain to the Health and Wellbeing for the people of Cardiff and the Vale of Glamorgan and some from further afield who use its services. Cardiff and Vale UHB have encapsulated in its stated purpose of 'Caring for People; Keeping People Well' the promoting of healthy living/ self-care in order to improving lifestyle, well-being and to prevent re-admission.

Patient services are provided across 7 hospitals:

- University Hospital of Wales (UHW) (teaching hospital)
 - Childrens Hospital for Wales
- University Hospital of Llandough (UHL) (teaching hospital)
- Rookwood Hospital
- Barry Hospital

- St David's Hospital
- Cardiff Royal Infirmary

Additional services are also provided through another 48 facilities throughout the community. There are a number of services that exist within the community, which come as a direct result of collaborations/partnerships between GPs and other healthcare professionals.

Cardiff and Vale UHB provides local day-to-day health services locally for an estimated 496,413* people, primarily throughout Cardiff and the Vale of Glamorgan and additionally patients slightly further afield. (*figures calculated using published census figures 2019).

The Cardiff and Vale UHB services extends to a population of up to 2.5M people (please see population under references) which covers South and Mid Wales with a range of specialist but not unique services, such as paediatric intensive care, renal services, cardiac services, neurology, bone marrow transplantation, medical genetics and the Welsh Spinal Regional Unit.

Cardiff and Vale UHB continually deliver all of its services through the UHB's ever changing footprint, which may be a result of the UHB's continual, building rationalisation programme, which will see old obsolete sites being sold/decommissioned, the footprint also changes with new additions on existing sites.



2.0 Governance

The Sustainable Development Governance structure at Cardiff and Vale UHB includes:

- The Director of Capital, Estates & Facilities who is the Lead Director for Environmental Management/Sustainable Development matters
- The Capital Estates and Facilities Service Board, Health and Safety Meetings which report to the Health and Safety Operational Group, chaired by Director of Human Resources.
- The Environmental Management Steering Group (EMSG) is chaired by the Director of Capital, Estates & Facilities, and includes representatives from health & safety, energy, waste, transport, Cardiff University and a representative from each Clinical Board. This steering group reports to the Capital Estates and Facilities Service Board monthly Health and Safety Meetings
- The Energy Management Group has been incorporated into the Capital, Estates & Facilities, 'Team Briefing' calendar. It is the same local forum made up of Capital Estates and Facilities Service Board and Operational Services department personnel, with the group continually meeting weekly. The focus is maintained on specific operational and energy and environmental management issues still includes both 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

Cardiff and Vale UHB has since 2003 held the accredited ISO14001, Environmental Management System (EMS), the accreditation is certified by the British Standards Institute (BSI). The standard is managed by the EMSG but governed by the Health & Safety Committee. All sites that fall under the remit of Cardiff and Vale UHB are affected by the EMS. The UHB are subjected to 8 BSI audits annually, with the auditor having the ability to visit any site or any department of their choosing.

The EMSG is designed to ensure that anyone and anything that comes onto/leaves any Cardiff and Vale UHB site, does so in a controlled manner. To ensure that Cardiff and Vale UHB and the activities they undertake are done so with zero or as minimal a negative impact as is possible, within its boundaries as well as the closer communities beyond its perimeters.

The EMS carries with it multiple benefits, as it satisfies and serves multiple expectations, whether those expectations be developed internally or be assigned from external sources.

The system has established practices for unexpected events and has established good practice in other areas.

The EMS has allowed Cardiff and Vale UHB to develop strategies/practices for multiple situations that may occur within the UHB to ensure the safety and well-being of everyone who comes in to contact with the organisation. Through the continual

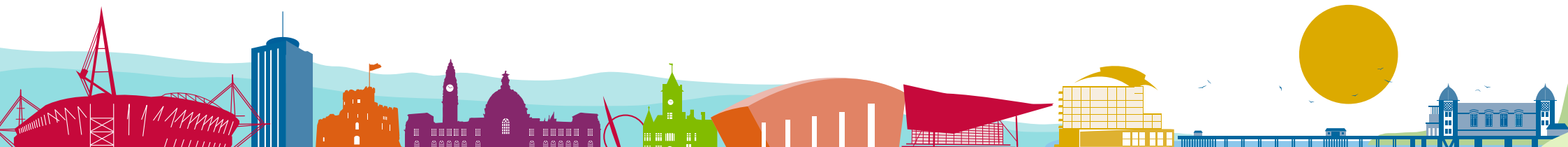
management of the system brings the following benefits to ISO14001 and CVUHB:

- That a solid Environmental Management System is observed
- The development and promotion towards the benefits of the EMS
- The creation and continuation of a collective environmental mind-set
- Demonstration that Cardiff and Vale UHB have an sound and effective EMS
- Cardiff and Vale UHB's commitment to environmental/sustainable agendas legislative or otherwise
- The reduction and or elimination of negative environmental events
- Support of the 'Future Generations' Bill

Following our January 2020 audit the UHB retained its accreditation along with the following, encouraging statement was given:

'The management system has been established in line with the strategic direction of the organisation and as a result continued certification is confirmed.'

Very good progress has been made with the Re-Fit project, with the contractor now formally appointed and the start of the first phase now imminent. Progress will be followed up again during the next assessment. Extensive measurement has been carried out to identify



the scope of environmental and financial improvements. Commitment and enthusiasm was demonstrated within the waste area as new resource has had to be appointed at very short notice, and significant improvements could be seen in the CRI waste compound during the audit period. The waste areas will be of focus during the next visit’.

4.0 Summary of Performance
4.1 Green House Gas Emissions

There are many reasons that large public bodies such as Cardiff and Vale UHB seek to reduce its energy and water consumption/wastage, whilst improving the efficiency of consumption for all, be it due to increasing commodity and non-commodity costs, reducing its carbon footprint, legislation or its own internal social responsibility.

The UHB continually looks to new technologies and strategies that enables the organisation to reduce its carbon footprint but overall its green performance levels, all whilst managing to encourage colleagues, visitors and working partners towards adopting or enhancing their own green agenda.

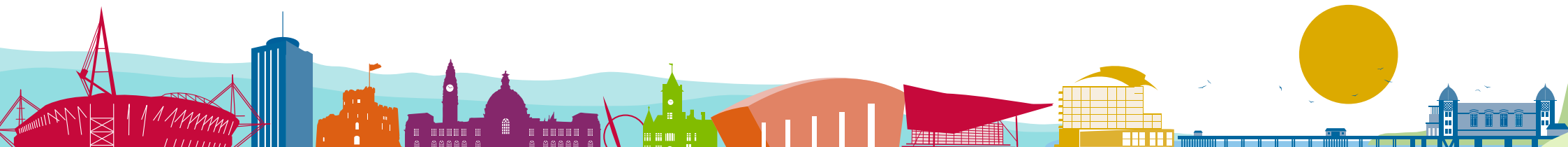
For many years the UHB has installed a number of energy initiatives throughout its estate as a means to achieving its internal goals, most notably:

- Combined Heat & Power (CHP) has generated 22,016,500 kWh saving the UHB £2,281,240 based on unit cost alone and not having

- consumed energy direct from the grid
- Solar PV, 5 installations covering UHW, UHL, and Barry have saved in the region of £15K during 19/20
 - Towards the end of 18/19 the health board engaged in a series of LED schemes in areas that had a large lighting demand. LED lighting can see a reduction in consumption in excess of 40%

The Solar PV and LED schemes were halted during 18/19 in order to allow the UHB to adopt the Re:Fit programme. The introduction of the programme allowed prospective contractors to undertake a series of surveys to assess and review the UHB’s current energy assets and strategies in order to identify and submit potential initiatives for the UHB.

Greenhouse Gas Emissions		2017-18	2018-19	2019-20
Non-Financial Indicators (1000tCo ² e)	Total Gross Emissions	28.15	29.81	29.80
	Total Net Emissions	0	0	0
	Gross Emissions Scope 1 (direct)	27.98	29.64	29.62
	Gross Emissions Scope 2 & 3 (indirect)	0.17	0.17	0.18
Related Energy Consumption (million KWh)	Electricity Non-Renewable	29.82	23.91	28.32
	Electricity Renewable	24.00	21.53	22.23
	Gas	136.00	130.94	127.84
	LPG	0.14	0.27	0.25
	Other	0	0	0
Financial Indicators (£millions)	Expenditure on Energy	7.29	8.05	8.43
	CRC License Expenditure (2010 Onwards)	0.28	0.28	Scheme Ended
	Expenditure on accredited offsets (e.g. GCOF)	n/a	n/a	n/a
	Expenditure on official business travel	1.40	1.49	1.19



4.1.2 Re:Fit

The Re:fit programme is a UK procurement initiative which allows public bodies identify and adopt energy saving and energy generating technologies on a wide scale, whilst achieving speedy installation for those technologies identified.

The programme affords public bodies in Wales the opportunity to taking a step closer to reducing their carbon footprint and towards the 2030 decarbonisation goals set for the public sector. This programme will be the largest programme that will have been undertaken by Cardiff and Vale UHB for a number of years.

Through a Mini Tendering exercise service provider Vital Energi were appointed in September 2019 as the main contractor for Cardiff and Vale UHB.

The Refit program has been split into 3 project phases to achieve carbon and costs savings as early as possible in 2020/21.

Phase 1a: Non-complex Measures

These include projects with low design requirements, short lead times and high savings e.g. LED lighting and insulation schemes.

The areas that have been targeted to date are as you would expect areas that have a large burn time, such as the multi-storey car parks at UHW as well as large administration areas.

Phase 1b: Non-complex/medium complex measures
– Including schemes which may have increased

complexity and an element of design, but still can be implemented within a medium timescale to realise benefits in the shortest practical timescale. These projects will include further Phase 1a schemes, solar PV projects and enhanced control solutions for plant and equipment.

Phase 2: Complex Measures

These will include significant strategic solutions for larger sites which will provide significant energy and carbon benefits. Phase 2 is expected to include large scale mechanical, and electrical infrastructure works targeting intensive consuming plant that exist within the organisation i.e. boilers, chillers etc.

It may also include a review and upgrade of the organisations' Building Management Systems, technology which allows the health board to control the function of a large number of equipment located throughout its large sites. Phase 2 activities will naturally be expecting larger savings. It is during this part of the programme that there may be consideration of established renewable technologies that are feasible and risk adverse.

Phase 1a progress and Savings

The Phase 1a project commenced on site in early March 2020 with proposed completion in September/October 2020. These timescales will be reviewed and updated as necessary as the project progresses.

The annual costs and forecasted savings for Phase

1a are as follows:

Implementation costs with Service Provider	£1,368k
Annual projected cost savings	£250k
Annual CO2 reduction	667 Tonnes
Estimated project payback	5.5 years

Phase 1b progress

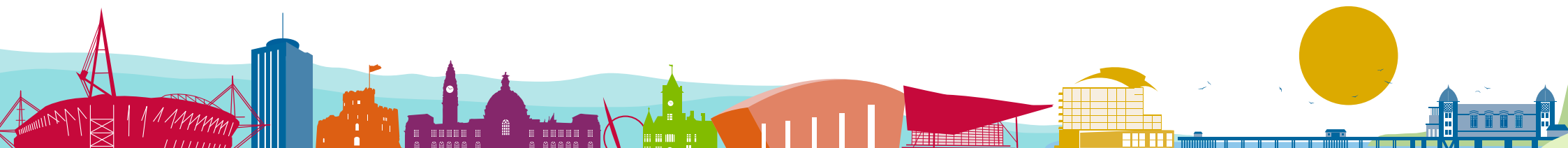
The Phase 1b Investment Grade Proposal (IGP) is progressing with the Service provider.

The IGP should be completed during July/August 2020 and once the IGP approval and funding applications have been completed, it is anticipated that the works will commence in late 2020.

Covid 19

The Covid 19 crisis has impacted significantly on the Refit program predominantly due to the following factors:

- As Manufacturing has now reduced for both UK and international companies the lead time for equipment is now longer.



- Difficulties in the delivery of materials and equipment once it is manufactured.
- Certain elements of the project have been delayed during the crisis due to the precautions and implications of Covid-19. Certain proposed projects will need to be modified to reduce Covid 19 risks. All of the above dates, costs and savings may be subject to change in light of the crisis.

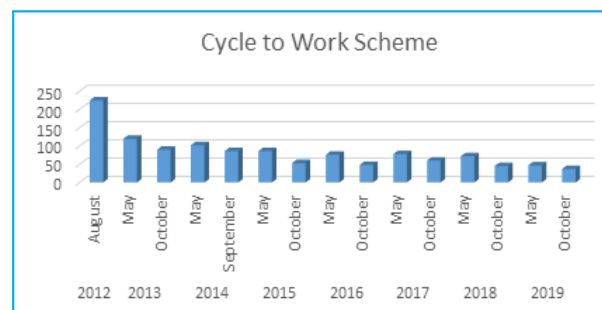
4.3 Sustainable Travel

Cardiff and Vale UHB has a Sustainable Travel Action Plan in place for each of its hospital sites as required by Welsh Government. This is currently under review with the intention of producing a UHB-wide Travel Plan (and action plan) during 2020. The action plans manage the following key areas and activities:

- **Travel planning** – Travel surveys have taken place since 2008 (except 2017 & 2018). The 2019 survey has been extended into 2020 in order to encourage a more robust response rate. The surveys monitor current travel behaviour of employees and patient/visitors to identify whether Cardiff and Vale UHB can improve those sustainable travel options that are available.
- **Car sharing** – The UHB 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 195 members recorded on

Liftshare, 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 obtain bikes through a salary sacrifice approach, further encouraging staff members into “active travel”. Since the scheme began there have been 1225 purchased to date, generating savings of almost £224K. November 18 – October 19 saw 84 new cycles obtained via the scheme.



As means of further promoting cycling to work and offering support to existing cyclists Cardiff and Vale UHB organised two site visits from ‘Doctor Bike’, a service run through ‘Cycle Training Wales’. The first at UHW on 17/03/20, with the second the following day at Woodlands House. Doctor Bike is a mobile service which sees a mechanic attend site and then puts attendees’ bikes through a health check. The

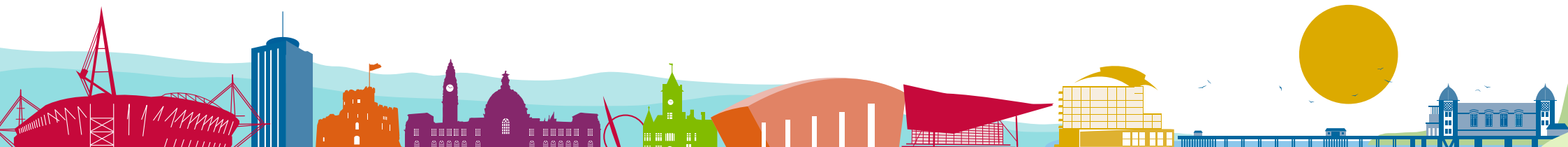
mechanic would make repairs where possible and would also highlight any serious issues found that would require the user to take their bike into a cycling shop to address those areas that needed greater/immediate attention.

Doctor Bike also delivers the same service into further education institutions, communities and youth services, they also offer maintenance training to children and adults alike.

- **nextbike**
As a means to further increase sustainable travel, a three-way collaboration between nextbike, Cardiff and Vale UHB and Cardiff Council has seen the introduction of, to date, 3 next bike stations within the UHB. There are 2 stations at University Hospital of Wales (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 can travel through the city with relative ease. The Scheme has recently been introduced in the Vale of Glamorgan and, working with Vale of Glamorgan Council (VoGC), a station for electric nextbikes has been located at University Hospital Llandough (UHL).

Most recently a pilot was launched, aimed at



helping people to cycle their way to better health. The scheme which commenced in May 2019 saw GPs in Cardiff prescribing patients with a free, 6-month nextbike membership. Further, in partnership with UNISON, the UHB has taken out 1,000 corporate memberships enabling staff to apply to join the nextbike scheme for free as a means of making the use of the nextbike further attractive.

- **Public Transport** – The UHB 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 are available to provide access to all main UHB sites. The UHW Park & Ride service commenced on 2nd May 2017 servicing UHW. The service became a free to use service on 5th June 2018 and from 3rd June 2019, the original service frequency of 20 minutes was increased to every 10 minutes between 06:30 and 19:00. The service was also extended, running now between 19:00 until 23:00, with a 20 minute frequency.

Up to the end of March 2020, 213,507 passengers had used the service over 736 working days. This equates to an average of almost 290 passengers per day. Staff represented an encouraging 80.13% of the usage.

The UHL Park & Ride service (H95) commenced

on 22nd July 2019 to serve UHL. The high usage during August of that year coincided with the temporary closure of the decked car park for essential maintenance. Over the 179 days of operation to date there have been 9,209 users equating to 51 users per day. Staff represented a little over 4211 users (45.73%).

The extended service at UHW and the UHL service is funded by Cardiff & Vale Health Charity.

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 Cardiff and Vale UHB has a salary reduction arrangement with Cardiff Bus to enable staff members to benefit from a discount and spread the cost of purchasing season tickets.

- **Walking** – The UHB has developed a series of walking routes at several of its sites, giving individuals the ability to engage in some activity during their lunch break or after work hours should they so choose. The routes are based around, UHW, St David's hospital, Rookwood hospital and Riverside health centre. The UHB provides valuable links through its intranet pages (currently under construction) to several external web sites to assist those interested parties looking to take up walking and those individuals who are already so inclined. The

links provide the details of areas and events for the population that are available 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 were previously associated with UHW. 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. An additional strategy to increase parking availability for medical staff onsite, has seen many non-medical staff members relocating off site to 'Woodlands House'.

The desire that surrounds 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 travel hubs came via Cardiff City Council, with their desire aimed at creating an effective series of travel hubs in north, south east and west in the City, giving the ability for people to move in and around Cardiff with greater effectiveness. With both organisations harbouring a mutual intent, this has led to a collaboration towards the realising of the hub. 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 aforementioned activities continually being observed by Cardiff and Vale UHB, tie in well and supports the ideals of the recently launched 'Healthy Travel Charter', designed to encourage sustainable travelling for the 33,000+ public sector employees in and around Cardiff. Cardiff and Vale UHB are one of 16 public bodies that have pledged their commitment to the Charter.

Collectively the charter aims 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%

Cardiff and Vale UHB will be supporting the charter further once it achieves the first of its electric charging point installations at Woodland House.

4.4 Waste

Waste Management within the UHB is complex, especially when you consider the number of waste streams, the range of sites, staffing complement, patients, contractor activity and those visitors that are all involved in the cycle. Naturally Cardiff and Vale UHB have a focus on its waste management

responsibilities, especially when you consider it generated in excess of 3726 tonnes for 19/20. As well as other responsibilities the UHB strives for compliance to the Duty of Care Legislation and The Hazardous Waste (Miscellaneous Amendments) (Wales) Regulations 2015, not to mention working toward the Welsh Assembly Governments 'Towards Zero Waste' where the waste generated is at 'One Planet' level.

Cardiff and Vale UHB have again achieved zero waste being diverted to landfill, still continuing to

divert waste to the Viridor, Energy from Waste plant in Cardiff. On average a tonne of waste generates around 0.697MWh of electricity, which lead to Cardiff and Vale UHB's waste generating in the region of 885MWh, again supporting National Grid in its supplying of the wider community helping towards powering in excess of 68000 homes.

Cardiff and Vale UHB have increased its efforts in creating more effective waste bins and increasing waste streams.

Waste		2017-18	2018-19	2019-20
Non-Financial Indicators (tonnes)	Total Waste	4619.00	4347.37	3726.30
	Landfill	0	0	0
	Reused/Recycled	1043.47	839.60	599.97
	Composted	119.00	97.56	47.47
	Non-Infectious Offensive Waste	685.1	664.68	600.8
	Incinerated With Energy Recovery	1441.00	1466.00	1271.06
	Alternative Heat Treatment	967.00	889.00	855.24
	Incinerated Without Energy Recovery	363.00	390.53	399.24
Financial Indicators (£million)	Total Disposal Cost	0.97	0.71	0.89
	Landfill	0	0	0
	Reused/Recycled	0.16	0.06	0.14
	Composted	0.01	0.01	0.01
	Non-Infectious Offensive Waste	0.14	0.1	0.12
	Incinerated With Energy Recovery	0.16	0.11	0.15
	Alternative Heat Treatment	0.33	0.27	0.29
	Incinerated Without Energy Recovery 0.18	0.18	0.16	0.19



4.5 Finite Resource Consumption

Finite Resource Consumption			2017-18	2018-19	2019-20
Non-Financial Indicators (000m ³)	Water Consumption (Office Estate)	Supplied	248.00	232.1	251.59
		Abstracted			
		Per FTE	16.70	17.95	18.73
	Water Consumption (Non- Office Estate)	Supplied	372.26	348.15	377.39
		Abstracted			
Financial indicators (£million)	Water Supply Costs (Office Estate)		0.92	0.60	0.25
	Water Supply Costs (Non- Office Estate)		0.92	0.90	0.38

(Please note that historical Office/Estate (40%) and Non-Office Estate (60%), which is based on occupied floor area, the data has been adjusted to be populated under the correct headings)

Water management is no less important to that of gas and electricity and it carries with it the largest unit cost of our commonly used utilities. Just like other utilities water is susceptible to wastage, which can be difficult to detect especially where leak occurs.

Clean water is another resource that is rapidly diminishing and under threat of UK demand exceeding supply.

The main levels of consumption can be attributed to cleaning, catering, and toilet usage, washing and drinking. Outside of the expected consumption factors, there is also a controlled wastage activity that the UHB are forced to take due to its 'Water

Safety Management Programme'. This programme requires a large amount of intentional, systematic flushing and is designed to help combat the legionella risk along with any other bacterium that carries with it a negative impact for the UHB's water supply.

5.0 Service Improvement Programmes

Over the last 2 years Cardiff and Vale UHB has engaged with its staff member to identify ways in which aspects of their day to day can become more efficient. This approach carries with it financial improvements as well as environmental and the schemes are delivered through our Service Improvement Programmes (SIPs).

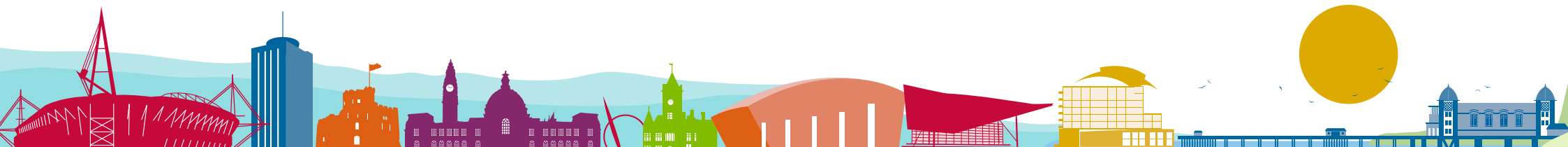
Waterless Urinals

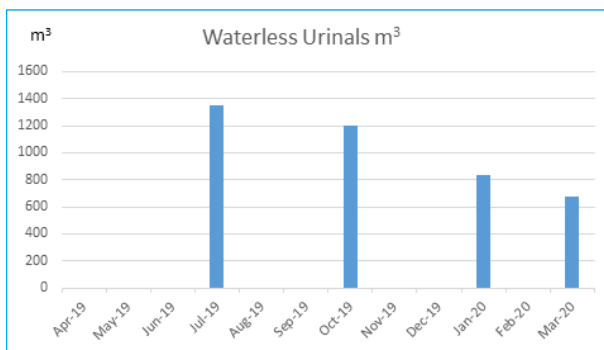
2018 saw the trial of waterless urinals in the male public toilets within the Concourse of UHW. This was swiftly followed by installations in the public toilets within the Plaza at UHL.

Following the success within these areas, the scheme was extended to Woodland House in September 2019, the new HQ for the UHB. Whilst the savings difficult to be seen in both of the previous installations, the data related to the Woodland House installation shows the large savings being made from the removal of 24 hour cistern flushing activity.

Period	04/04 - 09/07/19	09/07 - 11/10/19	11/10/19 - 14/01/20	14/01/20 - 31/03/20
Days	96	94	95	77
Start Read	610	1961	3160	3999
End Read	1961	3160	3999	4679
m ³	1351	1199	839	680
£	4143.78	3697.77	2652.61	2149.99
Savings (m ³)		152	360	159
Savings (£)		446.01	1045.16	502.62
Savings (m ³)%		11.25	37.90	43.29
Savings (£)%		10.76	35.99	41.86

(The above figures are based on Dwr Cymru Welsh Water invoices)





From the above there has been a significant fall in water consumption since the insertion of the urinals.

Coffee Grounds Recycling

July 2019, the Aroma Cafes within the UHL (Plaza) and UHW (Y-Gegin), the used coffee grounds generated within these outlets, 2kg bags are available for both staff and visitors to take away to use on their gardens or allotments. Since its implementation there has been in excess of ½ ton of waste diverted from the food waste stream that would normally be collected by Cardiff City Council.

Catering I.T Systems

Cardiff and Vale UHB moved to an electronic ordering system, Synbiotix Menu Ordering System, for patient meals, with the initial implementation taking place at UHL in the Adult Mental Health unit of Hafan-Y-Coed, during the period October 2019 -

February 2020.

As a result of the positive results here the strategy will be further introduced through areas of UHW during 2020.

- I.T system provides extensive data on stock control, food wastage and costings
- Clear diet and allergen information available to patients
- Ability to capture live nutrition and updates for each individual bed, giving caterers real-time information on patient needs.
- Reduction in paper based processes
- Accurate and consistent approach to recipe and menu planning
- Improved meal ordering, for patients with portion and specific dietary requirements

Regeneration Trolleys for Patient Meals

Approximately 1.5 million patient meals are produced through the UHW's Central Food Production Unit, which is distributed to other UHB sites (excluding St Davids Hospital).

Regeneration trolleys are now used for patient catering replacing old convection ovens, the introduction of trolleys has taken place at UHL, Barry and Rookwood during 19/20. The modernisation of patient catering services, by replacing the centralised and ward based kitchen ovens at these sites with regeneration trolleys have

resulted in:

- Energy Savings
- Reduced maintenance
- More flexibility for using trolleys between wards
- Less handling of food during cooking process (H&S)
- Allows for consistent approach to food production throughout the UHB
- Enhanced patient experience with improved quality and presentation of food

Cardboard Recycling

Cardboard collected at UHW and UHL is diverted to the UHW waste yard, where it is baled ready for collection by a contracted recycling company. From this there is a revenue stream through selling the bales. The market cost for bales has reduced recently, naturally affecting the revenue generated, nonetheless, large amounts of cardboard is being recycled.

Single use bottle crushers

The installation of plastic bottle crushing units at UHW and UHL have resulted in the reduction of black bag waste and housekeeping resources. The savings are estimated at £3635 per annum.



Paperless Initiative

There is an ongoing move towards the UHB becoming a paperless organisation. With repetitive messages constantly being delivered throughout the organisation. The same message is delivered during corporate induction, capturing new staff members as they come into the organisation.

In order to achieve paperless, staff members are encouraged to review the way they operate through their daily activities and where possible find alternative, practicable solutions to doing so.

Breeding this mentality/behaviour will make the overall strategy more achievable and has already shown a greatly reduced amount of waste in the UHB's recycling.

In addition all staff members are encouraged towards also reducing the amount of external and internal mail that is being processed, replacing the activity with electronic mail.

Replacement of plastic cups

In recent years we have seen the disturbing affects that plastic pollution has, globally and nationally, in community areas and within small and large watercourses and of course our oceans.

March 2018 saw the introduction of washable glass cups within ward based catering and UHB restaurants, which is aimed at reducing plastic waste as well as improving patient experience.

This enhances the already existing campaign of

encouraging restaurant users to adopting reusable cups.

In recent years there has been a large campaign promoting the positives for individuals achieving their daily intake of water, which when we look around we will see that the message has been taken on board whether we look at the number of bottles of water that sold or the number of people using refillable/reusable water bottles.

A recent initiative instigated by the Cardiff & Vale Health Charity has seen the UHB sign up to the UK Refill Scheme, which saw the insertion of a free water fill station at Barry Hospital, available to all. This approach not only satisfies the need for individuals to achieve their daily water intake, (which to date has shown 175 uses) but it also helps make a difference by reducing plastic generation by its very presence. The 'Refill UK' initiative, which boasts in excess of 28,500 stations. Participants are able to download the Refill app to pinpoint their nearest water station, or can find a fill station where they see a refill station sticker, posted by the provider.

Segregation Waste Recycling Stations

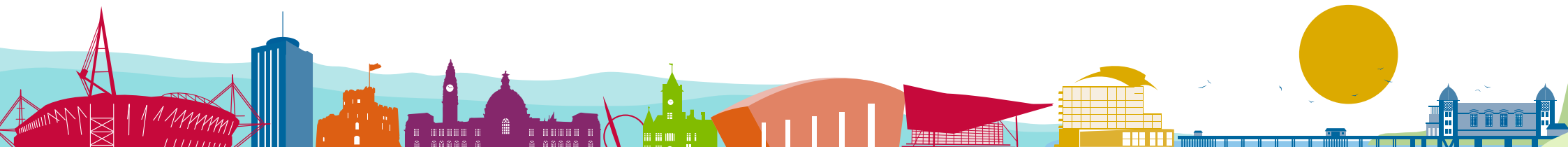
Waste segregation is constantly being reviewed throughout the UHB. During the past year the UHB has sited a number of recycling stations in their most active areas, those being the Aroma cafes (UHW, UHL and Woodland House), Y-Gegin restaurant (UHW) and the main concourse area of UHW.

The stations allow for users to separate liquid, cup, plastic and general waste items. The affects here are that there is a reduction in landfill classed related waste (which goes to Waste to Heat plant), the increase of recycled waste and less time required to manage recycled waste. There is an estimated £6-7K worth of savings through the implementation if these stations.



Crisp Packet Recycling

Throughout the UHB there also a number of specific crisp recycling bins, a scheme that was initially funded by the Capital, Estates and Facilities department. Due to the complexity for the recycling of crisp packets, the direct targeting of this waste enabled Cardiff and Vale UHB to divert the waste to a recycling specialist. The packet waste is collected free of charge which is then converted into pellets, moving on then to make a number of different products. Whilst the waste here is collected free of



charge there is a financial incentive which is based on weight, this goes back to Cardiff & Vale Health Charity who are now responsible for the funding of this initiative.

These recycling bins can be located in the following areas:

- Y Gegin at University Hospital of Wales
- Dental Hospital Reception at University Hospital of Wales
- The Porters Lodge at University Hospital Llandough
- Barry Hospital Reception
- Aroma at Woodland House

It is also possible for individual areas/departments to source these waste bins directly through the Cardiff & Vale Health Charity.

It is a big task to address all of those environmentally, positive solutions at once, whilst that may be the case the UHB's SIP/CRP team continually move forward, always looking to address and implement those projects that have the greatest impact. Not just an impact that solely carries with it an environmental or a cost benefit but also from a patient perspective and any visitor to a Cardiff and Vale UHB site.

6.0 Biodiversity

As of 1970 there have been increased levels of species extinction throughout the world, with urbanisation, deforestation, pollution having a large impact on wildlife decline. Welsh wildlife has suffered in the same manner. The Environment (Wales) Act 2016 (section 6) introduced the Biodiversity Duty which was aimed at public bodies to being aware of the activities they undertake and the impact that they carry in regards to how those activities affect the surrounding eco systems. The duty is designed to maintain and increase biodiversity, guiding organisations towards taking appropriate actions against their daily activities.

Cardiff and Vale UHB focuses on its exercises for both existing and planned activities and the impact they carry within the following areas:

- Buildings management
- Procurement
- Sustainability
- Awareness raising, education and training
- Grounds and land management to maintain and enhance biodiversity, and promote the resilience of ecosystems.

All of these key areas are to an extent accounted for under the organisation's ISO14001 Environmental Management System (EMS). As it is designed to ensure that Cardiff and Vale UHB by its presence and any and all related actions/duties carried out,



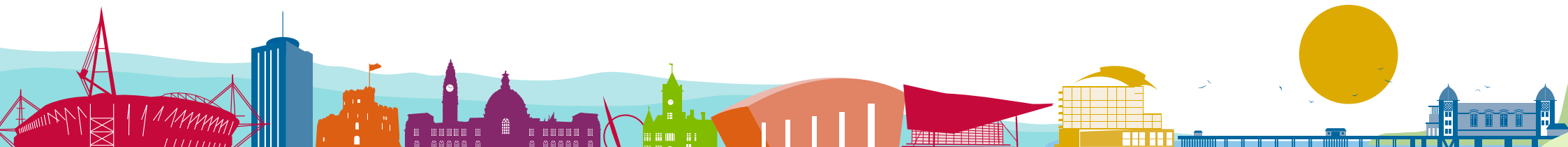
are all done with as minimal a negative impact as is possible, for anything and anyone who is within close proximity to a site/service being provided, static or otherwise.

To be fully compliant to the act Cardiff and Vale UHB are advised to undertake the following activities with the results being blended into the EMS.

- Commission a specialist biodiversity assessment and audit
- Enhance our Biodiversity Strategic Action Plan
- Governance and reporting arrangements

The modified system will further lend itself to satisfying a number of strategies, Nature Recovery Action Plan (NRAP), The Well-being of Future Generations (Wales) Act 2015 and the Environment Act (Wales) 2016.

The EMS, as a tool has helped the organisation



achieve not just its own sustainable goals but also those external targets assigned to it, the biodiversity strategy blended with the EMS will be a seamless addition.

One of the UHB's proactive actions which compliments the Environment and Future Generation Acts is the Wellbeing project. This project aims to establish a bee garden at Our Orchard located at UHL. The wider objective is to introduce a number of bee hives at different UHB sites throughout Cardiff and the Vale of Glamorgan.

Currently hives exist atop the Cochrane building at UHW seeing this part of the initiative being managed through several partnerships between Cardiff University staff, individuals from the UHB's Estates team, the School of Medicine and the library service. The next batch of hives are located at Llanfair Unit at UHL, which are managed by staff members from Hafan y Coed Adult Mental Health Unit, Therapy Technical Instructors, Health Care Workers and Nursing assistants.

All custodians of these hives have received beekeeping training and the hives have also been registered on the National Bee Units website, BeeBase.

The project is also aimed at helping people understand their immediate environment. The initiative will also look to generate antibacterial strength honey, which will be used for research around infections and towards the healing of patients.

7.0 Health & Safety

Cardiff and Vale UHB have a huge task maintaining both its vast infrastructures as well as the building fabrics of those sites under its remit. In order to allow these sites/buildings to function daily, there are multiple teams internally managing tasks that are generated daily.

There are also external teams of contractors to support the UHB in its maintenance and development for both existing and newly created areas. During 2019-20 Cardiff and Vale UHB managed 1399 contractors through all sites delivering multiple services. Each contractor dependant on the nature of their service has to comply with our strict H&S guidelines and must complete our health and safety induction to ensure that they are fully compliant with both the HBs and their own safe methods of working.

Many of the works/schemes will have an element of environmental risk, the induction allows the HB to impress upon each individual the need to be environmentally vigilant from the moment they arrive on site until they leave, ensuring that work areas and any generated waste are managed to remove any and all negative impact that may exist. One of the many challenges that we face as a health board is the management of Asbestos Containing Materials (ACMs).

Throughout the UHB there are large number of ageing buildings, all of which will contain ACMs. The UHB's Health and Safety Team managed 68

ACM removals via planned and emergency works, at a cost in excess of £230K. Through the works of the Health and Safety team, the UHB has a very comprehensive asbestos database, one which is constantly being updated.

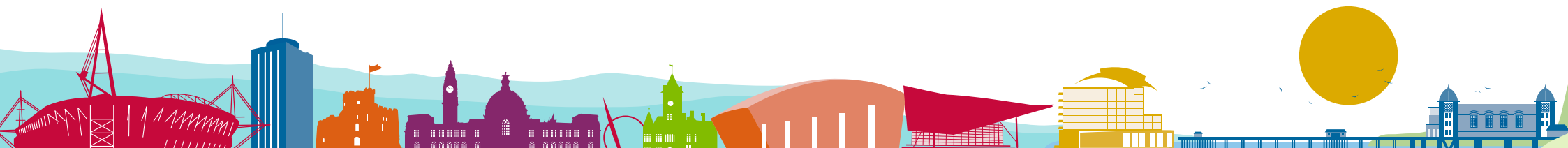
The database has forearmed the UHB with a detailed overview of where ACMs exist throughout the health board and are able to co-ordinate with our Estates Team and contractors and their daily activities by minimising/removing all and any negative potential outcomes.

The UHB's Health and Safety obligation caters for more than just the 14000+ members of staff, 1399 contractors that attended site, it also caters for those bed ridden and day patients as well as their respective visitors.

8.0 Summary

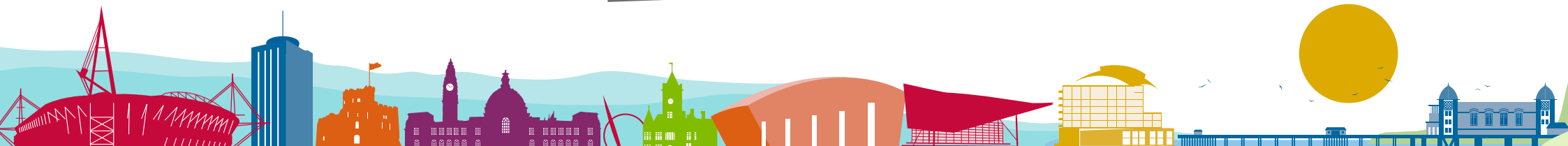
Almost every aspect of UHB's activities potentially carries with it a negative environmental impact. In order to ensure that Cardiff and Vale UHB has a non-detrimental output it employs as many resources as is possible to help achieve legislative and internal expectations.

One of those resources available to the UHB is the EMS, the system simply lends itself to all of those environmental responsibilities assigned against the organisation. The EMS allows the UHB to establish good and sound practices. It seeks to encourage those that work beneath its umbrella. It looks to align itself with like-minded environmentally aware organisations.



Capturing and encouraging new staff members towards adopting or improving upon an environmentally biased mentality. From the procurement of goods to removal of waste, energy generation, developing the foundations for improving the condition of world that we will be leaving behind. The system is designed also to care for those people and areas that are on any UHB premises and or who are in close proximity to a UHB boundary.

For all of its ambitions and challenges the UHB faces, the EMS is an underlying supportive mechanism that serves everyone, whether associated to the health board or not. The system will help the organisation realise its vision and help towards overcoming any challenges. The EMS will allow outsiders looking in, not just those normally unseen efforts made by the UHB but also the positives those efforts bring with them.



References

Population information

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimatesdatasets/populationestimatesforukenglandandwalescotlandandnorthernireland>
<https://www.wales-cottages.info/towns-a-z/letter/P>

Re:Fit Information

<https://gov.wales/docs/desh/publications/160926-refit-cymru-overview-en.pdf>

Sustainable Travel

<https://www.healthytravel.wales/cardiff.html>
https://www.healthytravel.wales/uploads/1/2/9/5/129546984/cardiff_staff_healthy_travel_charter_bilingual_.pdf

Waste

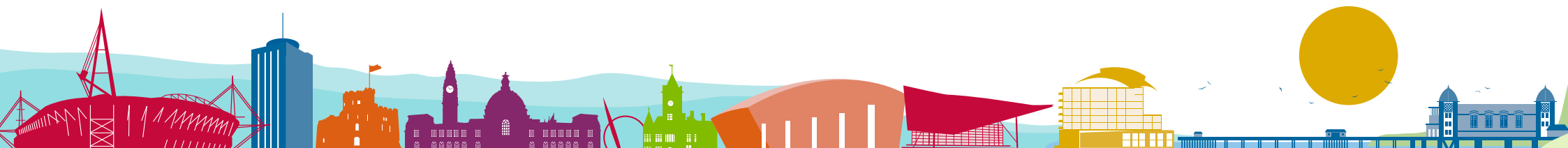
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<https://www.gov.uk/topic/environmental-management/waste>
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<https://www.viridor.co.uk/energy/energy-recovery-facilities/cardiff-erf/>

Finite Resource

https://www.savewatercleanclever.co.uk/?gclid=EAIaIqobChMIgPnmxcXy6glVke7tCh3dnA4kEAAAYASAAEgJXjvD_BwE

Biodiversity

<https://www.biodiversitywales.org.uk/Nature-Recovery-Action-Plan>
<https://www.wwf.org.uk/updates/living-planet-report-2018>
<http://www.legislation.gov.uk/anaw/2016/3/part/1/crossheading/general-duties-of-public-authorities/enacted>



Long Term Expenditure Plans

2015-2020

Performance against the Revenue Resource Limit

	2015/16 £ ^ 000	2016/17 £ ^ 000	2017/18 £ ^ 000	2018/19 £ ^ 000	2019/20 £ ^ 000
Net operating costs for the year	853,594	936,816	919,484	964,633	1,043,916
Less general ophthalmic services expenditure and other non-cash limited expenditure	(24,547)	(21,567)	(19,396)	(18,186)	(17,276)
Less revenue consequences of brining PFI schemes onto SoFP	(1,028)	(1,028)	(1,028)	(1,028)	(1,028)
Total operating expenses	828,019	914,221	899,060	945,419	1,025,612
Revenue Resource Allocation	828,087	884,978	872,207	935,547	1,025,670
Under / (over) spend against Allocation	68	(29,243)	(26,853)	(9,872)	58

The LHB has not met its financial duty to break even against its Revenue Resource Limit over the 3 years 2017-18 to 2019-20.

The Health Board did not receive any repayable cash only support in 2019-20. The accumulated cash only support provided to the Health Board by the Welsh Government is £54.849m as at 31 March 2020.

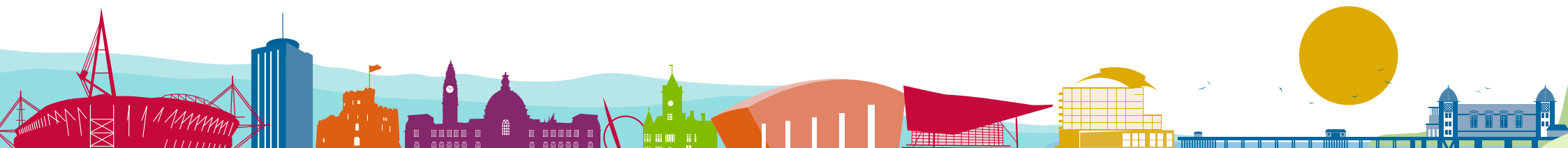
The cash only support is provided to assist the Health Board with ensuring payments to staff and suppliers, there is no interest payable on cash only support. Repayment of this cash assistance will be in accordance with the Health Boards future Integrated Medium Term Plan submissions.



Performance against the Capital Resource Limit

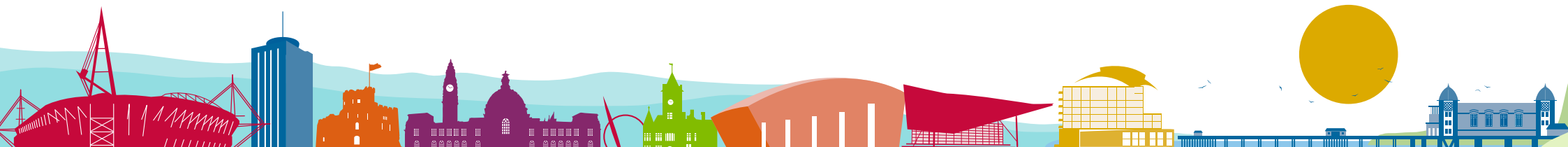
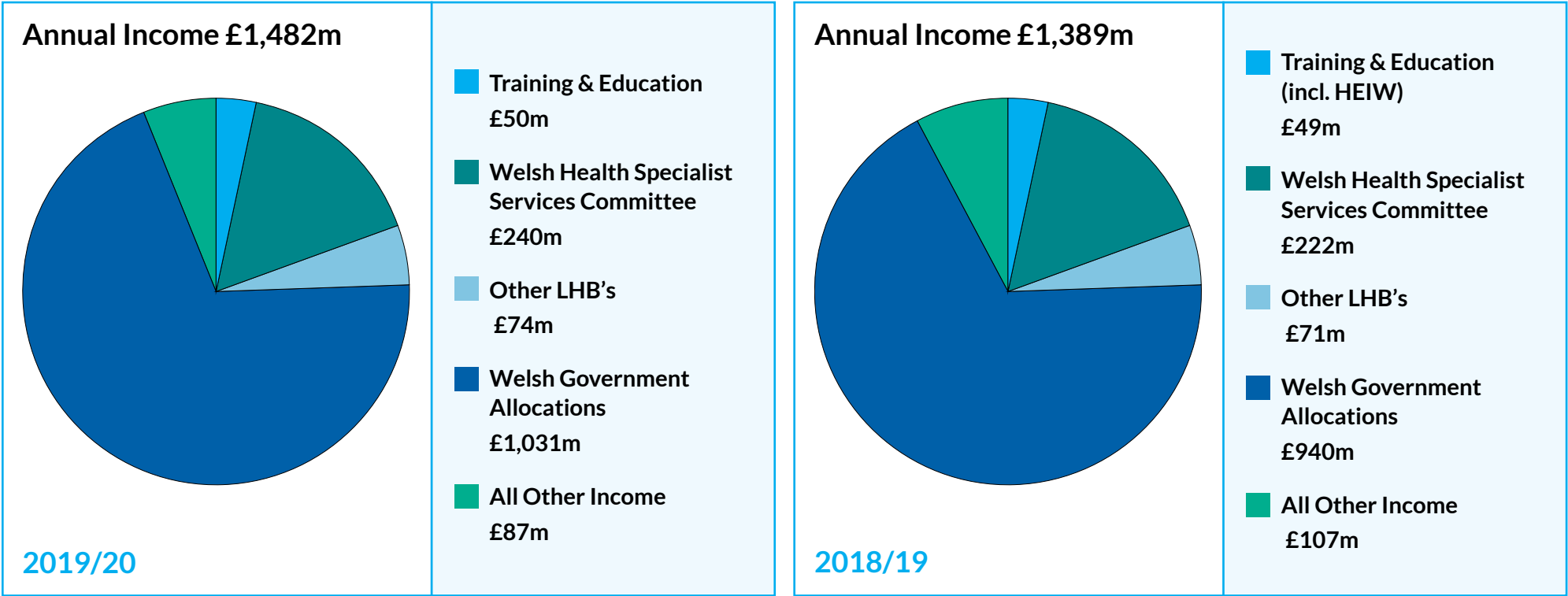
	2015/16 £ ^ 000	2016/17 £ ^ 000	2017/18 £ ^ 000	2018/19 £ ^ 000	2019/20 £ ^ 000
Gross capital expenditure	41,935	44,061	55,936	49,349	61,333
Add: Losses on disposal of donated assets	3	9	0	4	13
Less NBV of property, plant and equipment and intangible assets disposed	(33)	(621)	(2,297)	(310)	(2,167)
Less capital grants received	0	0	0	0	0
Less donations received	(938)	(1,423)	(6,606)	(630)	(1,109)
Charge against Capital Resource Allocation	40,967	42,026	47,033	48,413	58,070
Capital Resource Allocation	41,027	42,104	47,121	48,487	58,159
(Over) / Underspend against Capital Resource Allocation	60	78	88	74	89

The LHB has met its financial duty to break even against its Capital Resource Limit over the 3 years 2017-18 to 2019-20.



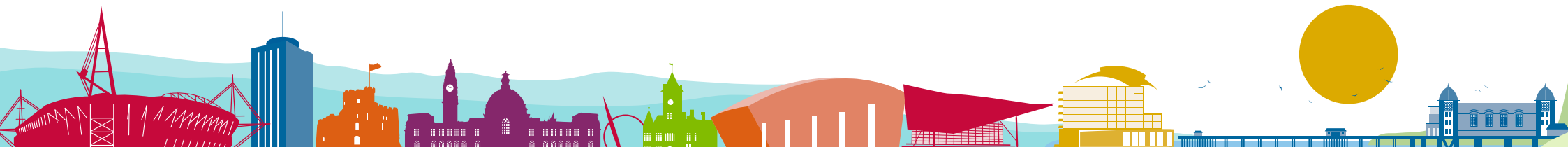
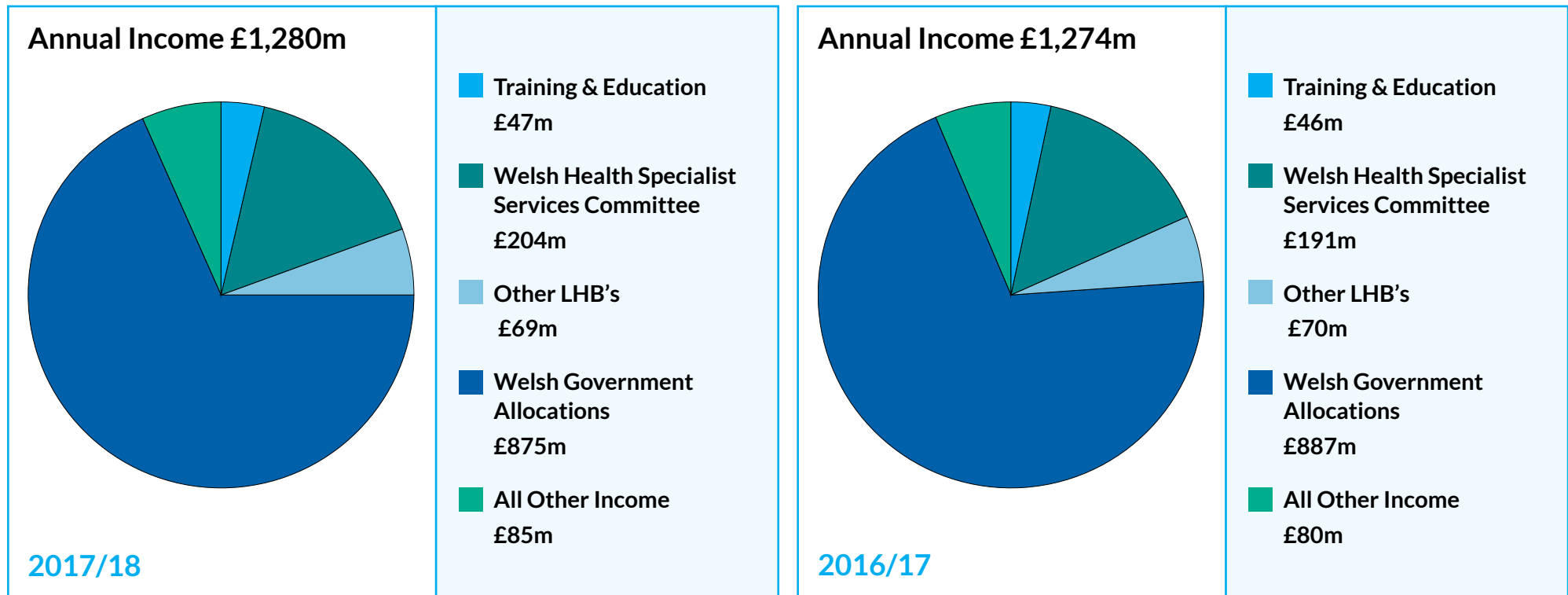
How the UHB has received its Revenue Funding

INCOME GRAPHS:
2015/16 to 2019/20



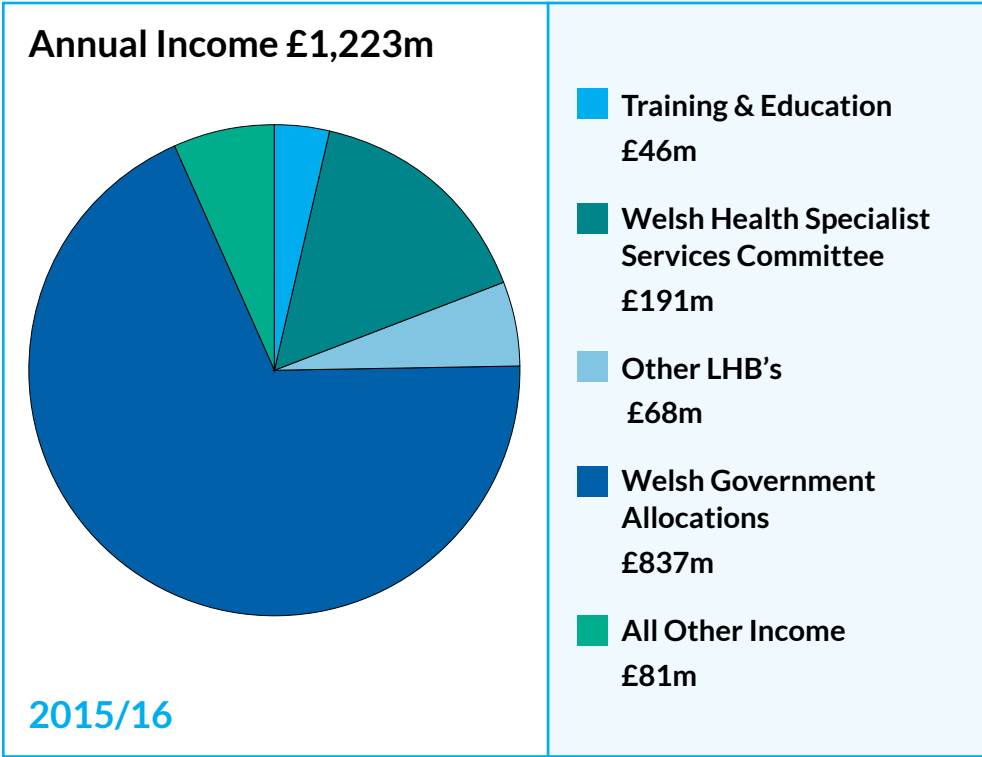
How the UHB has received its Revenue Funding

INCOME GRAPHS:
2015/16 to 2019/20

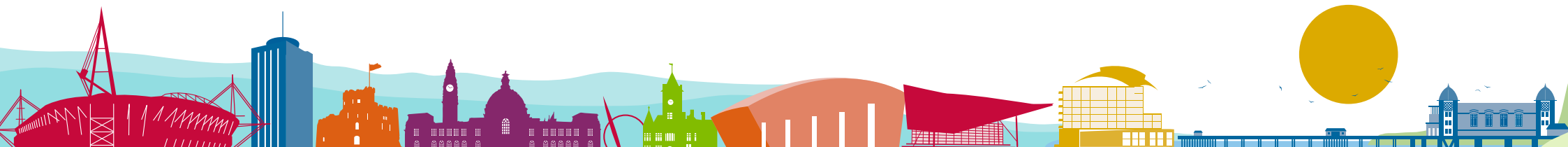


How the UHB has received its Revenue Funding

INCOME GRAPHS: 2015/16 to 2019/20

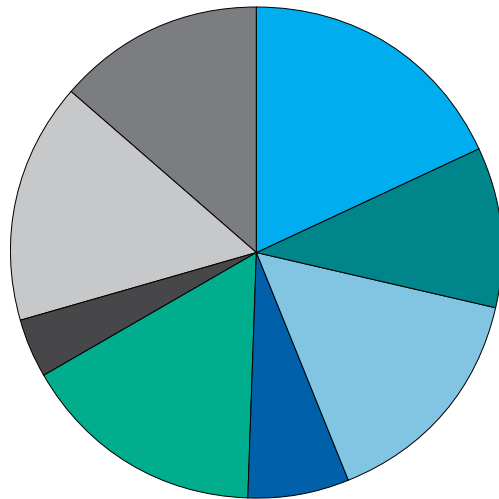


As disclosed in the performance against break even duty table above, the UHB is permitted to remove certain elements of expenditure (which it incurs but over which it doesn't have managerial control) when comparing its expenditure to its annual revenue resource limit. For the purposes of a meaningful comparison of income & cost, this has been treated as notional income in the above. Hence the expenditure figures shown below are shown gross (with no expenditure removed).



How the UHB has utilised its Revenue Funding

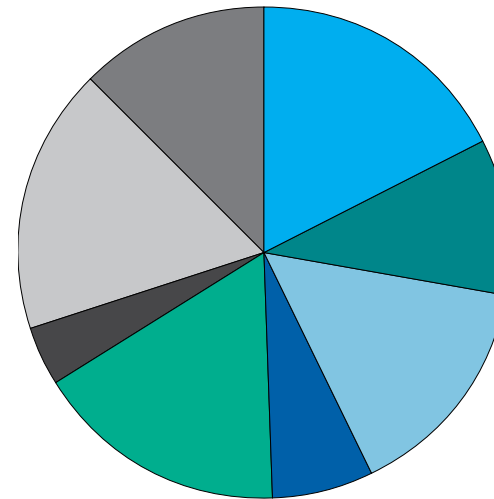
Annual Expenditure £1,482m



2019/20

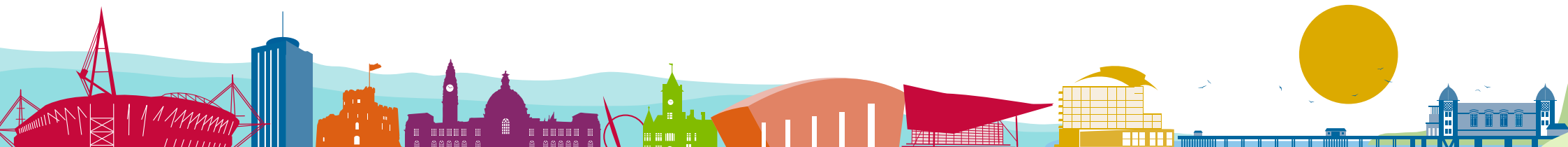
- Nursing Staff £270m
- Medical and Dental Staff £156m
- Other Staff Costs £228m
- Drug Costs £98m
- Primary Health Care Services £238m
- Continuing Health Care £59m
- Healthcare from Other Providers £232m
- Other hospital and Community Expenditure £201m

Annual Expenditure £1,399m

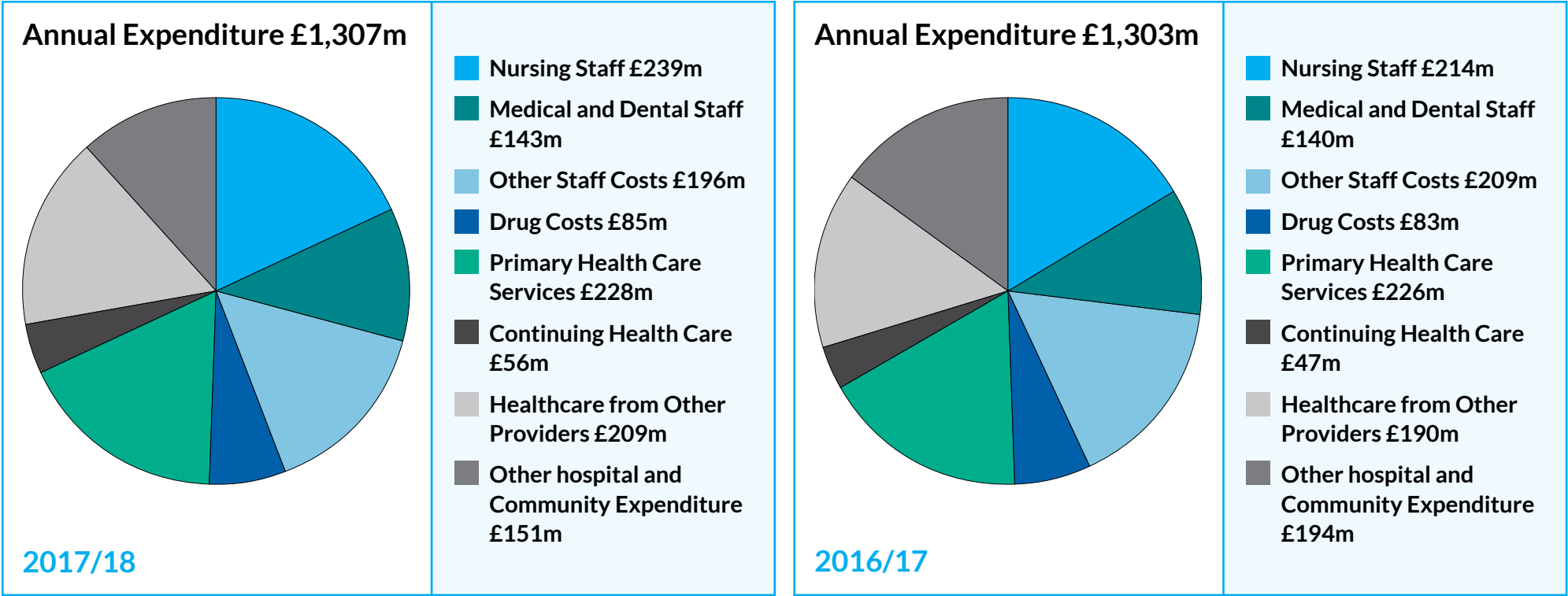


2018/19

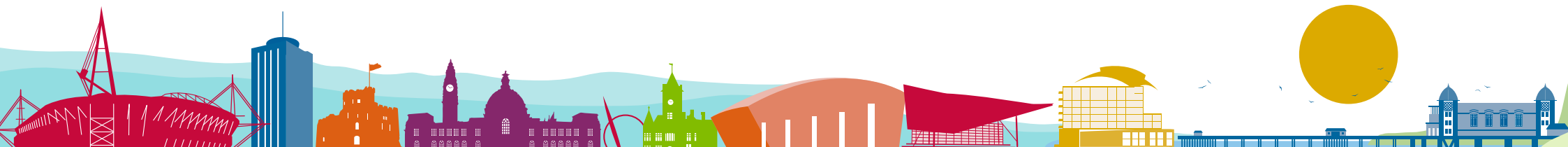
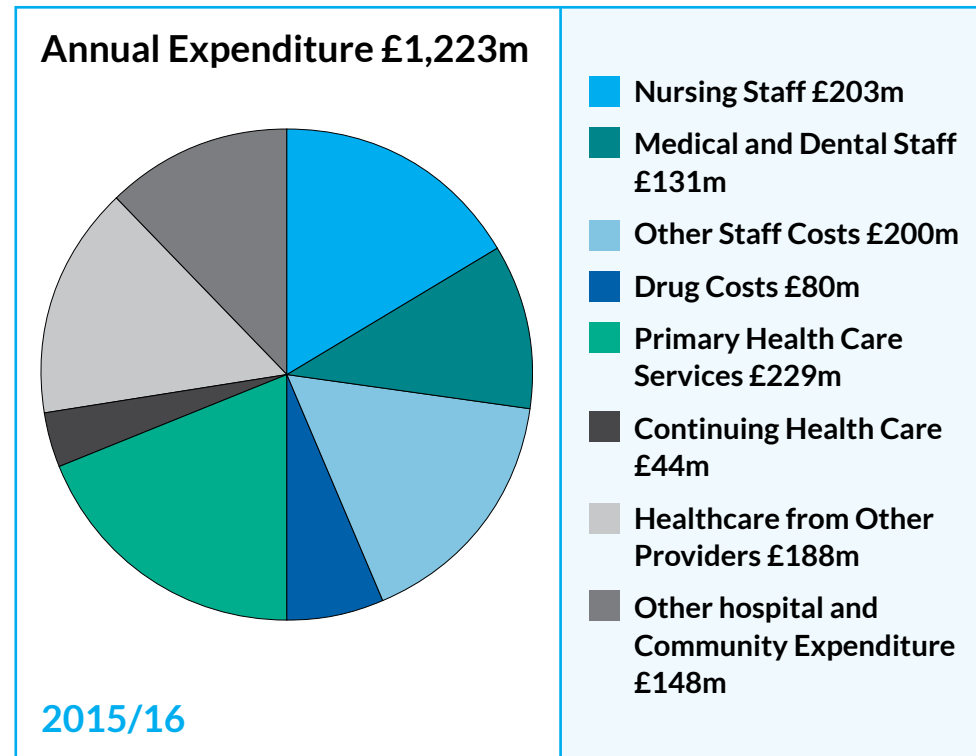
- Nursing Staff £246m
- Medical and Dental Staff £145m
- Other Staff Costs £209m
- Drug Costs £92m
- Primary Health Care Services £233m
- Continuing Health Care £58m
- Healthcare from Other Providers £244m
- Other hospital and Community Expenditure £172m



How the UHB has utilised its Revenue Funding



How the UHB has utilised its Revenue Funding



Accountability Report

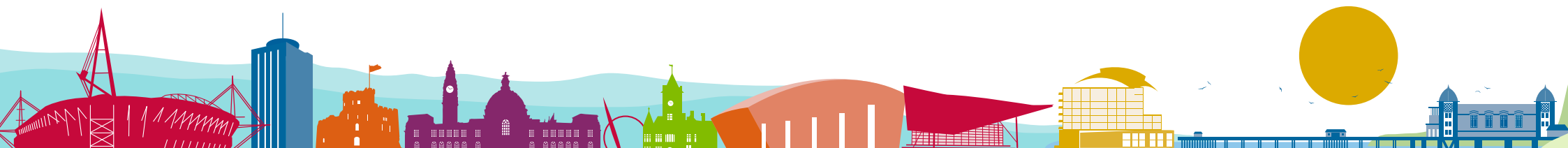
2019-20

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Financial Statements



Part 1

Directors' Report

1.1 Composition of the University Health Board

The Cardiff and Vale University Health Board (UHB) is made up of Executive Directors, who are its employees, and Independent Board Members, who are appointed to the UHB by the Minister for Health and Social Services via an open and competitive public appointment process.

Pages 60-66 set out details of the Chair, Chief Executive, Executive Directors, Independent Members, advisory and non Executive members and confirms Board and Committee membership for 2019-20, meetings attended during the tenure of the individual and any Champion roles performed.

The Annual Governance Statement also contains further information in respect of the UHB's Governance/Assurance Framework (page 50), Board and Committee Activity (pages 50 -59) and system of internal control (page 67).

The Remuneration Report contains changes to Board Membership in 2019-20 at page 81.

1.2 Statement for Public Sector Information Holders

This is contained at 7.3 (page 98) of the National Assembly for Wales Accountability and Audit Report.

1.3 Register of Interests

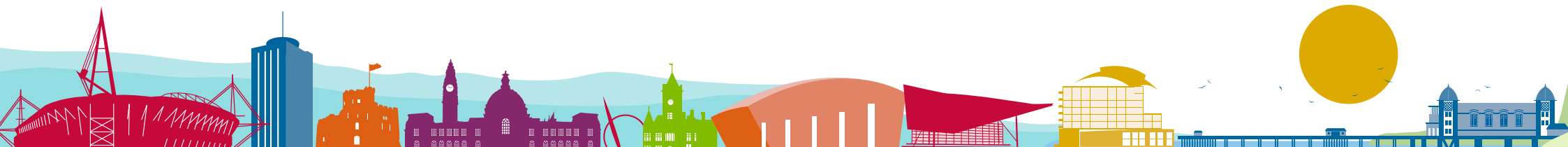
The UHB has a Register of Interests which provides details of company directorships and other significant interests held by members of the management board which may conflict with their management responsibilities. The Register of Interests for 2019-20 is accessible via this link: <http://www.cardiffandvaleuhb.wales.nhs.uk/register-of-interests/>

1.4 Personal Data Related Incidents

Information on personal data related incidents where formal reports have been made to the Information Commissioner's Office (ICO) is contained in the Annual Governance Statement at page 70.

1.5 Environmental, Social and Community issues

These are included on page 69 of the Annual Governance Statement.



Part 2

Statement of the Chief Executive's Responsibilities as Accountable Officer

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

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

I confirm that, as far as I am aware, there is no relevant audit information of which the UHB's auditors are unaware, and I, as Accountable Officer, have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the UHB's auditors are aware of that information.

I confirm that the Accountability Report and accounts as a whole are fair, balanced and understandable and I take personal responsibility for the Accountability Report and accounts and the judgements required for determining that they are fair, balanced and understandable.

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

Signed by:



Len Richards

Chief Executive

Date: 29th June 2020



Part 3

Statement of Directors' Responsibilities in Respect of the Accounts

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

In preparing those accounts, the directors are required to:

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

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

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

By Order of the Board

Signed:

Chair:

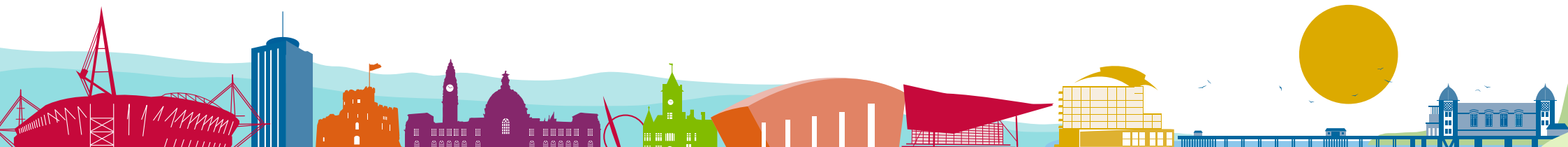
Dated: 29th June 2020

Chief Executive:

Dated: 29th June 2020

Executive Director of Finance:

Dated: 29th June 2020



Part 4

Annual Governance Statement

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4.1 Scope of Responsibility

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

At the time of preparing this Annual Governance Statement, the UHB and the NHS in Wales is facing unprecedented and increasing pressure in planning and providing services to meet the needs of those who are affected by COVID-19, whilst also planning to resume other activity where this has been impacted.

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

Guidance". The letter recognised that organisations would be likely to make potentially difficult decisions at pace and without a firm evidence base or the support of key individuals which under normal operating circumstances would be available. Nevertheless, the organisation is still required to demonstrate that decision-making has been efficient and will stand the test of scrutiny with respect to compliance with Managing Welsh Public Money and demonstrating Value for Money after the COVID-19 crisis has abated and the organisation returns to more normal operating conditions.

To demonstrate this the organisation is recording how the effects of COVID-19 have impacted on any changes to normal decision making processes, for example through the use of a register recording any deviations from normal operating procedures.

Where relevant these, and other actions taken have been explained within this Annual Governance Statement.

The Annual Governance Statement details the arrangements in place for discharging the Chief Executive's responsibilities to manage and control the UHB's resources during the financial year 2019-2020; however due to the situation with COVID-19, this year's Statement is extended to cover the period up to the date of its approval on 29 June 2020 especially around the UHB's response to the ongoing pandemic. It also sets out the governance

arrangements to ensure probity, that strategic and delivery plans are in place, risks mitigated and that we have appropriate controls to govern corporate and clinical situations.

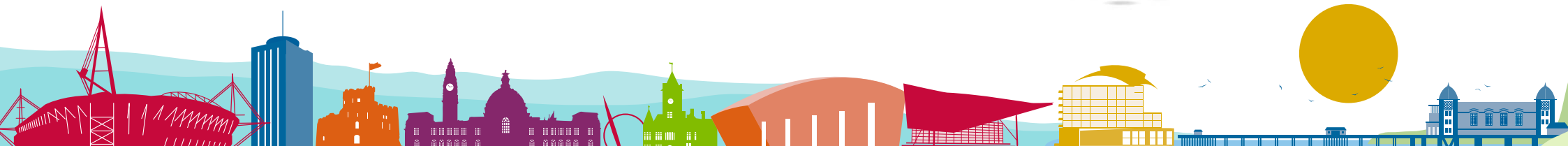
The UHB is one of the largest NHS organisations in the UK. It employs approximately 14,500 staff and spends around £1.4 billion every year on providing health and wellbeing services to a population of around 490,000 in Cardiff and the Vale of Glamorgan. It also serves a wider population across South and Mid Wales for a range of specialities. 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:

"Caring for people, keeping people well"

The personal values of the UHB are illustrated below.



4.2 Our Governance/ Assurance Framework

At a local level, Health Boards in Wales must agree [Standing Orders](#) for the regulation of proceedings and business. They are designed to translate the statutory requirements set out in the LHB (Constitution, Membership and Procedures) (Wales) Regulations 2009 into day to day operating practice, and, together with the adoption of a scheme of matters reserved to the Board; a [Scheme of Delegation](#) to officers and others; and [Standing Financial Instructions](#), they provide the regulatory framework for the business conduct of the UHB and define - its 'ways of working'. These documents, together with the range of corporate policies set by the Board make up the Governance Framework. The Board approved the All Wales Model Standing Orders, Reservation and Delegation of Power for Standing Orders at its November 2019 Board meeting.

The Board functions as a corporate decision-making body with Executive Directors and Independent Members being equal members, sharing corporate responsibility for all decisions and playing a key role in monitoring performance against strategic objectives and plans.

The principal role of the Board is to exercise effective leadership, direction and control, including:

- Setting the overall strategic direction of the UHB;
- Establishing and maintaining high levels of corporate governance and accountability including risk management and internal control;
- Ensuring delivery of the UHB's aims and objectives through effective challenge and scrutiny of performance across all areas of responsibility;
- Ensuring delivery of high quality and safe patient care;
- Building capacity and capability within the workforce to build on the values of the UHB and creating a strong culture of learning and development;
- Enacting effective financial stewardship by ensuring the UHB is administered prudently and economically with resources applied appropriately and efficiently;
- Instigating effective communication between the UHB and its community to ensure its services are planned and responsive to identified needs;

4.3 The Board and its Committees

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

Our Board consists of 22 members (9 Executive Directors 10 Independent Members and 3 Associate Members). The Board is supported and advised by the Director of Corporate Governance and the Director of Transformation and Informatics who also attend its meetings. Whilst Associate Members take part in public Board meetings, they do not hold any voting rights. Biographies of all our Board members can be found here: [Board Members](#).

The Board provides leadership and direction to the organisation and is responsible for governance, scrutiny and public accountability. It ensures that its work is open and transparent by holding its meetings in public and where private meetings are held the meeting agendas are also published.

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 (except the Remuneration and Terms of Service Committee), provide their minutes and a written report by the Committee Chair to each Board meeting. This enables all Board Members to be sighted on the major issues and contribute to assessment of assurance and provide scrutiny against the delivery of strategic objectives.

Board papers are published on the UHB's website 10 days prior to each meeting and Committee papers a week prior to each meeting. A breach log is maintained as of 2019-20 to capture any departures from these timescales and reports delayed or not

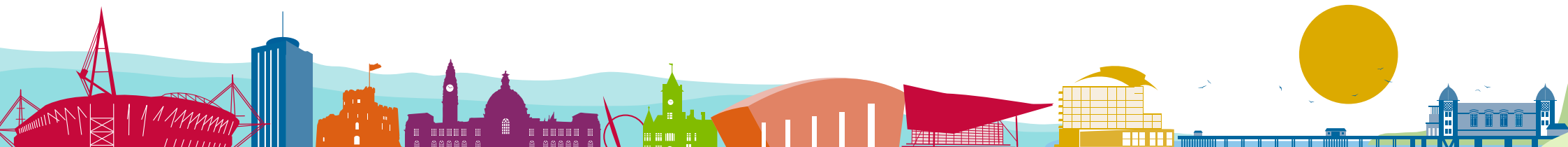
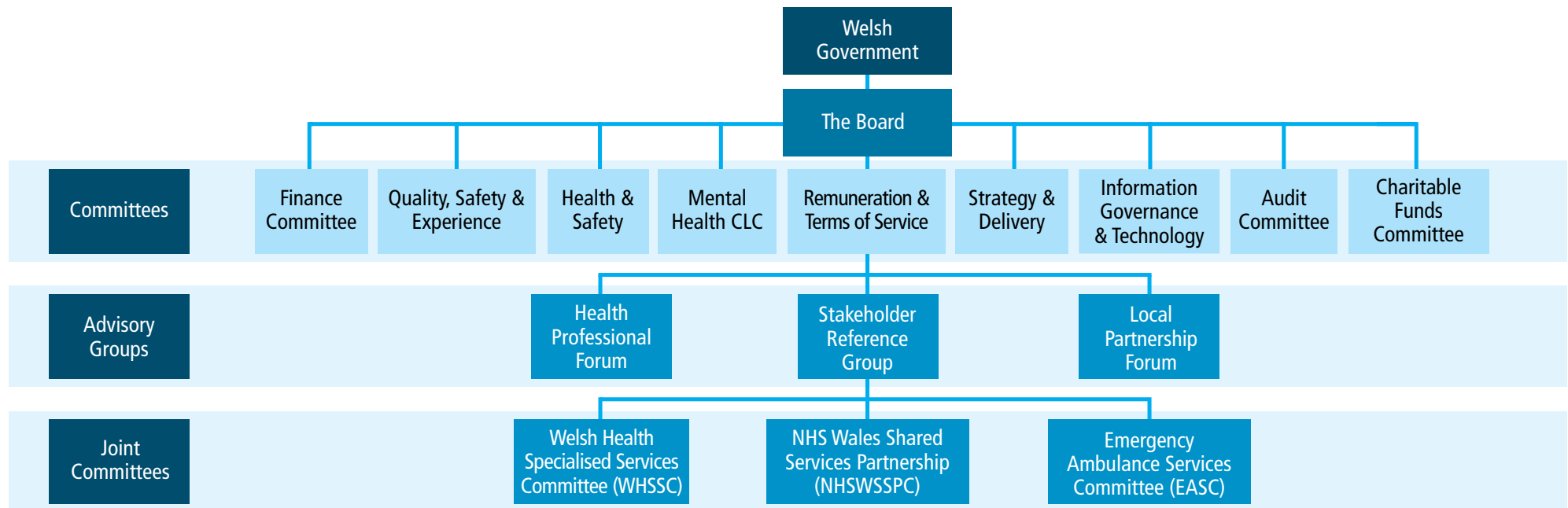
received. The website also contains a summary of each Committee's responsibilities and Terms of Reference. All action required by the Board and Committees is included on an Action Log and at each meeting, progress is monitored. The Action Logs are also published on the UHB's website. The papers for Board meetings can be accessed [here](#) and papers for Committee meetings [here](#).

All Committees annually review their Terms of Reference and Work Plans to support the Board's business. Further, in line with Standing Orders, each Committee produces an annual report for

the Board, the annual reports for 2019-20 can be accessed at: [Annual Reports](#)

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 UHB has a Governance Co-ordinating Group, chaired by the Chair of the UHB.

The below diagram illustrates the Board and Committee structure for 2019-20.



Items Considered by the Board in 2019-20 included:

- Approval of the Annual Accounts, Accountability and Remuneration Reports for 2018-19;
- The Capital Plan for 2019-20;
- Major Trauma Centre;
- Board Assurance Framework;
- Strategic Clinical Services Plan;
- Thoracic Surgery;
- IMTP 2020-23;
- Patient stories;
- Financial performance;
- Regular reports on Quality, Safety and Experience;
- Performance reports in relation to key national and local targets;
- Assurance reports from the Committees and Advisory Groups of the Board, Terms of Reference and Workplans;
- Nurse Staffing.

Audit Committee

The role of the Audit Committee is to advise and assure the Board, and the Accountable Officer, on whether effective arrangements are in place to support them in their decision taking and in discharging their accountabilities in accordance with the standards of good governance determined for the NHS in Wales.

Items Considered by Audit Committee in 2019-20 included:

- Internal Audit Plans were submitted to each meeting providing details relating to outcomes, key findings and conclusions;
- Wales Audit Office (known as Audit Wales since 1 April 2020) reports on current and planned audits;
- Declarations of Interest Reports;
- Regulatory Compliance Tracking Reports;
- Internal & External Audit Tracking Reports;
- Post Payment Verification and Counter Fraud Reports;
- Annual Accounts, Accountability and Remuneration Reports for 2018-19;
- Losses and Special Payments.

Finance Committee

The purpose of this Committee is to advise and assure the Board in discharging its responsibilities with regard to its current and forecast financial position, performance and delivery.

Items Considered by Finance Committee in 2019-20 included:

- IMTP;
- Cost Reduction Programme;
- Finance Risk Register;
- Financial Monitoring Returns;
- Dragon's Heart Hospital.

Strategy and Delivery Committee

The purpose of this Committee is to advise and assure the Board on the development and implementation of the UHB's overarching strategy, "Shaping our Future Wellbeing", and key enabling plans. This includes all aspects of delivery of the strategy through the IMTP and any risks that may hinder achievement of the objectives set out in the strategy, including mitigating actions against these.



Items Considered by Strategy and Delivery Committee in 2019-20 included:

- Shaping our Future Wellbeing Progress Reports;
- Capital Plan;
- Clinical Services Plan;
- A Healthier Wales;
- Commercial Developments;
- Employment Policies;
- Key Organisational Performance Indicators;
- Workforce Plan;
- IMTP.

Mental Health and Capacity Legislation Committee

This Committee advises the Board of any areas of concern relating to responsibilities under mental health legislation, and provides assurance that we are discharging our statutory duties under the relevant legislation.

Items Considered by Mental Health and Capacity Legislation Committee in 2019-20 included:

- Mental Capacity Act and Mental Health Act Monitoring Reports;

- Deprivation of Liberty Safeguards Internal Audit Report;
- Mental Health Measure;
- Children and Adolescent Mental Health Service;
- Healthcare Inspectorate Wales visit.

Quality, Safety and Experience Committee

The Annual Quality Statement for 2019-20 will be published in September 2020 and will include a summary of the work undertaken during the year by the Quality, Safety and Experience Committee.

The Annual Quality Statement will be published at:

<http://www.cardiffandvaleuhb.wales.nhs.uk/publications-annual-reports-accounts>

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

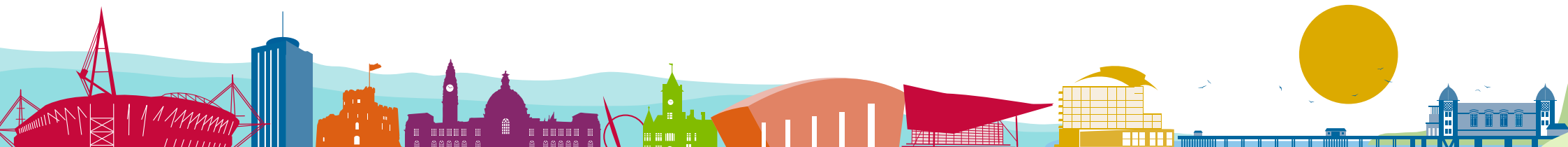
provide the maximum benefit to the patients of the UHB and associated local health services in Cardiff and the Vale of Glamorgan, by supplementing and not substituting government funding of the core services of the NHS.

The Committee is empowered with the responsibility to:

- Control, manage and monitor the use of the funds resources for the public benefit, having regard for the guidance issued by the Charity Commission;
- Agree governance arrangements for standards and monitoring;
- Review strategy to maximise benefits to the Charity;
- Determine the Charity's investment strategy;
- Agree expenditure plans;
- Determine fundraising objectives and strategy.

A financial control procedure, expenditure guideline, governance framework and strategy have been developed to ensure that there are sufficient management controls in place to:

- Ensure that spending is in accordance with objects and priorities agreed by the Charitable Funds Committee;
- Ensure the criteria for spending charitable monies are fully met;



- Ensure that accounting records are maintained;
- Ensure devolved decision making is within specific parameters.

Internal Audit also undertakes annual reviews of charitable funds. This year's review of governance arrangements, including the management of expenditure and donations, provided a Reasonable assurance rating.

Investment risk is mitigated by agreeing an Investment Policy with the Charity's Investment Managers which includes ethical consideration. The Investment Managers attend the Charitable Funds Committee twice a year to provide assurance on the management of the investment portfolio and to offer advice.

Each year the Charitable Fund Accounts are subject to external audit review by Audit Wales and audit certification by the Charity Commission's deadline of 31 January of the following year. The 2018-19 statements were certified as giving a true and fair view with an unqualified opinion on 30 January 2020.

Health and Safety Committee Information regarding this Committee can be found at page 94.

Digital Health and Intelligence Committee Information regarding this Committee can be found at page 70.

More detail regarding Board, its business and issues delegated to its Committees can be found at:

<http://www.cardiffandvaleuhb.wales.nhs.uk/the-board-and-committees>

In 2019-20 overall Committee attendance rates were as follows:

- Charitable Funds - 59%
- Digital and Health Intelligence - 100%
- Finance - 83%
- Health and Safety - 100%
- Mental Health - 93%
- Quality, Safety and Experience - 87%
- Strategy and Delivery - 67%
- Audit - 86%

The table on page 60 sets out details of the Chair, Chief Executive, Executive Directors and Independent Members and confirms Board and Committee membership for 2019-20, meetings attended during the tenure of the individual and any Champion roles performed. The table on page 66 sets out Board and Committee Dates for 2019-20. Those in red were inquorate however any decisions reached at these meetings are included in the Committee Chair's report to Board and highlighted for approval by the Board.

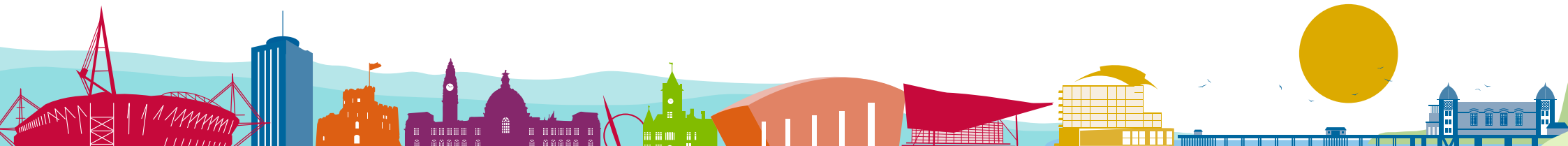
On 23 March 2020 the Welsh Government suspended all Ministerial Public Appointment Campaigns with immediate effect. At the time of this suspension, the UHB was awaiting the outcome of the appointment campaign relating to the Chair of the organisation. The Interim Chair and Interim Vice Chair continue to provide stability during this time. The intention is to recommence Campaigns in September 2020, however this is being kept under review as the public health response to COVID-19 develops.

Hosted Organisations, Partnerships and All Wales Services

The UHB delivers a range All Wales services including:

- 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.

Advisory Groups

In support of the Board, the UHB is also required to have three Advisory Groups. These are:

- Stakeholder Reference Group;
- Local Partnership Forum and
- Healthcare Professionals' Forum.

Stakeholder Reference Group (SRG)

The SRG is formed from a range of partner organisations from across the UHB area. Its 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 UHB 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 improvement 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 2019-20 include:

- Tertiary Services Plan;
- The Strategic Equality Plan;
- Integrated Medium Term Plan 2020-21 – Priority Setting;
- Move More, Eat Well Plan 2020-23;
- Annual Quality Statement;
- University Hospital of Wales 2.

Local Partnership Forum (LPF)

The LPF meets six times a year and 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 is co-chaired by the Chair of Staff Representatives and the Executive Director of Workforce and Organisational Development. Membership is made up of 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 receives for noting regular reports from the

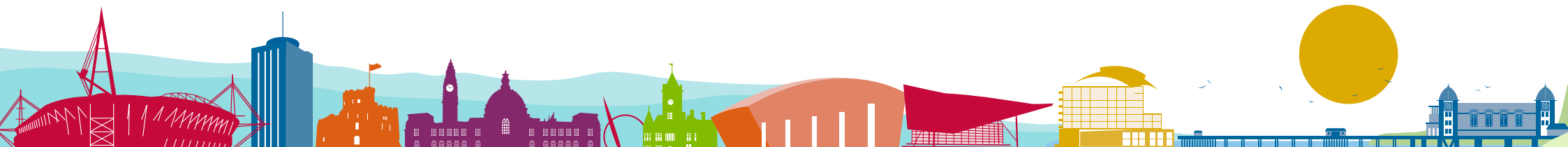
Employment Policy Sub Group and Staff Benefits Group. Significant issues considered by the LPF during 2019-20 include:

Communication:

- Integrated Medium Term Plan engagement and updates
- First Minister's speech to the NHS Confederation
- A regular verbal report from the Chief Executive on current 'hot topics'
- Embedding prevention in the UHB
- Nurse Staffing Act
- 'Patient knows best'
- Streamlining our employment policies
- Sustainable travel
- Performance and winter pressures
- Tackling stress in the workplace

Consideration:

- Inclusivity
- Prehabilitation to Rehabilitation
- Clinical Services Strategy
- Staff Survey Stakeholder Workshops and Steering Group (#CAVYourSay)
- Shaping Our Future Wellbeing – midpoint review
- CAV implementation of A Healthier Wales
- Strategic Equality Plan



- Standards of Behaviour Framework
- Move More, Eat Well Plan 2020-23
- Volunteers framework

Consultation /Negotiation:

- Proposal to increase range of surgical treatments in UHL
- Improving the Pathway for Frail Older People

Appraisal:

- Finance Report
- Workforce Key Performance Indicators
- Patient Quality, Safety and Experience Report

Healthcare Professionals' Forum (HPF)

The HPF comprises representatives from a range of clinical and healthcare professions within the UHB and across primary care. It has provided advice to the Board on professional and clinical issues it considers appropriate.

This Advisory Group is currently undergoing review and therefore has not met during 2019-20. The UHB has a number of mechanisms to seek clinical input, for example a representative of the Consulting body attended Board meetings, feeding in comment from Consultant engagement on key issues such as major trauma and thoracic surgery. Reviewing this Advisory Group's Terms of Reference, membership and developing its work programme and function to best use these mechanisms, establish a robust structure and avoid duplication is a governance priority for 2020-21.

Terms of Reference and minutes of all the Advisory Groups are available via the following link:

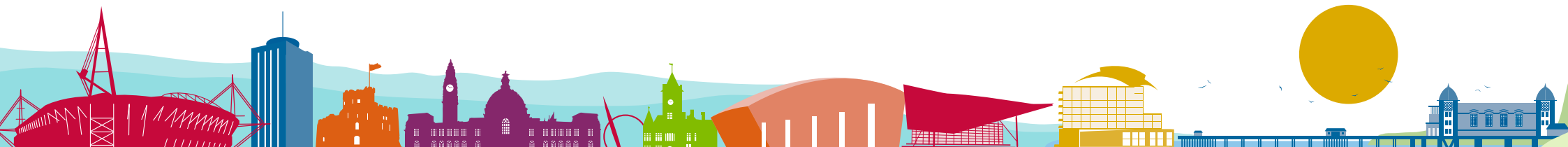
<http://www.cardiffandvaleuhb.wales.nhs.uk/board-committees-and-advisory-groups>

COVID-19

It is acknowledged that in these unprecedented times, there are limitations on Boards and Committees being able to physically meet where this is not necessary and can be achieved by other means. In accordance with the Public Bodies (Admissions to Meetings) Act 1960, the organisation is required to meet in public. As a result of the public health risk linked to the pandemic, the UK and Welsh Government stopped public gatherings of more than two people and it is therefore not possible to allow the public to attend meetings of our Board and Committees from 20 March 2020. To ensure business was conducted in as open and transparent manner as possible during this time, the following actions were taken:

- Continuation of the publishing of Board and Committee papers in advance of meetings;
- Provision of a record of our Board meeting on our website, within 3 working days of the Board.
- An assessment was also made to ensure that decisions were time critical and could not be held over until it is possible to allow members of the public to attend meetings.

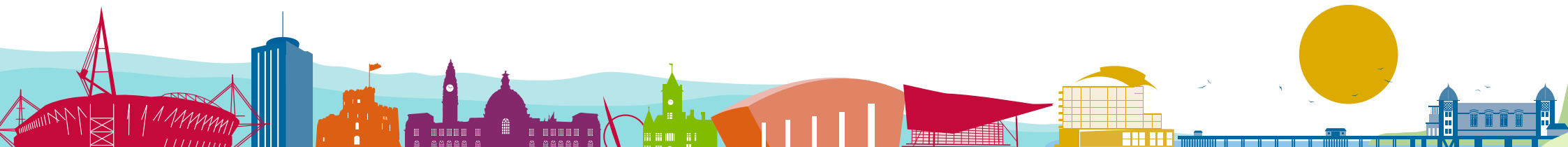
Due to the pressures associated with COVID-19, the UHB stood down the meetings of some of its Committees, as summarised in the below table. This action was approved by the Board Governance Group described below and ratified at the Board meeting on 28 May 2020. Board meetings have



continued as planned.

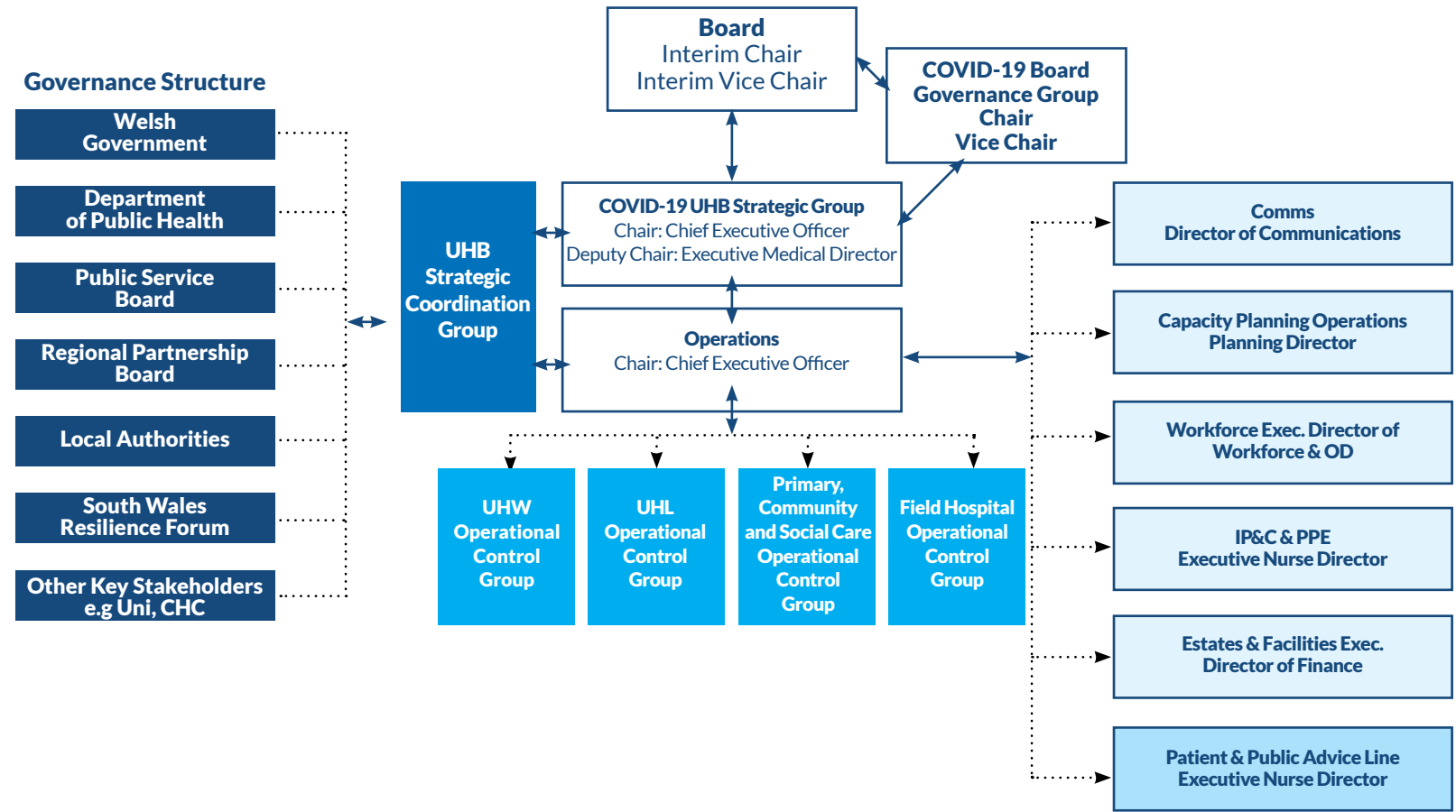
As the duration of the pandemic and the subsequent measures to be taken to mitigate spread are not yet known, it will be necessary to keep this under review.

Committee	Dates of Meetings (March-August 2020)	Actions
Audit	21 April 19 May 28 May 29 June 7 July	Meetings proceeding to review annual accounts, public disclosure statements and assurance for the audit opinion. Agendas reduced and items deferred where possible.
Quality, Safety and Experience	14 April 16 June 18 August	Meeting held but with a reduced agenda. June and August dates kept in diaries and to be reviewed.
Charitable Funds	17 March 5 May 23 June 4 August	Meeting held. Meeting cancelled. To proceed and will look at specific donations received as a result of COVID-19 To proceed
Digital and Health Intelligence Committee	9 June 9 July	Cancelled To proceed
Finance	25 March 29 April 27 May 24 June 29 July 26 August	March-June meetings held. July and August meetings will be reviewed and remain in diaries at present.
Health and Safety	7 April 30 June	April meeting held to consider PPE. Meeting cancelled. Reports relating to significant HSE cases or developments will be circulated to Committee members for scrutiny.
Mental Health and Capacity Legislation Committee	7 July	To be reviewed and will remain in diaries at present.
Strategy and Delivery	12 May 14 July	Meeting cancelled. July meeting will be reviewed and remain in diaries at present.



The below diagram demonstrates the UHB governance and delivery arrangements put in place for the management of COVID-19.

UHB Governance and Delivery Arrangements for the Management of COVID-19



UHB Strategic Group brings together Executive Directors to provide clear strategic direction for the UHB's response to COVID-19 and ensure the maximum effectiveness of this response.

Operations Group reports to the UHB Strategic Group and coordinates and reports on the UHB's operational response to COVID-19 to deliver the UHB's agreed strategic objectives.

Operational Control Groups report to the Operations Group and develop and coordinate the implementation plans, at the direction of the Operations Group, to deliver the UHB's operational objectives.

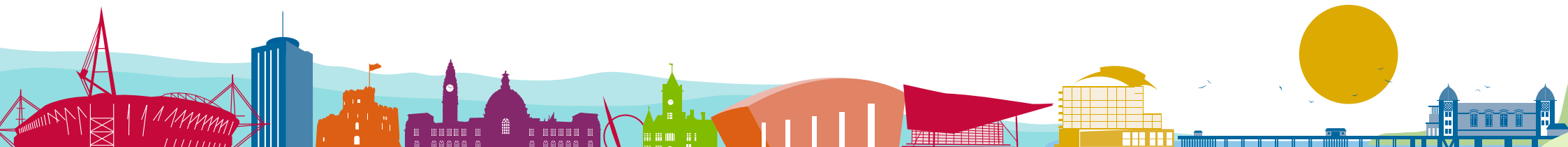
Functional Support Groups each has a nominated Executive Lead to provide accelerated functional decision making and support to enable the operational implementation plans, at the direction of the Operations Group, to deliver the UHB's operational objectives.

UHB Strategic Coordination Group coordinates the external requirements for information and action and provides co-ordination of strategic actions required to support the UHB's response to COVID-19; it reports to the Operations Group and UHB Strategic Group.

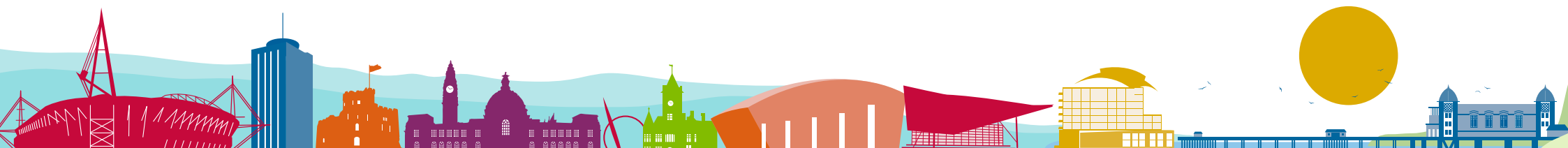
The COVID-19 Board Governance Group

referenced in the diagram was also established in April 2020 to scrutinise the decisions of the UHB Strategic Group and provide support to the Chief Executive and Executive Directors to allow those decisions to progress quickly but within a governance framework with appropriate audit trail. Independent Members and Executive Directors attend the Group as necessary. Its remit is as follows:

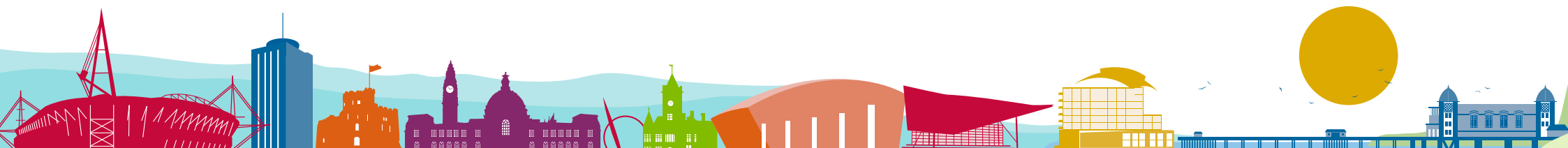
- Decisions reserved for the Board in line with Standing Orders;
- Decisions with a financial value over £500k;
- Legal documents and contracts of significance either in value or content;
- Decisions with the potential for reputational damage;
- Strategic decisions beyond the authority of the UHB Strategic Group;
- Any other decisions requiring approval of the Group.



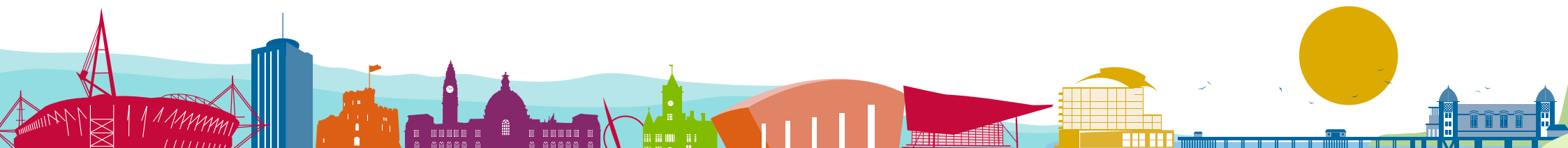
Name	Position	Area of Expertise Representation Role	Board Committee Membership 1 April 2019 – 31 March 2020	Number of Meetings Attended During Tenure	Champion Roles
John Antoniazzi	Independent Member (Until 31.10.19)	Capital and Estates	<ul style="list-style-type: none"> Board Trustee Chair Audit Finance Remuneration and Terms of Service Strategy & Delivery 	4/9 0/6 3/6 5/5 0/5 0/6	
Sue Bailey	Associate Member		<ul style="list-style-type: none"> Board 	0/9	
Maria Battle	UHB Chair (Until 18.08.19)		<ul style="list-style-type: none"> Board Trustee Charitable Funds Finance Remuneration and Terms of Service 	4/9 1/6 1/4 1/5 2/5	
Gary Baxter	Independent Member	University	<ul style="list-style-type: none"> Board Trustee Digital & Health Intelligence Quality, Safety and Experience Strategy & Delivery 	8/9 2/6 0/3 4/6 0/6	
Eileen Brandreth	Independent Member	Information Communication Technology	<ul style="list-style-type: none"> Board Trustee Vice Chair, Audit and Assurance Mental Health and Capacity Legislation Committee Remuneration and Terms of Service Strategy & Delivery Digital & Health Intelligence 	8/9 3/6 3/6 1/4 1/5 1/6 2/3	Lead for Children and Young People and Maternity
Lance Carver	Associate Member		<ul style="list-style-type: none"> Board 	0/9	



Name	Position	Area of Expertise Representation Role	Board Committee Membership 1 April 2019 – 31 March 2020	Number of Meetings Attended During Tenure	Champion Roles
Robert Chadwick	Executive Director of Finance		<ul style="list-style-type: none"> Board Trustee Strategy & Delivery Audit & Assurance Finance 	8/9 3/6 4/6 6/6 10/11	Security Management
Steve Curry	Chief Operating Officer		<ul style="list-style-type: none"> Board Trustee Strategy & Delivery Mental Health and Capacity Legislation Committee Quality, Safety & Experience 	9/9 3/6 5/6 1/4 5/6	Delayed Transfers of Care Lead
Martin Driscoll	Executive Director of Workforce & Organisational Development		<ul style="list-style-type: none"> Board Trustee Charitable Funds Strategy & Delivery Remuneration and Terms of Service 	8/9 1/6 1/4 6/6 4/5	Violence and Aggression Champion Fire Safety
Peter Durning	Interim Executive Medical Director (19.04.19-16.07.19)		<ul style="list-style-type: none"> Board Quality, Safety & Experience 	0/9 1/6	
Susan Elsmore	Independent Member	Local Authority Elected	<ul style="list-style-type: none"> Board Trustee Charitable Funds Finance Quality, Safety and Experience 	6/9 1/6 0/4 0/3 6/6	Cleaning, Hygiene and Infection Management Social Services and Wellbeing (Wales) Act



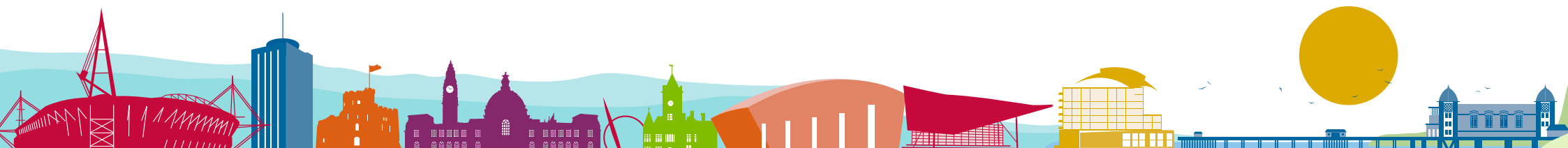
Name	Position	Area of Expertise Representation Role	Board Committee Membership 1 April 2019 – 31 March 2020	Number of Meetings Attended During Tenure	Champion Roles
Nicola Foreman	Director of Corporate Governance (Other Directors)		<ul style="list-style-type: none"> • Board • Trustee • Audit and Assurance • Finance • Remuneration and Terms of Service • Mental Health Capacity and Legislation • Strategy and Delivery • Health & Safety • Digital & Health Intelligence • Charitable Funds • Quality, Safety & Experience 	9/9 3/6 6/6 11/11 4/5 2/4 5/6 5/5 3/3 3/4 6/6	
Jonathon Gray (Appointed 02.12.2019)	Director of Transformation and Informatics (Other Directors)		<ul style="list-style-type: none"> • Board • Trustee • Digital & Health Intelligence 	1/9 1/6 1/3	
Akmal Hanuk	Independent Member	Community	<ul style="list-style-type: none"> • Board • Trustee • Chair, Charitable Funds • Vice Chair, Health & Safety • Mental Health & Capacity Legislative 	6/9 2/6 3/4 5/5 3/4	
Abigail Harris	Executive Director of Planning		<ul style="list-style-type: none"> • Board • Trustee • Strategy & Delivery 	8/9 2/6 4/6	Healthy Sustainable Wales, Emergency Planning



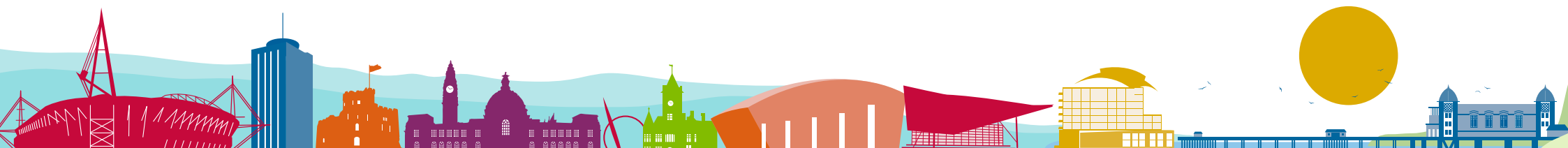
Name	Position	Area of Expertise Representation Role	Board Committee Membership 1 April 2019 – 31 March 2020	Number of Meetings Attended During Tenure	Champion Roles
Sharon Hopkins (until 24 June 2019)	Director of Transformation and Informatics		<ul style="list-style-type: none"> Board Strategy & Delivery 	2/9 1/6	
Michael Imperato (Appointed as Interim Vice Chair 09/10/19)	Independent Member		<ul style="list-style-type: none"> Board Trustee Vice Chair, Digital Health Intelligence Chair, Health and Safety Quality, Safety and Experience Remuneration and Terms of Service 	9/9 2/6 3/3 4/5 6/6 2/5	
Charles Janczewski	Vice Chair / Interim UHB Chair (from 06.08.19)		<ul style="list-style-type: none"> Board Trustee Audit and Assurance Finance Remuneration and Terms of Service Mental Health Capacity and Legislation Chair, Strategy and Delivery Digital & Health Intelligence Charitable Funds Quality, Safety and Experience 	9/9 3/6 2/6 11/11 5/5 1/4 6/6 3/3 1/4 1/6	Older Persons Champion, Public Patient Involvement, Wellbeing of Future Generations Act
Fiona Jenkins	Executive Director of Therapies and Health Science		<ul style="list-style-type: none"> Board Trustee Charitable Funds Quality, Safety and Experience 	9/9 3/6 2/4 6/6	Armed Forces and Veterans Champion



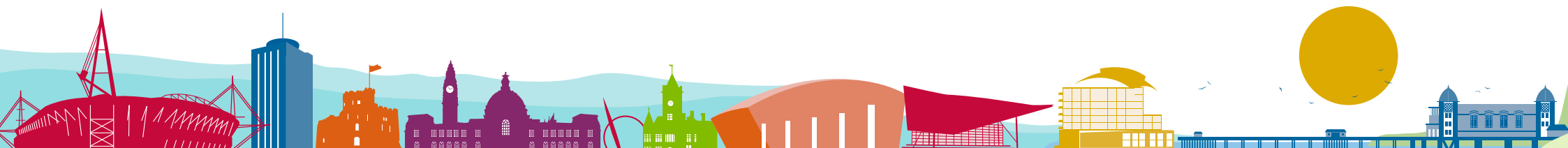
Name	Position	Area of Expertise Representation Role	Board Committee Membership 1 April 2019 – 31 March 2020	Number of Meetings Attended During Tenure	Champion Roles
Fiona Kinghorn	Executive Director of Public Health		<ul style="list-style-type: none"> • Board • Trustee • Strategy & Delivery • Quality, Safety and Experience • Health & Safety 	9/9 2/6 4/6 5/6 4/5	Healthy Sustainable Wales, Wellbeing of Future Generations Act
Sara Moseley	Independent Member		<ul style="list-style-type: none"> • Board • Trustee • Vice and Interim Chair, Mental Health Capacity and Legislation • Strategy and Delivery • Charitable Funds • Remuneration and Terms of Service 	6/9 1/6 2/4 4/6 0/4 1/5	Welsh Language Champion, Equality and Human Rights
Len Richards	Chief Executive Officer		<ul style="list-style-type: none"> • Board • Trustee • Strategy & Delivery • Digital & Health Intelligence • Remuneration and Terms of Service 	9/9 3/6 2/6 1/3 3/5	Public Patient Involvement
Graham Shortland	Executive Medical Director (Until 18.04.19)		<ul style="list-style-type: none"> • Board • Quality, Safety & Experience 	2/9 1/6	
Richard Thomas	Associate Member		<ul style="list-style-type: none"> • Board 	2/9 1/6	



Name	Position	Area of Expertise Representation Role	Board Committee Membership 1 April 2019 – 31 March 2020	Number of Meetings Attended During Tenure	Champion Roles
John Union	Independent Member	Finance	<ul style="list-style-type: none"> • Board • Trustee • Chair, Audit and Assurance • Vice Chair, Finance • Charitable Funds • Remuneration and Terms of Service 	7/9 2/6 6/6 9/11 3/4 3/5	
Rhian Thomas (Appointed 01.02.20)	Independent Member	Capital and Estates	<ul style="list-style-type: none"> • Board • Trustee • Chair, Finance • Strategy & Delivery • Health & Safety 	0/9 0/6 0/11 1/6 0/5	Design
Ruth Walker	Executive Nurse Director		<ul style="list-style-type: none"> • Board • Trustee • Charitable Funds • Strategy & Delivery • Quality, Safety & Experience 	8/9 2/6 2/4 2/6 6/6	Lead for Children and Young People and Maternity
Stuart Walker (Appointed 17.07.19)	Executive Medical Director		<ul style="list-style-type: none"> • Board • Trustee • Digital & Health Intelligence • Strategy & Delivery • Mental Health Capacity and Legislation • Quality, Safety and Experience 	6/9 2/6 1/3 1/6 1/4 4/6	Caldicott Guardian
Dawn Ward	Independent Member	Trade Union	<ul style="list-style-type: none"> • Board • Trustee • Audit and Assurance • Health and Safety • Quality, Safety and Experience • Strategy and Delivery 	8/9 1/6 6/6 3/5 5/6 1/6	



Board / Committee												
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Board / Committee		30.05.19	27.06.19	04.07.19 25.07.19	29.08.19	26.09.19		28.11.19		30.01.20		27.03.20
Audit & Assurance	23.04.19	23.05.19 30.05.19				30.09.19			03.12.19			03.03.20
Charitable Funds			11.06.19	11.06.19		29.09.19		03.11.19	10.12.19			16.03.20
Digital & Health Intelligence					15.08.19				03.12.19		04.02.19	
Finance	24.04.19	29.05.19	26.06.19	31.07.19	28.08.19	25.09.19	30.10.19	27.11.19	18.12.19	29.01.19	26.02.20	
Health & Safety							08.10.19			21.01.20		
Mental Health & Capacity Legislation			04.06.19				22.10.19				21.02.20	
Quality, Safety & Experience	16.04.19		18.06.19			17.09.19	15.10.19		17.12.19		18.02.20	
Remuneration & Terms of Service							31.10.19				20.02.20	
Strategy & Delivery	30.04.19		25.06.20			03.09.19	29.10.19		12.01.20			09.03.20



4.4 System of Internal Control

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

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

4.5 Capacity to handle risk

The Board approved a new Risk Management and Board Assurance Framework (BAF) Strategy and supporting Risk Assessment and Risk Register Procedure in August 2019. A new Corporate Risk Register is being developed which will supplement and feed into the BAF.

Copies of the Strategy and Procedure can be found at:

<http://www.cardiffandvaleuhb.wales.nhs.uk/sitesplus/documents/1143/UHB%20470%20Risk%20Management%20and%20BAF%20Strategy%20final%20updated%2014.01.20.pdf>

<http://www.cardiffandvaleuhb.wales.nhs.uk/sitesplus/documents/1143/UHB%20024%20Risk%20Management%20Procedure%20updated%2014.01.20%20-linked.pdf>

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.

The following risks were identified in the BAF as posing the greatest risk to the delivery of the UHB's strategic objectives during 2019-20:

1. Workforce;
2. Financial Sustainability;
3. Sustainable Primary and Community Care;
4. Safety and Regulatory Compliance;
5. Sustainable Culture Change;
6. Capital Assets (including Estates, IT and Medical Equipment).

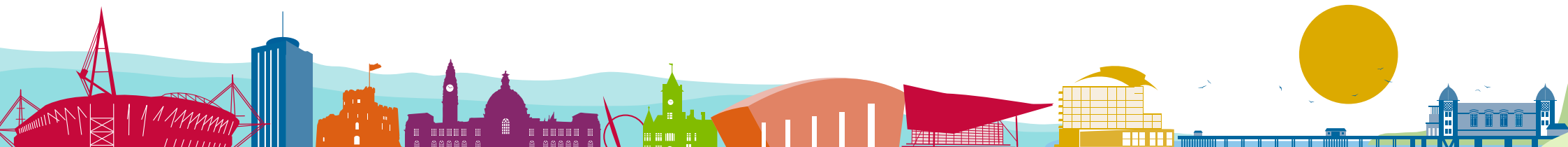
The BAF can be accessed via the following link and shows actions taken to mitigate the risks identified.

<http://www.cardiffandvaleuhb.wales.nhs.uk/sitesplus/documents/1143/BOARD%20ASSURANCE%20FRAMEWORK%20%28MARCH%202020%292.pdf>

The BAF is presented to the Board for scrutiny and approval on a bi-monthly basis and the Audit and Assurance Committee, as a sub-committee of the Board, has oversight of the processes through which the Board gains assurance in relation to management of the BAF.

Each Clinical Board and Corporate Department has responsibility for maintaining a comprehensive risk register and for highlighting the extreme risks (those scored 15 and above) for inclusion in the Corporate Risk Register. Risks scored 14 and below are managed locally within relevant Clinical Boards and Corporate Departments. 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.

Training for staff in risk assessment and management is provided by the UHB Health and Safety and Corporate Governance departments. The focus of the training and support in 2020-21 will continue to be the development of the Corporate Risk Register. A draft Corporate Risk Register has been presented to the private sessions of the Board and its Committees, enabling review of the risks listed to determine whether they will impact on the UHB's Strategic Objectives. Any risks identified as impacting on our Strategic Objectives



are added to the BAF. Once finalised, the Corporate Risk Register will be reported at the public meetings of the Board and its Committees.

The BAF and reports are also utilised to determine the UHB's risk appetite. In addition, our appetite for risk is reflected in the Integrated Medium Term Plan which sets out the UHB's priorities and focus for the next three years.

The Board assessed its risk appetite using the Good Governance Institute Matrix for NHS Organisations at a Board Development Workshop on 25 April 2019. The workshop results can be viewed at appendix 3 of the Risk Management and Board Assurance Framework Strategy via the below link.

<http://www.cardiffandvaleuhb.wales.nhs.uk/sitesplus/documents/1143/UHB%20470%20Risk%20Management%20and%20BAF%20Strategy%20final%20updated%2014.01.20.pdf>

The Board agreed that it had an overall risk appetite of 'cautious'. However, over time, and with a clear plan of development in place it agreed that it wished to have an appetite of 'seek'. The Board will review its risk appetite on an annual basis to ensure that it is progressing to its desired risk appetite.

The Director of Corporate Governance attends the SRG to brief public stakeholders on the activities of the Board including risk.

COVID-19

The aforementioned UHB Strategic Group has formulated and monitored a COVID-19 BAF since March 2020 capturing the strategic risks posed by the pandemic. The current COVID-19 BAF can be accessed via the following link and shows actions taken to mitigate the risks identified.

<http://www.cardiffandvaleuhb.wales.nhs.uk/opendoc/358571>

The following six risks have been identified as posing the greatest risk to the delivery of the UHB's Strategic Objectives during the pandemic:

1. Staff Safety and Welfare;
2. Patient Safety;
3. Decision Making, financial control and governance;
4. Workforce;
5. Risk to delivery of Cardiff and Vale IMTP; and
6. Reputational damage.

The COVID-19 BAF is supplemented by four separate Risk Registers prepared by clinicians and Clinical Directors of Operations for each of the newly established command sites at University Hospital of Wales, University Hospital Llandough, the Dragon's Heart Hospital and within our community settings.

Following the move to new ways of working to

respond to the COVID-19 pandemic, the UHB has had to adjust and significantly increase its Risk Appetite in a number of areas. This has been most evident in relation to Finance and Governance where the UHB has had to make swift decisions and take prompt action to combat an ever changing set of risks posed by the pandemic and to comply with developing policies and guidelines issued by clinical governing bodies and Governmental departments. The UHB Strategic Group has enabled us to respond to COVID-19 within a governance framework.

Emergency Preparedness

NHS organisations must ensure that they have a Major Incident Plan that complies with the Civil Contingencies Act (2004) and associated Welsh Government Guidance. Most recently a combination of the Major Incident and Business Continuity Plans have been utilised in response to COVID-19.

The scale and impact of the pandemic has been unprecedented, and necessitated action at both a local and national level. The requirement to plan and respond to the pandemic presented a number of challenges to the UHB. The predicted impact on the organisation and population health was significant. This identified risks that dictated the activation of the Local Resilience Forum (LRF) Strategic Co-ordination Group (SCG).

A degree of uncertainty remains as to the overall impact on both immediate and longer term delivery



of services by the organisation. However, a detailed proposal for Recovery detailing prioritised and appropriate action involving all appropriate partners has been produced. This will be supported by a robust risk management framework and the ability to identify, assess and mitigate risks which may impact on the ability to achieve UHB strategic objectives.

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.

At the UHB's January Board meeting the Board committed to bring forward plans for co-ordinated additional action in a number of areas to address the UHB's greenhouse gas emissions, and wider environmental impact, including:

- Reducing our energy and water use through further phases of the Refit programme;

- Continuing to enhance our sustainable procurement approach;
- Catering and food retail;
- Healthy and sustainable travel;
- Maintaining and enhancing biodiversity on our estate.

Carbon Reduction Delivery Plans

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

Further information on key activities being undertaken in relation to environmental, social and community issues and carbon reduction delivery can be found in the Sustainability Report.

4.6 The Control Framework Quality Governance Arrangements

An essential feature of our control framework is ensuring there is a robust system for measuring and reporting on the quality of our services. Our Quality Safety and Experience Committee provides timely evidence based advice to the Board to assist it in discharging its functions and meeting its responsibilities with regards to quality and safety as well as providing assurance in relation to improving

the experience of all those that come into contact with our services.

The Annual Quality Statement forms part of our reporting process and provides an opportunity for us to describe in an open and honest way how we are ensuring all of our services are addressing local need and meeting the required high standard. During 2019-20 the UHB carried out a self-assessment following the publication of the Review of Maternity Services at Cwm Taf Health Board. An assurance framework and improvement plan has been developed and outcomes will be presented to the Board in 2020-21.

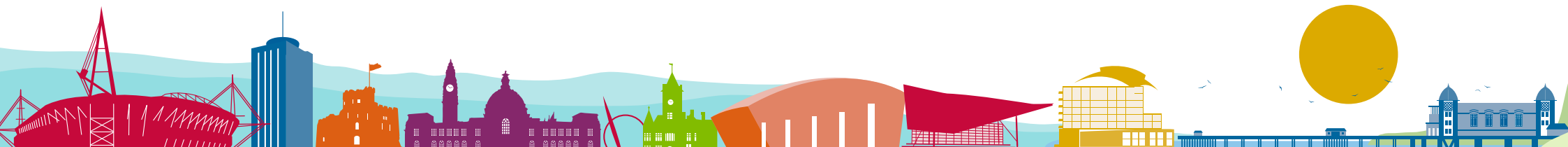
COVID-19

As outlined earlier in the report, the Quality Safety and Experience Committee has continued to meet. Reporting of patient safety incidents has continued and themes and trends around incidents relating to COVID-19 are collated and reviewed on a regular basis.

The National Clinical Audit Plan has been stood down by Welsh Government and even though data is still being inputted, there will be a six month gap in data as a result of the pandemic.

Information Governance and Data Security

Risks relating to information are managed and controlled in accordance with the UHB's



Information Governance Policy through the Digital Health and Intelligence Committee, which is chaired by an Independent Member.

The Executive Medical Director, as Caldicott Guardian, is responsible for the protection of patient information. All Information Governance issues are escalated through the Digital Health and Intelligence Committee. The Committee papers can be viewed here: [Digital & Health Intelligence Committee papers](#).

The following items were considered by the Committee in 2019-20:

- Digital Strategy;
- GDPR Audit Action Plan;
- IT Delivery Programme;
- Information Governance Compliance Reports;
- Information Governance Risk Register;
- Information Governance Policy.

The Senior Information Risk Owner (SIRO) provides an essential role in ensuring that identified information security risks are addressed and incidents properly managed.

Following the ICO audit, which took place in February 2020, the UHB has received 'reasonable assurance' on its assurance and compliance and 'reasonable assurance' on Cyber Security. An action plan, which incorporated outstanding recommendations from the ICO audit in 2016,

the Internal Audit on GDPR compliance, the Audit Wales 2018 Structured Assessment and the Caldicott Principles in Practice (CPiP) will be superseded by recommendations from the ICO 2020 audit. The action plan is a standing agenda item at the Digital Health and Intelligence Committee. The 'urgent' recommendations for both the assurance and compliance and Cyber Security audits are:

- The UHB urgently needs to put in place an appropriate policy document to support the accuracy of determined lawful bases as required by Schedule 1 of the Data Protection Act 2018;
- The organisation should consider mandating the Cyber Awareness e-learning solution for staff who routinely handle digital patient information, have email accounts or who have any responsibility for digital information security in their roles or where supervising others;
- The ICO recommends that Information Governance and cyber security training is refreshed annually;
- The organisation should put in place regular Training Needs Analysis for staff with responsibilities for managing information securely;
- The organisation should ensure that any trainers put in place to deliver cybersecurity training are themselves trained to deliver that information effectively and field any questions.

The number of data protection breaches reported to the ICO remains low. Following the implementation of the GDPR, 5 breaches have been reported during 2019-20 in line with new reporting requirements. In addition to this, 14 breaches have been discussed with the ICO. The ICO considered that no formal action was warranted on any of the personal data related incidents reported or discussed for 2019-20.

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.

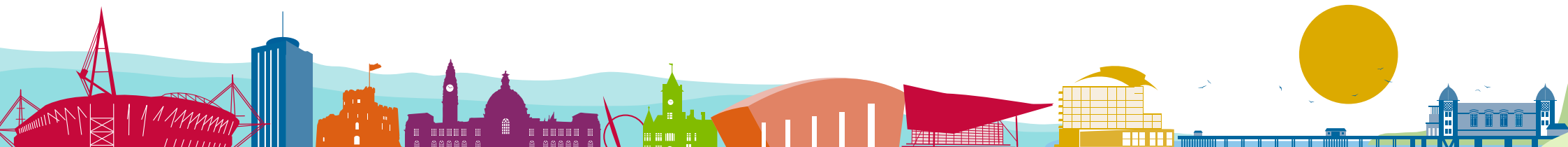
Health and Care Standards

In 2017-18 a revised set of Health and Care Standards were issued to NHS Wales.

While the annual corporate assessment of the Health and Care standard has been delayed due to COVID-19, the process of ongoing monitoring of compliance by the groups and Committees across the UHB has been in place throughout the year.

Corporate Governance Code

Due to the timing of the COVID-19 response, the Board's assessment of its compliance with the Code, as it relates to an NHS public sector organisation in Wales, has been delayed and will be undertaken in the first quarter of 2020-21.



Equality, Diversity and Human Rights

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

- • Developing and producing a new Strategic Equality Plan – Caring about Inclusion 2020-2024;
- • 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 as 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 to ensure that the organisation demonstrates due regard to equality, diversity and human rights when making decisions and developing strategies or policies.

Further work is being taken forward to ensure that such legislation is properly embedded. Our focus this year has been on planning, consulting and engaging on our new Strategic Equality Plan – Caring about Inclusion. Initial discussions and engagement events with equality related organisations, experts and other key stakeholders

regarding the Equality Objectives began in the summer of 2019. Participants provided us with all-embracing views and experiences of using our services, highlighting where they thought more could have been done to treat them (or the groups that their organisations represented) fairly. They also referenced barriers they have faced as a result of belonging to one or more protected group. We used the analysis from our early engagement with stakeholders, our partnership work with other public bodies, legislation, organisational plans and the evidence contained in *Is Wales Fairer? 2018* to prepare our set of Equality Objectives. Focus was also aimed at ensuring the objectives themselves, and the long-term aims to which they will contribute, are the right ones.

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. It is accessible to the public as well as staff. The UHB aims to ensure that no individual or group receives less favourable treatment either directly or indirectly.

Further information on application of the equality, diversity and human rights legislation in relation to our workforce can be found at Section 6.4.

Welsh Language

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.

The UHB recognises the importance of delivering care and support to individuals who prefer to speak Welsh and we are continually working to achieve this. Control measures are in place to ensure that the UHB complies with the requirements of the Welsh Language Standards, these include:

- Developing a new UHB project plan to implement the Welsh Language Standards across the organisation;
- The Welsh Language Standards Annual Report for the Welsh Language Commissioner;
- Welsh Language reports to the Strategy and Delivery Committee on the UHB's objectives and actions;
- NHS Outcomes report for the Welsh Language for the Welsh Government;
- Welsh Language included in the Equality and Health Impact Assessment.

As part of our continual work, we have been raising awareness across the UHB's Clinical Boards reminding them of their obligations. We have been working to establish the infrastructure to assist these areas in complying with the standards. These include developing guidelines on following the Welsh Language Standards and promoting the new



translation service available for all areas.

On a strategic level, the UHB is working towards establishing the Equality Strategy and Welsh Language Standards Group. Chaired by the Deputy Chief Executive, it will be tasked to ensure all areas of the UHB comply with the Welsh Language Standards.

While some progress was made in 2019-20 to comply, it is acknowledged that greater focus and urgency is needed. The Welsh Language Commissioner has informed the UHB that although he is currently not actively monitoring our work he is expecting us to continue to ensure we provide the best level of service in Welsh that we can. It is something that we remain committed to.

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

NHS Pension Scheme

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

timescales detailed in the Regulations.

For those staff who are not entitled to join the NHS Pension Scheme, as part of the pensions 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.

Ministerial Directions

In 2019-20 a Ministerial Direction regarding the NHS Pension Tax Proposal was issued which can be viewed here: <https://gov.wales/ministerial-direction-regarding-nhs-pension-tax-proposal-2019-2020>

The UHB formally issued communication throughout the organisation and to the Local Negotiating Committee regarding this direction.

Welsh Health Circulars

A range of Welsh Health Circulars (WHCs) were published by Welsh Government during 2019-20 and can be viewed at: <https://gov.wales/health-circulars#Circulars2019>

These are centrally logged within the UHB 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.

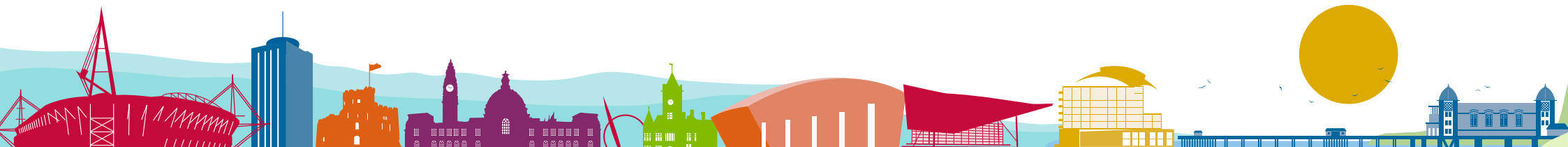
Regulatory and Inspection Reports

A formal system is in place to track regulatory and inspection reports against statutory requirements. These reports are made available to the appropriate Board Committee and are discussed at Management Executives and Health System Management Board which includes the entire leadership team of the organisation. Quarterly follow ups also take place with the Executive Leads.

During 2018-19, a Limited assurance report was received from Internal Audit on regulatory compliance. The UHB's process for monitoring the implementation of audit and inspection recommendations was also highlighted as an area for improvement by the Audit Wales Structured Assessment Report for 2018.

In 2019-20 we have strengthened our system for tracking recommendations and regulatory compliance. Three tracking reports have been implemented which capture: Internal Audit reviews, Audit Wales reviews and regulatory compliance. These reports are monitored at each Audit Committee and were first presented there on 30 September 2019.

The follow-up review undertaken by Internal Audit



has provided Reasonable assurance. Our focus in 2020-21 is on addressing the high number of outstanding recommendations that remain.

4.7 Integrated Medium Term Plans (IMTP)

The Welsh Government formally approved the UHB's IMTP for 2019-22 on 26 March 2019. The Plan set out an ambitious programme of work for the UHB and can be found here:

<http://www.cardiffandvaleuhb.wales.nhs.uk/cav-imtp>

Significant progress was made against the plans through 2019-20 including:

We Said	We Did	Result
Support the sustainability of general medical services through the roll out of MSK and mental health cluster based services	Delivered ✓	Over 3400 slots with a first contact physiotherapist were made available between 01.04.19 and 31.08.19, and over 2800 patients booked appointments with the service, the majority of whom would previously have required appointments with a GP.
Development of response to population growth and establishment of a Primary Care Estates Strategy	Delivered ✓	We have undertaken a comprehensive review of our Primary Care estates and established a Primary Care Estates Strategy.
Repatriation of CAMHS and development of Emotional Wellbeing Service	Delivered ✓	Specialist CAMHS provision was successfully repatriated and there was no disruption to the running of clinical services as a result of the transfer. An objective of the repatriation was the development and implementation of a single point of access to improve the referral process and access into children's mental health services this went live from 01.04.19.
Improve access to Mental Health services for young people	Delivered ✓	We have established a Multi-Disciplinary Team with third sector support and enhanced the number of staff in the team. An evidence based specialist pathway has been introduced and demand is being met currently.
Development of team around the individual for dementia patients	Delivered ✓	Specialist Mental Health Practitioner posts have been developed to work in partnership with Community Resource Teams and Dementia Liaison Staff in GP practices.
Community Mental Health Team Review	Delivered ✓	All Vale teams are now co-located. New service model based on direct access, minimal assessments and strengths based outcomes commenced.



We Said	We Did	Result
Open Young Onset Dementia unit	Delivered ✓	The unit has opened at Barry Hospital providing an age appropriate environment for patients
Introduce Health Pathways	Delivered ✓	We have successfully introduced Health Pathways into our system with over 60 pathways live on the system. We introduced the first Sepsis health pathway across the UK, Australia and New Zealand.
Increase the number of patients who receive dialysis in the community	Delivered ✓	The nocturnal dialysis programme has commenced which converting existing patients from unit based to home therapies. The Renal Roadshow was held at the end of June helping to increase awareness of home therapies.
Establish Non-Invasive Ventilation (NIV) Unit at UHW	Delivered ✓	An initial 4 bedded NIV unit was opened in 2019.
ENT Surgery Moved to UHL	Delivered ✓	The first ENT elective lists have taken place in UHL, resulting in patients who would previously have had their surgery cancelled on the day due to emergency pressures receiving timely care.

The IMTP is the UHB's key planning document and sets out the milestones and actions we are taking in the next 1 to 3 years in order to progress Shaping Our Future Wellbeing, our ten-year strategy. It is based on the health needs of our population, delivering quality services and ensuring equitable and timely access to services and sets out how we will deliver our mission Caring for People; Keeping People Well, and vision that a person's chance of

leading a healthy life is the same wherever they live and whoever they are.

The monitoring of its progress is embedded in our approach to performance management and governance across the UHB. A refreshed plan for 2020-23 was provided to Welsh Government in January 2020 and notification of approvable nature of the plan was received from Welsh Government

on 19 March 2020. However, as a result of the current COVID-19 challenges, Welsh Government has confirmed that the IMTP processes will be paused to allow all resources to be redirected to sustaining key services.

4.8 Review of Effectiveness

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

Further sources of assurances are identified within the Board's own performance management and assurance framework and include, but are not limited to:

- Direct assurances from management on the operation of internal controls through the upward chain of accountability
- Internally assessed performance against the Health and Care Standards
- Results of internal compliance functions including Local Counter-Fraud, Post Payment Verification, and risk management
- Reported compliance via the Welsh Risk Pool regarding claims standards and other specialty

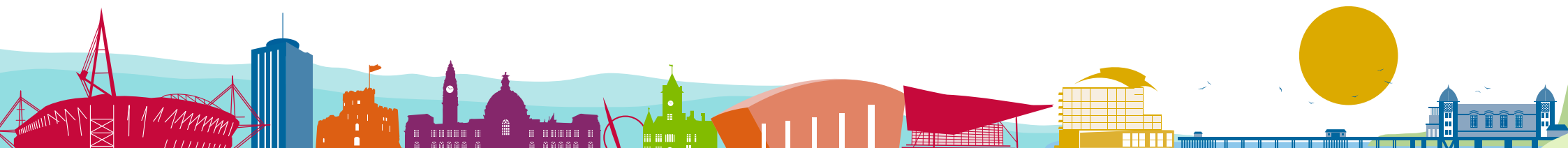


specific standards reviewed during the period

- Reviews completed by external regulation and inspection bodies including the Audit Wales and Healthcare Inspectorate Wales.

The effectiveness of the system of internal control is maintained and reviewed by the Committees of the Board in respect of assurances received. This is also supported by the BAF with high risks being closely monitored by Board and the respective Committees.

Internal Sources	External Sources
<ul style="list-style-type: none"> • Performance management reports • 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 WalkRounds • 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 (e.g. Mental Health Act/Health and Safety, Data Protection) 	<ul style="list-style-type: none"> • Population Health Information • Audit 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



Governance, Leadership and Accountability

Due to pressures around COVID-19 the annual electronic self-assessment to review Board / Committee effectiveness, including the quality of data received by the Board and whether we meet the Health and Care Standard for Governance, Leadership and Accountability is not yet concluded. The self-assessment has however been circulated to Board and Committee members, and results captured will feed into the continuing Board effectiveness work and action plan for 2020-21.

A Board/Committee review was commissioned in 2019-20 where views of members were sought and feedback was that a more forward looking and strategic approach is needed. A workshop was planned to follow this through but due to COVID-19 this was put on hold; this work will also recommence in 2020-21.

4.9 Internal Audit

Internal Audit provide me, as Accountable Officer, and the Board through the Audit Committee with a flow of assurance on the system of internal control. I have commissioned a programme of audit work which has been delivered in accordance with public sector internal audit standards by the NHS Wales Shared Services Partnership. The scope of this work is agreed with the Audit Committee and is focussed on significant risk areas and local improvement priorities.

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

The programme has been impacted by the need to respond to the COVID-19 pandemic with some audits deferred, cancelled or curtailed as the organisation responded to the pandemic. The Head of Internal Audit is satisfied that there has been sufficient internal audit coverage during the reporting period in order to provide the Head of Internal Audit Annual Opinion. In forming the Opinion the Head of Internal Audit has considered the impact of the audits that have not been fully completed.

The Head of Internal Audit Opinion

As a result of the COVID-19 pandemic and the response to it from the UHB Internal Audit has not been able to complete its audit programme in full. However, sufficient audit work has been undertaken during the year to be able to give an overall opinion in line with the requirements of the Public Sector Internal Audit Standards.

46 Internal Audit outputs had been anticipated at year end however due to the impact of COVID-19 the final position is: 37 Final reports, 2 Draft reports and 7 which were either removed or deferred into the 2020-21 Internal Audit plan. Where changes

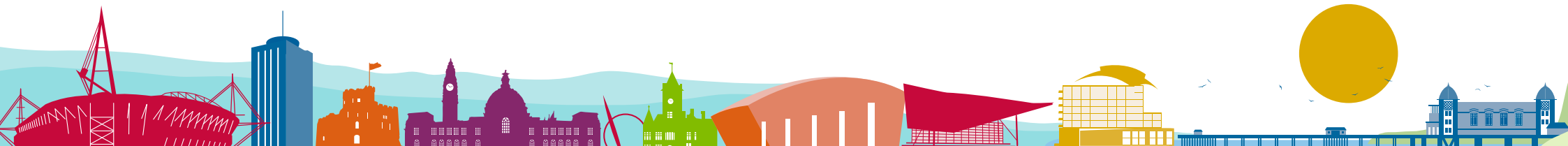
were made to the audit plan then the reasons were presented to the Audit Committee for consideration and approval. The significance of these deferred audits has been taken into account when assessing the ratings for the assurance domains and the overall assurance opinion.

For those audits that are either at the Draft report stage or are work in progress, an appropriate approach will be agreed with the UHB to complete and finalise those audits for formal submission to the Audit Committee at a later date.

The following audits could not be completed due to the COVID-19 outbreak. This was reported to the Audit Committee at its meeting on 21 April 2020.

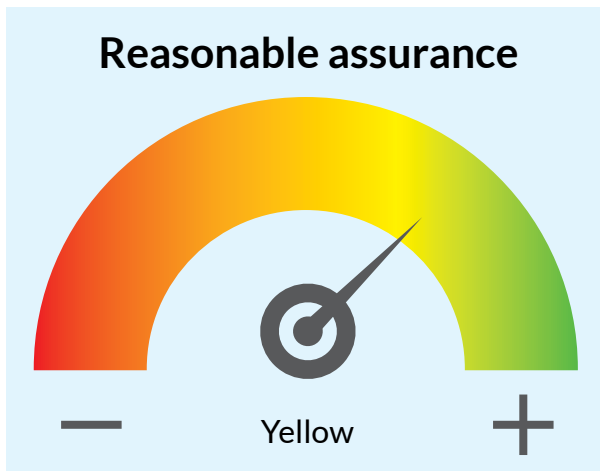
Review Title
Health and Care Standards
Strategic Performance Reporting
Data Quality Performance Reporting
IM&T Backlog
Medicine CB – QS&E Governance
Medicine CB – Internal Medicine Follow-up
Facilities / Estates Service Board Governance

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 organisation's framework of governance, risk management, and control is set out below.



The Board can take Reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.

In reaching the overall Reasonable assurance opinion the Head of Internal Audit has identified that the majority of reviews during the year concluded positively with sound control arrangements operating in many areas. In addition, seven of the eight individual domains would be classified with a positive assurance opinion; one being Substantial assurance and six being Reasonable assurance. One of the individual domains was classified with a Limited assurance opinion.

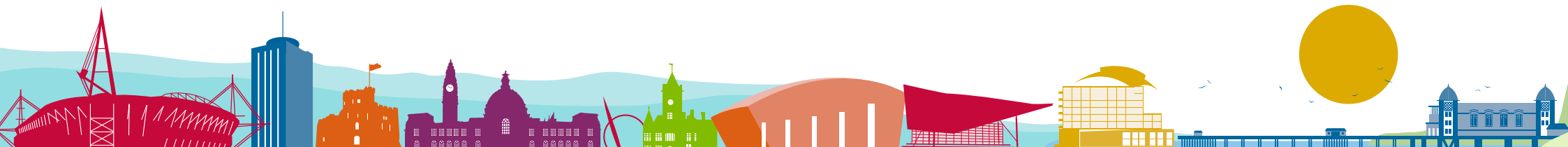
During the year ten Substantial Assurance and twenty five Reasonable assurance opinions were given for individual assignments. However it is

important to highlight that two Limited assurance reports have been issued during the year and these were split across two of the eight assurance domains.

Limited assurance

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

Review Title	Objectives	Issues leading to conclusion	Actions
Consultant Job Planning Follow-up	To provide the UHB with assurance that agreed actions from the previous Limited assurance review of Consultant Job Planning have been implemented appropriately.	The majority of the agreed management actions had not been progressed and the rating therefore remained as Limited assurance.	Internal Audit Report taken to the Health Systems Management Board. Centralized monitoring system and standardized job plans being developed. Business Case being prepared to achieve a digital solution.
Tentacle IT System	To provide assurance that data held within the Tentacle system is accurate, secure from unauthorised access and loss and that the system is used fully.	A significant number of key weaknesses were identified around the current governance processes for the system, including a lack of system documentation and records of testing and acceptance of changes. There are also issues around the age of the system and its on-going compatibility and usability.	Interim steps taken to reduce access by authenticating system users. Tentacle system being put onto main PMS system by end of May.



There are no audited areas in which the Board has No assurance.

4.10 Audit Wales

The Auditor General for Wales is the UHB's statutory external auditor and the Wales Audit Office undertakes audits on his behalf. Since 1 April 2020 the Auditor General for Wales and the Wales Audit Office are known collectively as Audit Wales.

Audit Wales scrutinises the UHB's financial systems and processes, performance management, key risk areas and the Internal Audit function. The Annual Audit Report for 2019 can be viewed here: <https://www.audit.wales/node/5841>

The following performance reviews were included in the Audit Wales 2019 Audit Plan. The resultant reports were presented to the Audit Committee and the review recommendations recorded in a tracking report which is provided to each Audit and Assurance Committee to provide assurance on their implementation. The Audit and Assurance Committee also reviews the outcomes of national reviews at each meeting.

The 2020 Annual Audit Plan has been set and was presented to the Audit and Assurance Committee on 3 March 2020 however COVID-19 will impact on Audit Wales audit work and as a result, this audit plan will be amended accordingly and changes fed into the Audit and Assurance Committee.

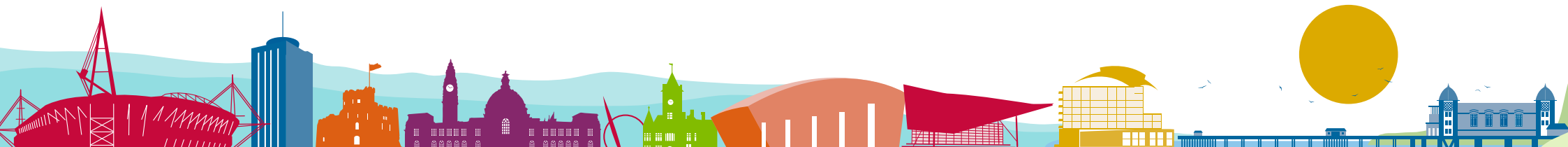
Title of Review	Date Issued	Date Considered by Committee
Clinical Coding Follow up From 2014 not yet completed	June 2019	30 September 2019
Audit of Financial Statements Report Addendum - Recommendations	July 2019	30 September 2019
Implementing the Wellbeing of Future Generations Act	November 2019	3 December 2019

The Audit Wales 2019 Structured Assessment of the UHB's corporate arrangements for ensuring that resources are used efficiently, effectively and economically can be viewed here: https://www.wao.gov.uk/system/files/publications/pdf_52.pdf and concluded that:

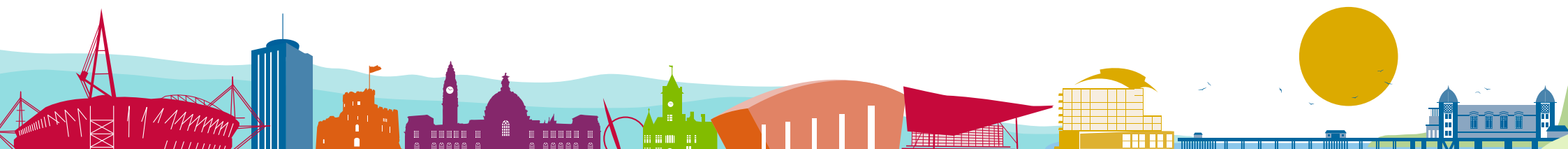
"The Health Board is strengthening processes that support board business, risk management and arrangements for tracking recommendations. It now has an approved IMTP, forecasts a break even position and is making progress in tackling workforce issues. But there are opportunities for improvement, these include; Board level performance reporting and scrutiny of

IMTP delivery, flows of information between the senior management teams and the Board and addressing a large volume of outstanding audit recommendations".

The UHB's progress with implementing the Structured Assessment recommendations (captured in the below table) has been monitored through the Audit Committee during 2019-20. The remaining performance management timescales have not been met due to COVID-19 and this will be rectified with new dates for completion set as the pandemic response lessens.



Recommendation	Response	Completion
Committee meeting frequency and timing a) Review the frequency of Audit Committee meetings to close the gap between the May and September meeting. b) Review Independent Member's capacity and timings of Committee meetings where there is infrequent Independent Member attendance.	a) An additional meeting will be added in for July. b) Already under review with the change in Chair and Vice Chair. Current proposals include increasing the membership of each Committee to ensure the meetings are quorate.	Complete
Performance Management Framework Extend the performance framework review to include: a) Monitoring IMTP delivery on a quarterly basis and reporting the wholesale position to the Strategy and Delivery Committee and Board. b) Ensuring the Strategy and Delivery Committee receives, the same or more, detailed performance information than that received by the Board. c) Review the format and legibility of the performance dashboard currently reported to Board.	a) Review Flash report used for Performance Reviews will be sent to the Committee on a quarterly basis. b) Performance information under review alongside other performance information to the Committees to ensure a consistent approach and that assurance can then be appropriately provided to the Board from each Committee. c) Committees of the Board will all be considering their respective KPIs and they will then provide assurance to the Board. The dashboard will be presented in a format which is legible and clearly identifies the areas for concern and what is happening with them.	Complete Provided to the Committee from January 2020 January 2020 March 2020



4.11 Conclusion

As Accountable Officer, 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. During 2019-20, we have again proactively identified areas requiring improvement and requested Internal Audit to undertake detailed assessments in order to manage and mitigate associated risks. A number of reports issued by Internal Audit concur with our view and have consequently provided the UHB with clear recommendations to ensure that focussed and urgent management actions are in place to address identified shortcomings. These actions are then monitored through the Board and its Committees to ensure appropriate assurances can be provided.

I am pleased to note sufficient progress made in relation to our Standards of Behaviour to warrant an Internal Audit finding of Substantial assurance on follow-up review. In addition, assurance is provided by the audits of Budgetary Control and the Core Financial systems which were both given Substantial assurance.

There have been significant improvements to risk management, with the BAF now an integral part of the UHB's risk management process.

The UHB has an approved IMTP covering the years 2019-20 to 2021-22 however we have not achieved

our financial duty of break even for the three years to 31 March 2020. We have operated within our capital resource for the three years to 31 March 2020 (subject to current audit), but have not done so for the same three year period in respect of our revenue resource limit. More detail is provided in the Financial Statements, Note 2. If the UHB successfully delivers its current approved IMTP, it would achieve the Statutory Financial Duty to break even for the three years to 31 March 2022.

In 2019-20, the UHB received a Health and Safety Executive fine following the fall of a contractor on our premises. A great deal of work has been done within the UHB to improve our systems and processes around contractors and the Health and Safety Committee and the Board received reports to provide assurance around these lessons learned.

As indicated throughout this statement, the need to plan and respond to the COVID-19 pandemic has had a significant impact on the organisation, wider NHS and society as a whole. It has required a dynamic response which has presented a number of opportunities in addition to the risks.

The need to respond and recover from the pandemic will be with the organisation and wider society throughout 2020-21 and beyond. I will ensure our Governance Framework considers and responds to this need together with any recommendations received from the Welsh Government commissioned review of our governance processes around the construction of Dragon's Heart Hospital.

As a result of the COVID-19 governance structure put in place, the continuation of the Board and key Committees and continued presence of Executive Directors and Independent Members, I am confident that our systems of internal control have not been materially affected and am assured that there have been no significant internal control or governance issues during the time of pandemic.

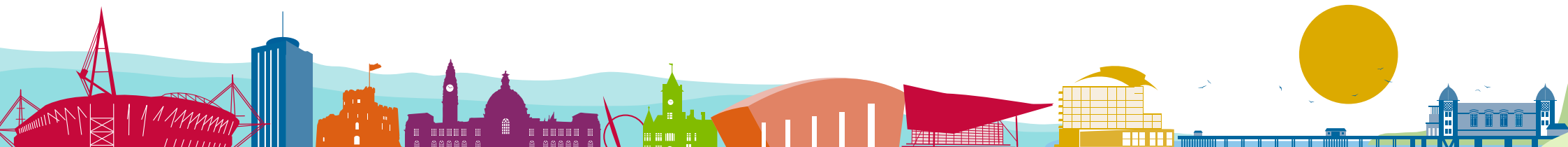
In summary, my review confirms that the Board has sound systems of internal control in place to support the delivery of policy aims and objectives and that there are no significant internal control or governance issues to report for 2019-20.

Signed by:



Len Richards
Chief Executive

Date: 29th June 2020



Part 5

Remuneration Report

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5.1 Salary and Pension Entitlements of Senior Managers 2019-20

The pay and Terms and Conditions of Employment for the Executive team and senior managers have been, and will be determined by, the UHB's Remuneration and Terms of Service Committee, within the framework set by Welsh Government. The Remuneration and Terms of Service Committee also considers and approves applications relating to the Voluntary Release Scheme. The Remuneration and Terms of Service Committee members are all Independent Members of the Board and the Committee is chaired by the UHB's chairperson.

The Remuneration Report is required to contain information about senior managers' remuneration. The senior management team consists of the Chief Executive, Officer Members, Independent Members and other Members of the UHB Board. Full details of senior managers' remunerations for 2019-20, including the 2% pay award effective from 1 April 2019, are provided in the audited tables that follow:

Name and title	31-Mar-2020					
	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Bonus Payments (bands of £5,000)	Benefits in kind (Rounded to the nearest £500)	Pension Benefits (Rounded to the nearest £500)	Total (bands of £5,000)
	£000	£000	£000	£00	£000	£000
Cardiff and Vale University Local Health Board						
Officer Members						
Leonard Richards, Chief Executive	215-220	0	0	0	0	215-220
Ruth Walker, Executive Nurse Director (1)	130-135	0	0	0	0	130-135
Steve Curry, Chief Operating Officer	140-145	0	0	0	30	170-175
Aisling Harris, Executive Director of Planning	130-135	0	0	0	29	160-165
Other Executive Members						
Robert Chadwick, Executive Director of Finance	170-175	0	0	0	0	170-175
Martin Orledd, Executive Director of Workforce & Organisational Development (2)	140-145	0	0	0	33	175-180
Dr Fiona Jenkins, Executive Director of Therapies & Health Science	105-110	0	0	0	12	120-125
Dr Graham Shortland, Executive Medical Director (3)	5-10	0	0-5	0	0	10-15
Dr Peter Durning, Interim Executive Medical Director (3)	40-45	0	5-10	0	0	50-55
Dr Stuart Walker, Executive Medical Director (3)	155-160	0	0-5	1	0	155-160
Fiona Kinghorn, Executive Director of Public Health	120-125	0	0	0	65	185-190
Other Directors						
Nicola Foreman, Director of Corporate Governance	105-110	5-10	0	0	47	155-160
Jonathan Gray, Director of Transformation & Informatics (4) (see footnote)	50-55	0	0	0	0	50-55
Dr Sharon Hopkins, Director of Transformation & Informatics (5)	25-30	0	0	0	0	25-30
Independent Members (IM)						
Maria Battle, Chair (6)	25-30	0	0	0	0	25-30
Charles Janczewski, Interim Chair (6)	45-50	0	0	13	0	45-50
Charles Janczewski, Vice Chair (6)	15-20	0	0	0	0	15-20
Michael Imperato, IM - Interim Vice Chair (7)	25-30	0	0	0	0	25-30
Michael Imperato, IM - Legal (7)	5-10	0	0	0	0	5-10
John Union - Finance	15-20	0	0	3	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
Sara Mackay, IM - Third (Voluntary) Sector	15-20	0	0	0	0	15-20
Councillor Susan Elmore, IM - Local Authority	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 (3)	5-10	0	0	0	0	5-10
Rhian Thomas, IM - Capital & Estates (3)	0-5	0	0	0	0	0-5
Dawn Ward, IM - Trade Union	0	40-45	0	0	0	40-45
Associate Members						
Richard Thomas, Chair, Stakeholder Reference Group	0	0	0	0	0	0
Susan Bailey, Chair, Health Professionals' Forum	0	85-90	0	0	0	85-90
Lance Carver, Associate Member - Local Authority	0	0	0	0	0	0

Salaries of Senior Managers



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 person's salary, whether or not they choose to make additional contributions to the pension scheme from their pay and other valuation factors affecting the pension scheme as a whole.

No Pension benefit figures have been shown for Jonathon Gray as his membership in the NHS Pension scheme was frozen in 2010 and only reactivated upon joining the UHB in December 2019. The calculation of pension benefit requires an individual to have been a scheme member in the previous financial year and therefore it will not be possible to calculate pension benefit figures until 2020-21.

Name and title	31-Mar-2019					
	Salary (bands of £5,000) £ 2000	Other Remuneration (bands of £5,000) £ 2000	Bonus Payments (bands of £5,000) £ 2000	Benefits in kind (Rounded to the nearest £00) £ 200	Pension Benefits (Rounded to the nearest £000) £ 2000	Total (bands of £5,000) £ 2000
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	65-70	0	0	0	0	65-70
Ruth Walker, Executive Nurse Director	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	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
Rona Kinghorn, Interim Executive Director of Public Health	55-60	0	0	0	4	60-65
Other Directors						
Peter Welsh, Director of Corporate Governance	50-55	0	0	0	0	50-55
Nicola Foreman, Director of Corporate Governance	70-75	0	0	0	47	115-120
Dr Sharon Hopkins, Director of Transformation & Informatics	55-60	0	0	0	0	55-60
Independent Members (IM)						
Marla 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 Maityn, Chair, Stakeholder Reference Group	0	0	0	0	0	0
Richard Thomas, Chair, Stakeholder Reference Group	0	0	0	0	0	0
Susan Bailey, Chair, Health Professionals' Forum	0	80-85	0	0	0	80-85
Lance O'aver, Associate Member - Local Authority	0	0	0	0	0	0

Salaries of Senior Managers



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 person's salary, whether or not they choose to make additional contributions to the pension scheme from their pay and other valuation factors affecting the pension scheme as a whole.

We wish to bring to your attention that the column for Bonus payments contains amounts paid to Dr Graham Shortland, Dr Peter Durning and Dr Stuart Walker 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.

Neither Dawn Ward nor Susan Bailey are remunerated as Members of the Board, however they are employees of the UHB and their salary costs are shown in the Other Remuneration column.

The Director of Corporate Governance has been paid £6,035 Relocation expenses and this amount has been included in the Other Remuneration column for the 2019-20 Remuneration table.

5.2 Changes to Board Membership in 2019-20

(1) Ruth Walker retired on 26 May 2019 and returned to employment initially for 16 hours per week from 10 June 2019, increasing to full time hours from 28 June 2019 under the provisions of the 1995 NHS Pension Scheme. During the two week break in employment Jason Roberts, the Deputy Nurse Director, was temporary Nurse Director. He did not receive any additional remuneration for the two week period to 9 June.

(2) Martin Driscoll was appointed Deputy Chief Executive from 1 November 2019.

(3) Graham Shortland retired as Executive Medical Director on 18 April 2019. Peter Durning was interim Executive Medical Director from 19 April 2019 to 16 July 2019. Stuart Walker started on 17 July 2019.

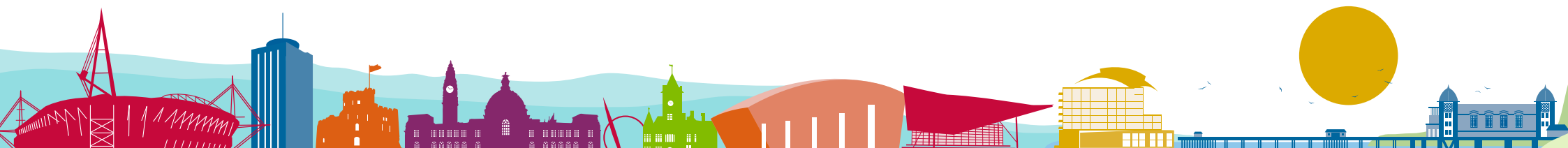
(4) Jonathon Gray started on 2 December 2019.

(5) Sharon Hopkins ended on 23 June 2019.

(6) Charles Janczewski started as Interim Chair on 6 August 2019 as Maria Battle was on leave from this date, her official end date was 18 August 2019.

(7) Michael Imperato started as Interim Vice Chair on 9 October 2019.

(8) John Antoniazzi ended 31 October 2019. Rhian Thomas started on 1 February 2020.



5.3 Remuneration Relationship

The details of the Remuneration Relationship are reported at section 9.6 of the Financial Statements.

5.4 Pension Benefits

Note 1 - The Chief Executive chose not to be covered by the NHS pension arrangements from 1 September 2018 and therefore there are no figures to be reported for 2019-20.

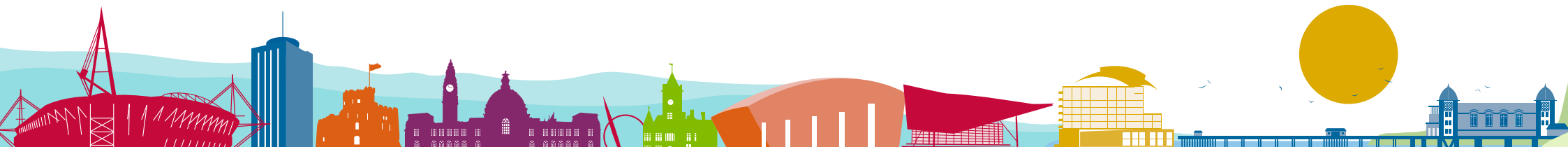
Note 2 - Sharon Hopkins, Graham Shortland, Robert Chadwick, Peter Durning and Stuart Walker chose not to be covered by the NHS Pension arrangements for 2019-2020 and 2018-2019 and hence are not included in the table above.

Note 3 - Fiona Jenkins is over the Normal Retirement Age for the NHS Pension scheme and therefore no CETV is reported in 2019-20.

Note 4 - Ruth Walker retired and returned during 2019-20 and therefore no CETV is reported.

Note 5 - No Pension benefit figures have been shown for Jonathon Gray as his membership in the NHS Pension scheme was frozen in 2010 and only reactivated upon joining the UHB in December 2019. The calculation of pension benefit requires an individual to have been a scheme member in the previous financial year and therefore it will not be possible to calculate pension benefit figures until 2020-21.

Name and title	Real increase in pension at pension age (bands of £2,500)	Real increase in pension lumpsum at pension age (bands of £2,500)	Total accrued pension at pension age at 31/03/20 (bands of £5,000)	Lumpsum at pension age related to accrued pension at 31/03/2020 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2020	Cash Equivalent Transfer Value at 31 March 2019	Real increase (decrease) in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
	£000	£000	£000	£000	£000	£000	£000	To nearest £100
Leonard Richards - Chief Executive (Note 1)						1,021		
Ruth Walker - Executive Nurse Director (Note 4)	(2.5) - 0	(2.5) - 0	55-60	170-175		1,225		
Steve Cury - Chief Operating Officer	2.5 - 5	0 - 2.5	60-65	150-155	1,270	1,176	41	
Abigail Harris - Executive Director of Planning	0 - 2.5	(2.5) - 0	40-45	90-95	767	704	27	
Martin Driscoll - Executive Director of Workforce & Organisational Development & Deputy Chief Executive	2.5 - 5	0	5-10	0	83	47	15	
Dr Fiona Jenkins, Executive Director of Therapies & Health Science (Note 3)	0 - 2.5	2.5 - 5	50-55	160-165		1,259		
Fiona Kingham - Executive Director of Public Health	2.5 - 5	2.5 - 5	40-45	95-100	861	756	69	
Nicola Foreman - Director of Governance	2.5 - 5	0	20-25	0	243	197	12	



As Non-Officer members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Officer members.

5.4.1 Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The audited pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The audited 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.

5.4.2 Real Increase in Cash Equivalent Transfer Values

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.

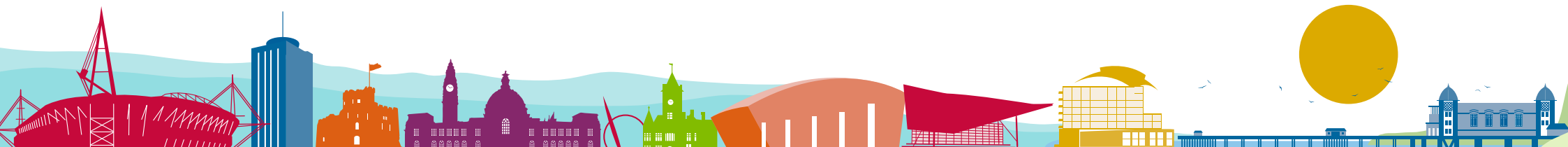
Signed by:



Len Richards

Chief Executive

Date: 29th June 2020

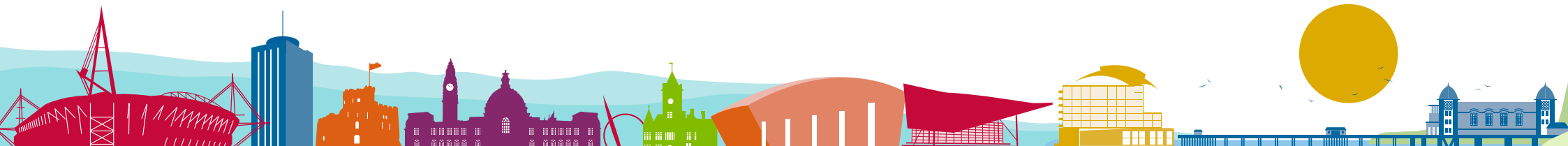


Part 6

Remuneration Report

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95	6.7 Tax Assurance for Off-payroll Appointees



6.1 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 audited numbers of female and male directors, managers and employees as at 31 March 2020 were as follows:

	Female	Male	Total
Director	13	11	24
Manager	122	74	196
Employee	11783	3611	15394
Total	11918	3696	15614

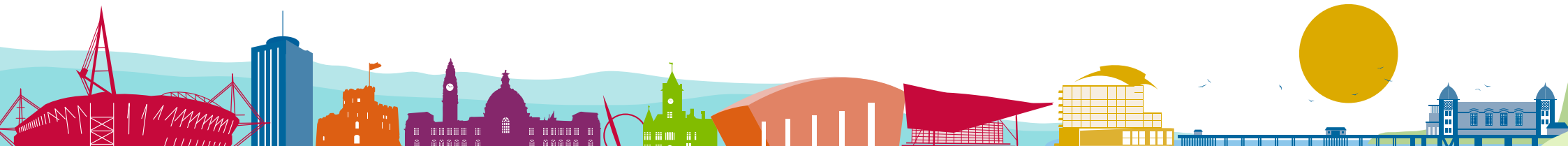
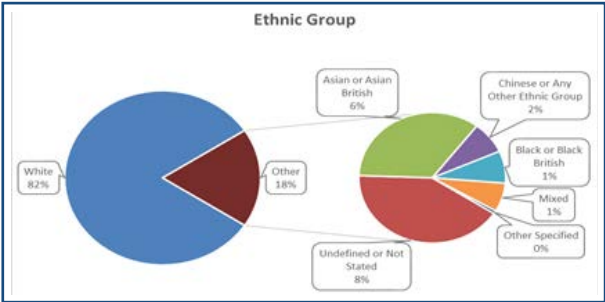
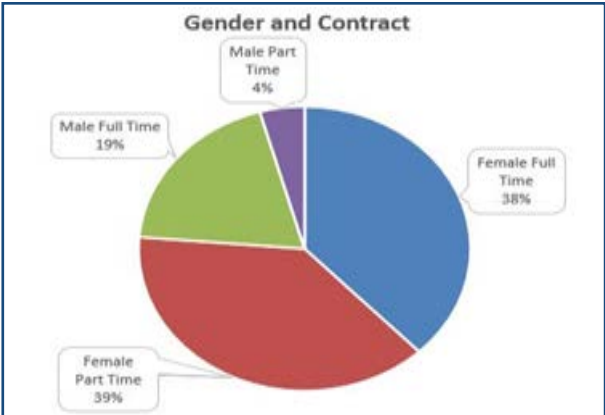
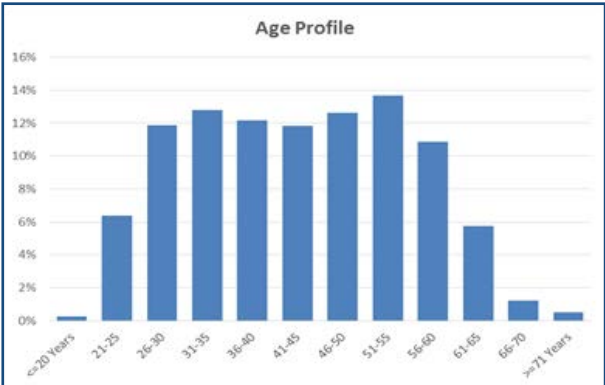
6.2 Staff Composition

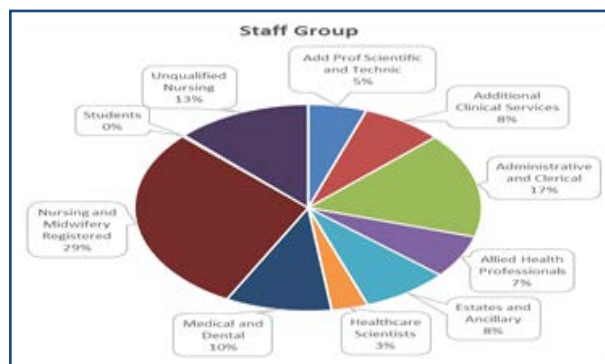
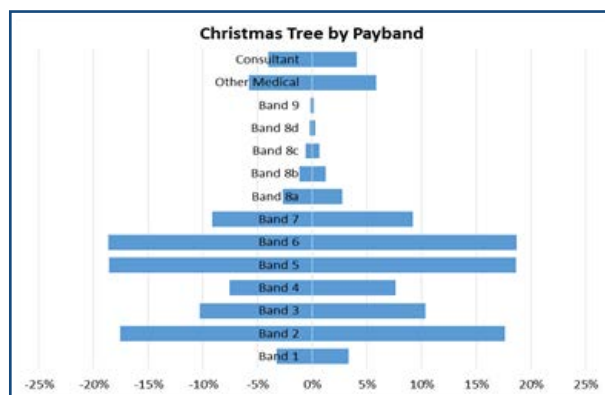
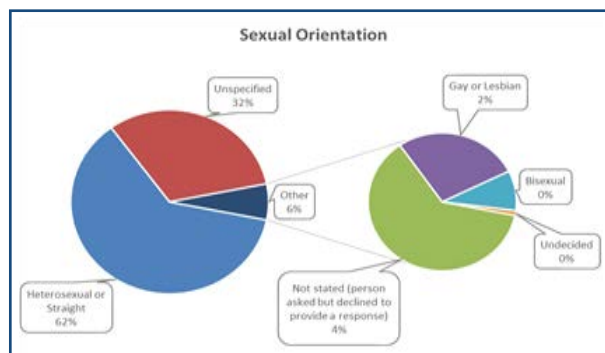
The charts below indicate the following challenges when determining optimal ways to deploy the current and future workforce and how to consider future supply against service priorities:

- The UHB has an aging workforce with the largest age categories being aged 51-55 years (over 2,100 staff). 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. Continually

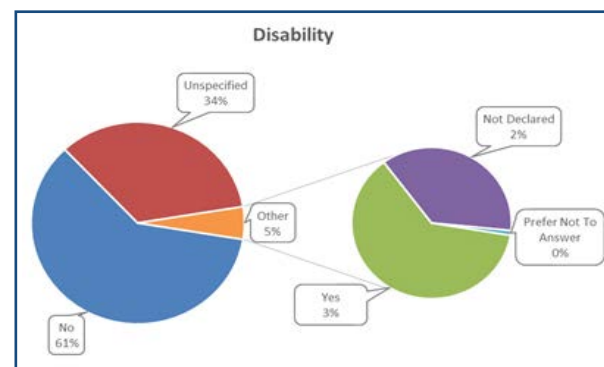
reviewing skill mix and new ways of working is important in ensuring adequate future supply of skills in the right place and grade;

- 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 10% in Black and Minority Ethnic categories and 8% not stated. The Strategic 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 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.





Workforce profile information collected for the UHB in March 2020 shows that 3% of staff consider themselves to have a disability, but this information is not known for a significant number of staff (34%).



6.3 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. The UHB has achieved both the Gold and Platinum Corporate Health Standards and has been recognised as an exemplar organisation. In 2019-20 we have continued to use the learning from these standards to stretch our health and wellbeing activity

even further, and have begun to prepare for re-assessment against the standards in autumn 2020.

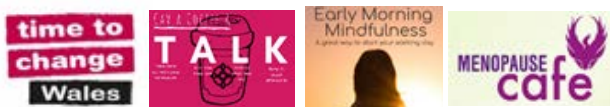
Sickness absence remains a priority for the UHB. The cumulative sickness rate for the 12-month period up to and including March 2020 is 5.41% which is 0.81% above the 2019-20 year-end target of 4.60%.

71% of this sickness was attributed to long-term absence and 29% to short-term absence. The UHB top reasons recorded for absence during 2019-20 were Anxiety/stress/depression/other psychiatric illnesses and Musculoskeletal.

The following table provides information on the number of days lost due to sickness during 2018-19 and 2019-20.

	2019-20	2018-19
	Number	Number
Days lost (long term)	182,907.36	174,637.03
Days lost (short term)	75,301.51	65,185.37
Total days lost	258,208.87	239,822.41
Total staff years	13,074.26	12,850.87
Average working days lost	12.33	11.65
Total staff employed in period (headcount)	14,658	14,474
Total staff employed in period with no absence (headcount)	6,144	6,213
Percentage staff with no sick leave	39.81%	41.31%

The UHB is passionate about caring for the wellbeing of its staff members. We are signatories of both the Time to Change Wales (TTCW) Campaign and Mindful Employer Charter, and run a number of initiatives such as the CAV a Coffee Campaign and Menopause Café which encourages staff to take time out and talk about their wellbeing. In 2019 we celebrated Men's International Day by promoting the Time for Change Campaign 'Talking is a Lifeline' which encourages men to talk about their mental health without fear of being judged. We have now trained over 40 TTCW wellbeing champions with further training planned.



In 2019 the UHB's Health Charity provided a two year financial investment in the Employee Wellbeing Service which will double the number of counsellors and

introduce a new assistant psychological therapy practitioner role thereby increasing access to low intensity support and reducing waiting times for staff.

In January 2020 the UHB also introduced the 'one small change' campaign, encouraging people to pledge to make one change to improve our health and wellbeing and to share their story via social media.

6.4 Staff Policies

In the 2018 staff survey, concerns were raised about some of our Employment (HR) Policies – we were told that at times they were woolly, confusing and did not help managers to manage effectively. We took this feedback on board and have made some changes.

We have reduced the number of our local UHB employment Policies to six:

- Recruitment and Selection
- Adaptable Workforce
- Employee Health and Wellbeing
- Learning Education and Development
- Equality, Diversity and Human Rights Policy
- Maternity, Adoption, Paternity and Shared Parental Leave

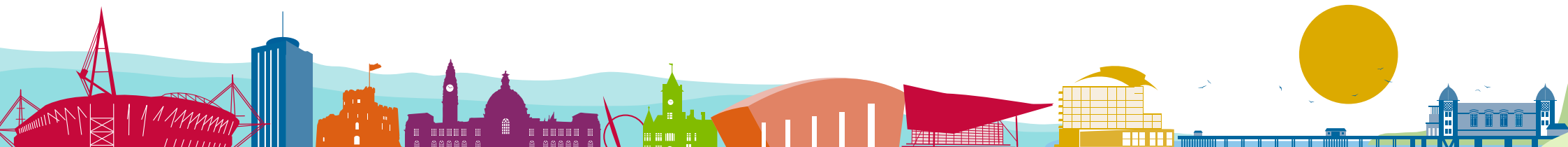
These set out our organisational commitments and what we are aiming to achieve. Each of them is supported by a number of procedures which describe the processes to follow, roles and responsibilities, and any entitlements or obligations. This means there is less duplication,

more transparency and information which is easier to understand. The All Wales Policies remain unchanged and continue to apply to us and all other Health Boards in Wales.

All employment and other related Human Resources (HR), Workforce and Organisational Development (WOD) policies, procedures and guidelines 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.

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, eliminating discrimination and promoting good relations between all. The [Recruitment and Selection Policy](#) was reviewed in 2019 and sets out how we will attract, appoint and retain qualified, motivated staff with the right skills and experience to ensure the delivery of a quality service and support its values. This is supported by a number of procedures including the Recruitment and Selection Procedure, Fixed Term Contract Procedure and Professional Registration Procedure.

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. In 2019 we adopted a new Employee Health and Wellbeing Policy which sets out our commitment to encourage and empower our employees to take personal responsibility for their lifestyle choices, health and wellbeing, and to guide managers on their roles and responsibilities.

The [NHS Wales Managing Attendance at Work Policy](#) assists managers in supporting staff when they are ill, managing their absence and facilitating their timely return to work. It is also designed to help managers know their 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 and 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.

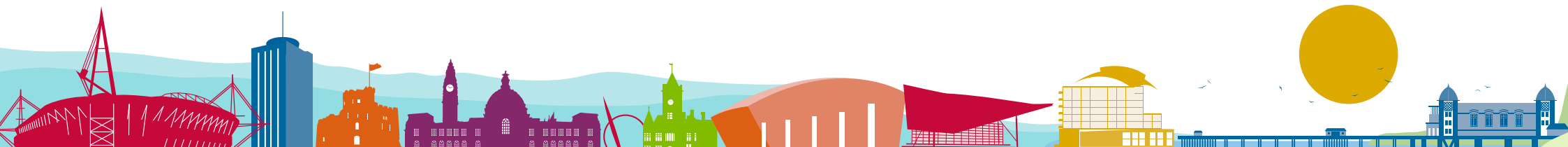
By making reasonable adjustments for staff with disabilities we have been able to retain a number of valued employees in their substantive role. Typical changes include reviewing caseloads, changes to equipment used, purchase of specialist equipment and modifying workplaces. We have worked with organisations such as Dyslexia Cymru and Access to Work to support our disabled employees.

In 2017 the UHB employed two people with

learning disabilities at its restaurant, Y Gegin at the University Hospital of Wales in Cardiff. These staff members started off as interns under the 'Project Enable' Scheme (Quest) and were subsequently employed as catering assistants. Both individuals are still employed by us and have now moved into Band 2 positions. Our partnership work continues with Elite, a Working Group organisation to help young people with Learning Disabilities into employment.

6.5 Other Employee Matters

2019-20 is the fourth and final year of the Strategic Equality Plan (SEP) 'Fair Care' 2016-20. Our focus this year has been on planning, consulting and engaging on our new Strategic Equality Plan – Caring about Inclusion 2020-24. Initial discussions and engagement events with equality related organisations, experts and other key stakeholders regarding the Equality Objectives began in the summer of 2019. Participants shared their views, experiences of using our services and barriers they have faced because they belong to one or more protected group. We used the analysis from our early engagement with stakeholders, our partnership work with other public bodies, legislation, organisational plans and the evidence contained in Is Wales Fairer? 2018 to prepare our set of Equality Objectives. Focus was also aimed at ensuring the objectives themselves, and the long-term aims to which they will contribute, are the right ones.



We have also continued to ensure, as far as possible, that when we make a decision, develop a strategy or policy, or do anything else that affects our service users or staff, we do so in a fair, accountable and transparent way taking into account the needs and rights of all those who might be affected.

The UHB endeavours to communicate regularly and meaningfully with its staff through their managers and through the recognised staff organisations. Staff are encouraged to give their views and feedback to their appropriate manager, either personally or through the representative of the appropriate recognised staff organisation. Where members of staff have concerns they can raise them through the processes set out in the All-Wales Procedure for NHS Staff to Raise Concerns, the Freedom to Speak Up Helpline or, if they relate to patient safety, they can also contact the UHB Chair directly through the 'Safety Valve' system. In 2019-20 the Freedom to Speak Up webpages were improved and promoted and the number of hits increased from 135 per month to an average of 440 hits per month. We also made a commitment to investigate and respond to all concerns with 30 days.

The UHB is committed to improving staff engagement and recognises that staff who are engaged are more productive, content and more likely to remain within the UHB. Positive staff engagement has been linked to reduced staff turnover, lower sickness absence and improved patient experience, as well as being positively

associated with staff-wellbeing. Therefore, obtaining staff views and helping managers to have meaningful conversations with staff/teams to find out what matters to them and to explore potential solutions is a priority for the UHB. When leaders demonstrate that they value an employee's contribution, it fosters further engagement.

In 2018 NHS Wales conducted a Staff Survey. The UHB had a response rate of just 23% but we were able to identify some key themes. More than 50 people volunteered to take part in a stakeholder group to use the survey results to make a difference for our staff and patients. We have had 3 workshops and formulated objectives and actions around the following themes:

- Engagement
- Leadership
- Culture and Behaviour
- Involvement

In January 2020, we published a booklet for staff to let them know about some of the things we have done in response to their feedback including simplifying our policies, publicising ways of working flexibly, tackling stress in the workplace and improving the raising concerns system.

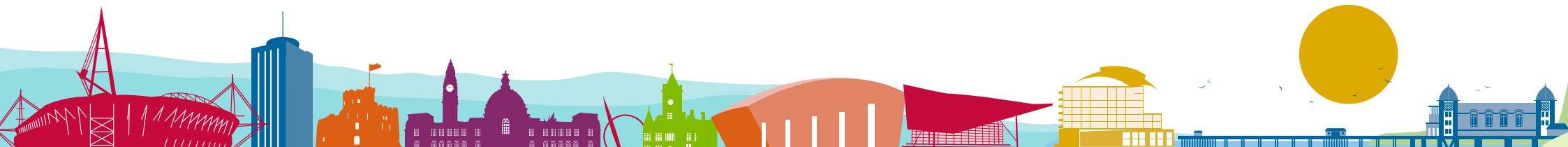
The UHB is committed to working in partnership with recognised Trade Unions and Professional Organisations. The UHB acknowledges the valuable contribution that staff representatives can make

to corporate, strategic and operational planning processes and therefore ensures partnership working by:

- Developing and implementing an effective two-way communication process across the organisation;
- Developing a culture where managers involve staff at all times in decision making and where staff feel able to contribute and be confident that their contribution is valued ;
- Developing and implementing a structure and process which requires managers at all levels to involve staff in day to day service decisions and formulation of service plans;
- Working in partnership to manage change more effectively and achieve long term goals.

The LPF is the formal mechanism where the Executives and Trade Unions/Professional Organisations work together. Each Clinical Board also has a Partnership Forum and a named Lead Representative. Engagement with medical staff is supported by partnership working through the Local Negotiating Committee.

All employment and other related HR/WOD policies, procedures and other control documents are required to have at least two authors, i.e. a management and staff representative and 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 LPF.

The UHB launched its Talent Management Programme in April 2019, supporting our culture of being 'A Great Place to Work and Learn'. The Talent Management Programme is about encouraging open, honest and constructive conversations between managers and staff about where they are now, where they want to be and how to get there.

We have also made a clear commitment to develop our leaders in order to build leadership capacity and capability across all services that is reflective of the values of the organisation. The focus of the leadership and management development at all levels is on networking, supporting each other and stimulating staff to solicit new ideas and innovative solutions from each other and their teams and encouraging them to present ideas that are different from their own.

In 2019-20 a new suite of Leadership and Management development opportunities have been developed for all levels of UHB staff.

FIRST STEPS TO MANAGEMENT - To help new and existing supervisors develop key supervisory and management skills

ESSENTIAL MANAGEMENT SKILLS – for aspiring and existing managers to develop the essential skills required by all managers

OPER8 – a development programme for new and experienced Clinical Board Operational Managers

ACCELER8 – introduces leaders to the business of caring within the whole health and care system

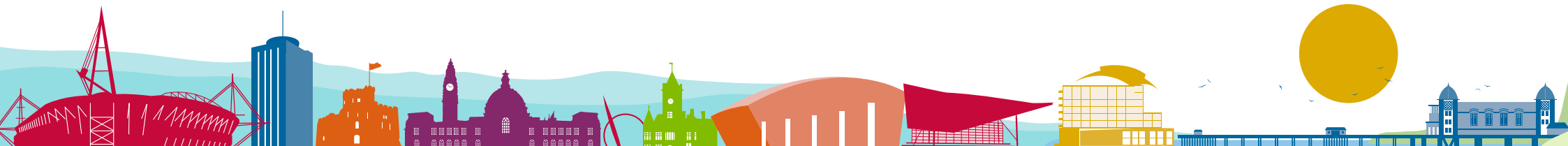
INTEGR8 – introduces staff to the concept of leadership and service improvement within the health and social care system

COLLABOR8 – a one day programme that assists participants in building positive working relationships with people

LEADING THROUGH INCLUSION – a leadership programme that focuses on the diversity of our organisation and challenges staff to lead with an inclusive culture

The UHB has developed a learning alliance with Canterbury Health Board (CHB) in New Zealand to learn about the significant cultural and system improvements it has achieved over the last 10 years. CHB has benefitted from improved staff morale and culture with a high trusting environment and a person centred approach.

We have designed a similar programme of work to develop our own health system for the benefit of patients and staff. The 'Amplify 2025' engagement event was the first step in this process and enabled 80 leaders to think differently about delivering healthcare, ensuring we put the person 'Wyn' at the heart of all our decision making.



The UHB is a values based organisation and we want to recruit, develop and nurture engaged and motivated staff with the skills and confidence to live up to our values every day.

During 2019-20 we have developed a Values Based Appraisal (VBA) which will be rolled out across the UHB for all staff from April 2020. It is a focussed conversation around staff development, the value they bring, and the position(s) that best suit their skills now and in the future. Training is available for managers and covers the new process to measure values and behaviours alongside performance objectives, developing a person centred approach around appraisal, talent management and succession planning in the organisation. Information sessions for staff are also available.

Values Based Recruitment (VBR) is an approach which attracts and recruits people on the basis that their values and behaviours align with those of the organisation. VBR training aims to provide all recruiting managers with the skills and tools they need.

Mandatory Training and Personal Appraisal and Development Review compliance are monitored monthly to ensure we are moving towards our 85% compliance target.

Health and Safety at Work

The Health and Safety Department reports to the Director of Workforce and Organisational

Development. The team consists of Head of Health and Safety, Health and Safety Advisers, Environmental Adviser, Assistant Health and Safety Adviser, Manual Handling Advisers, Case Management Team, Administrators and Trainers.

The Health and Safety Committee is a full Committee of the Board and its membership includes Board Members, Management, Safety Specialists and Trade Union/staff representatives.

The Committee is chaired by an Independent Member, meets on a quarterly basis and has a clear responsibility to provide assurance to the Board. It also has a significant role in complying with The Safety Representatives and Safety Committee Regulations 1977.

There is both a Lead and Deputy Lead Health and Safety Staff Representative both of whom attend the Committee. To ensure Health and Safety Representatives participate at every level, the Lead and Deputy Lead Health and Safety Staff Side Representatives will attend the Health and Safety Committee, Operational Health and Safety Group, Fire Safety Group and the Anti Violence/Security Management Group.

Each Clinical Board has a designated Health and Safety Group with an agreed frequency of meeting. In some cases these are incorporated into the Clinical Board Quality, Safety and Experience meeting but with an emphasis on health and safety. The Clinical Board Health and Safety Group Chair also attends the Operational Health and Safety

Group and each Clinical Board has a designated Health and Safety Adviser to support them with their health and safety responsibilities.

In 2019-20, the UHB received a Health and Safety Executive fine of £400k in relation to a contractor fall case. The associated learning from this incident was reported to the Health and Safety Committee.

COVID-19

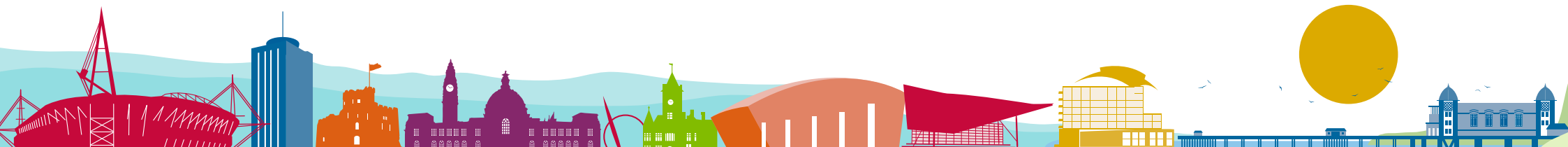
COVID-19 has impacted on workforce priorities and duties in the following way:

- Regular monitoring of junior doctor's rotas/ working time has stopped given that many doctors have been pulled into new rotas to cope with the crisis;
- A stay of Tribunal proceedings has been requested for complex Consultant case (involves partner organisation);
- Medical appraisal/revalidation activity has largely stopped with the impact of individual doctor's revalidation dates being pushed back and appraisal sessions being postponed;
- The annual Mandatory May Programme has been cancelled – this includes tutor led training for the following statutory/mandatory topics:

Fire Safety (Statutory requirement)

Health and Safety (Mandatory requirement)

Infection Control (Mandatory requirement)



Equality (Mandatory requirement)

Dementia (Mandatory requirement)

Mental Capacity Act (Mandatory requirement)

(Staff who are unable to access the e-learning/on-line modules rely on updating themselves during this week long programme;)

- Delay in the implementation of the revised regulatory 2019 Nursing and Midwifery Council Education Standards, in particular the Standards for Supervision and Assessment which have been placed on hold;
- Consultant Medical recruitment has continued but reduced due to need to respond to COVID-19 and restrictions on running panels – these have been conducted remotely;
- Risk assessment of BAME staff and staff from other vulnerable groups – risk assessment form developed and issued;
- Work continues on the Welsh Language Standards although there are concerns about sending out communication messages in English only during the pandemic, especially on social media;
- Any statutory duties/requirements relating to workforce information (e.g. Freedom of Information requests, all-Wales reporting compliance etc.) are being met.

6.6 Consultancy Expenditure

As disclosed in note 3.3 of its annual accounts, the UHB spent £2.475m on consultancy services during 2019-20 compared to £2.186m in 2018-19. The majority of this expenditure is going towards projects aimed at delivering better clinical outcomes and efficiencies.

6.7 Tax Assurance for Off-payroll Appointees

For all off-payroll engagements as of 31 March 2020, for more than £245 per day and that last longer than six months

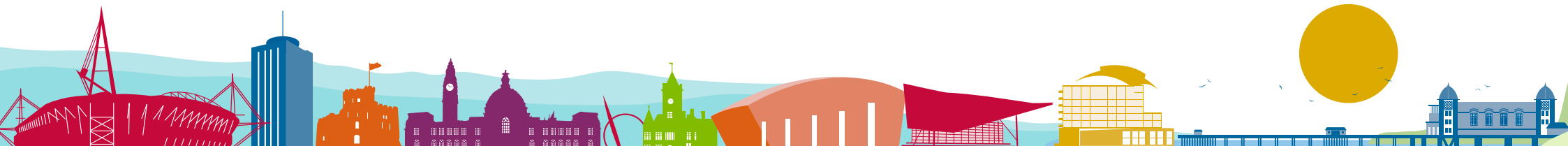
	Employees engaged via other public sector bodies	Employed for tax and NI purposes only	Other Engagements	Total
No. of existing engagements as of 31 March 2020	38	8	1	47
Of which:				
No. that have existed for less than one year at time of reporting	2	5	1	8
No. that have existed for between one and two years at the time of reporting	1	1	0	2
No. that have existed for between two and three years at the time of reporting	2	2	0	4
No. that have existed for between three and four years at the time of reporting	1	0	0	1
No. that have existed for four or more years at the time of reporting	32	0	0	32



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 2019 and 31 March 2020, for more than £245 per day and that 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 2019 & 31st March 2020	2	9	2	13
Of which:				
No. assessed as caught by IR35	0	9	0	9
No. assessed as not caught by IR35	2	0	2	4
No. engaged directly (via PSC contracted to department) and are on the departmental payroll	0	9	0	9
No. of engagements reassessed for consistency / assurance purposes during the year whom assurance has been requested but nor received, and	0	0	0	0
No. of engagements that saw a change to IR 35 status following the consistency review	0	0	0	0

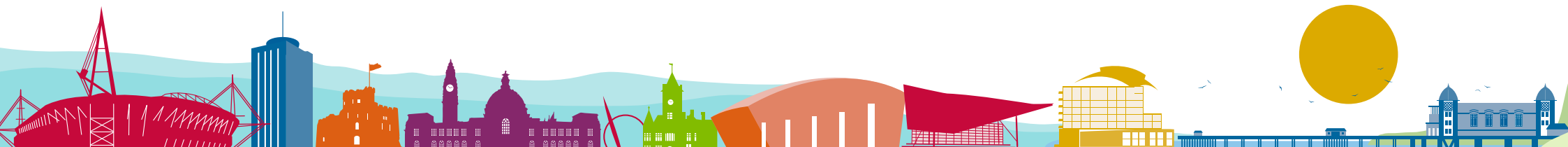


While the UHB does not have the contractual right to request assurance that the appropriate tax and national insurance is being deducted in respect of staff supplied by public sector bodies, it has been agreed by The Welsh Government that this assurance can be obtained via written confirmation from the 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 2019-20.

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

Please note that the UHB considers that its Board members are the only officials who have significant responsibility within the Health Board.

	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.	0	0	0	0
No. of individuals that have been deemed "board members, and / or senior officials with significant financial responsibility", during the financial year.	0	0	0	0



Part 7

National Assembly for Wales Accountability and Audit Report

7.1 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 £36.667m 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.

7.2 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.

7.3 Managing public money

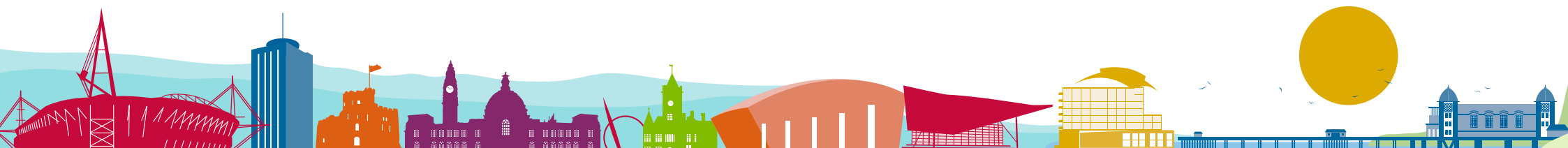
This is the required Statement for Public Sector Information Holders as referenced at 1.2 (page 45) of The Directors' Report. In line with other Welsh NHS bodies, the UHB has developed Standing Financial Instructions which enforce the principles outlined in HM Treasury on Managing Public Money. As a 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.

7.4 Material remote contingent liabilities

As disclosed in note 21.2 of its annual accounts, the UHB had net remote contingent liabilities as at 31 March 2020 of £0.050m. The liabilities relate to one clinical negligence claim and one personal injury claim and the above figure is net of potential recoveries from the NHS Wales Risk Pool of £0.114m.

7.5 The Certificate of the Auditor General for Wales to the Senedd

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



Opinion

In my opinion, except for the possible effects of the matters described in the 'Basis for qualified opinion' section of my report, 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 2020 and of its net operating costs for the year then ended; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

Basis for qualified opinion

The Health Board had an inventory balance of £16.784 million as at 31 March 2020, disclosed in Note 14.1 to the financial statements. Due to the impact of the COVID-19 pandemic and the statutory lockdown arrangements that took effect from 23 March 2020, I was unable to observe and reperform parts of the Health's Board's count of its inventories on 31 March 2020.

As I have been unable to obtain the required audit assurance by alternative means, I am therefore unable to determine whether the Health Board's reported year-end inventory balance of £16.784 million is materially true and fair.

Emphasis of Matter – effects of the COVID-19 pandemic on the valuation of land and buildings

I draw attention to Note 11.1 to the financial statements, which describes the impact of the COVID-19 pandemic on the valuation of land and buildings as at 31 March 2020.

As a result of the pandemic the Health Board's valuer declared a 'material valuation uncertainty' in four of their professional valuation reports, with a total valuation of £65.076 million. All four valuation reports were dated 31 March 2020. The Health Board has used these valuation reports to inform the measurement of certain of its property asset values in the financial statements at that date.

My opinion is not modified in respect of this matter.

Emphasis of Matter – clinicians' pension tax liabilities

I draw attention to Note 21 of the financial statements, which describes the impact of a Ministerial Direction issued on 18 December 2019 to the Permanent Secretary of the Welsh Government, instructing her to fund NHS Clinicians' pension tax liabilities incurred by NHS Wales bodies in respect of the 2019-20 financial year.

The Health Board has disclosed the existence of

a contingent liability at 31 March 2020, and my opinion is not modified in respect of this matter.

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

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

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chief Executive has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Health Board's ability to continue to adopt the going concern basis of accounting for a period of at least 12 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.

Qualified opinion on regularity

In my opinion, except for the irregular expenditure of £36.667 million explained in the paragraph below, in all material respects the expenditure and income

have been applied to the purposes intended by the Senedd and the financial transactions conform to the authorities which govern them.

Basis for qualified opinion on regularity

The Health Board has breached its revenue resource limit by spending £36.667 million over the £2,832 million that it was authorised to spend in the three-year period 2017-18 to 2019-20. This spend constitutes irregular expenditure. Further detail is set out in my attached Report.

Report on other requirements

Opinion on other matters

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

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

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

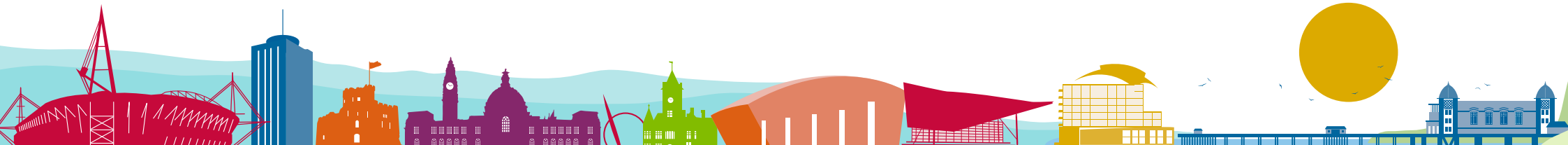
- the information given in the Foreword and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Foreword and Accountability Report has been prepared in accordance with Welsh Ministers' guidance.

Matters on which I report by exception

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

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

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



Report

Please see my Report, in respect of my qualified opinion on regularity.

Responsibilities

Responsibilities of Directors and the Chief Executive for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that

includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Responsibilities for regularity

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

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

Adrian Crompton
Auditor General for Wales
24 Cathedral Road
Cardiff 2 July 2020
CF11 9LJ

7.6 Report of the Auditor General to the Senedd

Introduction

Local Health Board (LHBs) are required to meet two statutory financial duties – known as the first and second financial duties.

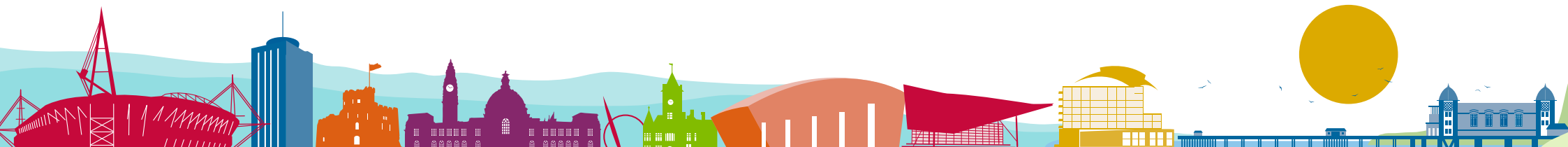
For 2019-20 Cardiff and Vale University Local Health Board (the Health Board) failed to meet the first financial duty and so I have decided to issue a narrative report to explain the position.

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 fourth three-year period under this duty is 2017-18 to 2019-20, and so it is measured this year for the fourth 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 £2,832 million by £36.667 million. The Health Board 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.

Adrian Crompton
Auditor General for Wales
24 Cathedral Road
Cardiff 2 July 2020
CF11 9LJ

The maintenance and integrity of the Health Board's website is the responsibility of the Accountable Officer. The work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Financial Statements

Foreword

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

Statutory background

The Local Health Board was established on 1 October 2009, following the merger of Cardiff & Vale NHS Trust, Cardiff Local Health Board and The Vale of Glamorgan Local Health Board. The main purpose of the body being, the provision of healthcare to and the procurement of healthcare for the populations of Cardiff and the Vale of Glamorgan. In addition as a Tertiary Centre the UHB serves the wider population across Wales (and the UK) via the provision of specialist and complex services.

Performance Management and Financial Results

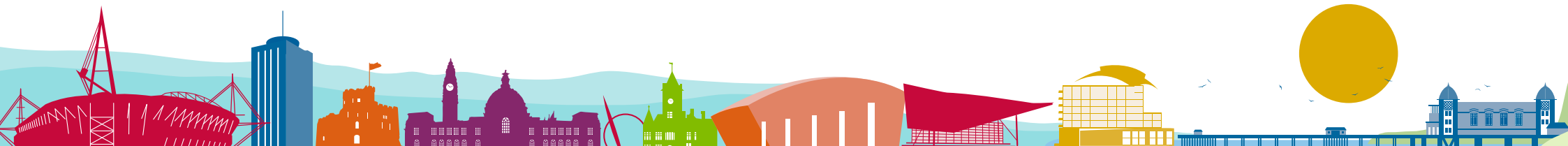
Welsh Health Circular WHC/2016/054 replaces WHC/2015/014 'Statutory and Administrative Financial Duties of NHS Trusts and Local Health Boards' and further clarifies the statutory financial duties of NHS Wales bodies and is effective for 2019-20. The annual financial duty has been revoked and the statutory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

assessment of this duty in 2016-17.

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

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

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



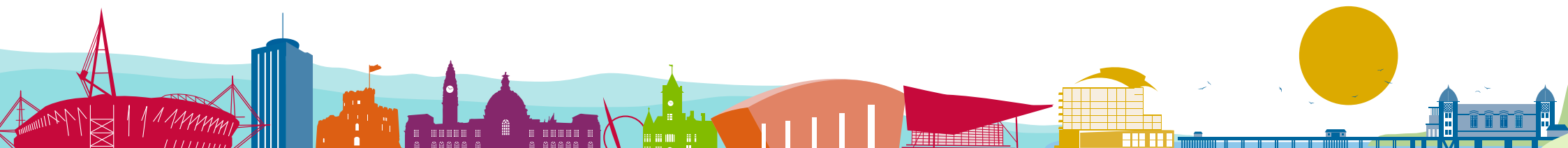
Statement of Comprehensive Net Expenditure for the year ended 31 March 2020				
			2019-20	2018-19
	Note		£'000	£'000
Expenditure on Primary Healthcare Services	3.1		238,456	233,138
Expenditure on healthcare from other providers	3.2		290,895	274,511
Expenditure on Hospital and Community Health Services	3.3		953,236	862,403
			1,482,587	1,370,052
Less: Miscellaneous Income	4		(437,774)	(406,760)
LHB net operating costs before interest and other gains and losses			1,044,813	963,292
Investment Revenue	5		0	0
Other (Gains) / Losses	6		(2,175)	9
Finance costs	7		1,278	1,332
Net operating costs for the financial year			1,043,916	964,633

See note for details of performance against Revenue and Capital allocations.

The notes on pages 106 to 150 form part of these accounts.

Other Comprehensive Net Expenditure				
			2019-20	2018-19
			£'000	£'000
Net (gain) / loss on revaluation of property, plant and equipment			(1,134)	(4,172)
Net (gain) / loss on revaluation of intangibles			0	0
(Gain) / loss on other reserves			0	(7)
Net (gain)/ loss on revaluation of PPE & Intangible assets held for sale			0	0
Net (gain)/loss on revaluation of financial assets held for sale			0	0
Impairment and reversals			0	0
Transfers between reserves			0	0
Transfers to / (from) other bodies within the Resource Accounting Boundary			99	0
Reclassification adjustment on disposal of available for sale financial assets			0	0
Other comprehensive net expenditure for the year			(1,035)	(4,179)
Total comprehensive net expenditure for the year			1,042,881	960,454
The £99k on the Transfers to/from other bodies line reflects Assets transferred to Cwm Taf Morgannwg Health Board in 2019/20 relating to the community dental service.				

The notes on pages 106 - 150 form part of these accounts.



Statement of Financial Position as at 31 March 2020			
		31 March	31 March
		2020	2019
	Notes	£'000	£'000
Non-current assets			
Property, plant and equipment	11	687,650	676,904
Intangible assets	12	2,133	2,902
Trade and other receivables	15	17,779	21,432
Other financial assets	16	0	0
Total non-current assets		707,562	700,238
Current assets			
Inventories	14	16,784	16,926
Trade and other receivables	15	161,605	176,987
Other financial assets	16	0	0
Cash and cash equivalents	17	1,410	1,219
		179,799	195,132
Non-current assets classified as "Held for Sale"	11	0	1,900
Total current assets		179,799	197,038
Total assets		887,361	897,276
Current liabilities			
Trade and other payables	18	(182,792)	(174,686)
Other financial liabilities	19	0	0
Provisions	20	(113,580)	(129,087)
Total current liabilities		(296,372)	(303,772)
Net current assets/ (liabilities)		(116,573)	(106,734)
Non-current liabilities			
Trade and other payables	18	(6,489)	(9,096)
Other financial liabilities	19	0	0
Provisions	20	(19,327)	(24,862)
Total non-current liabilities		(25,816)	(33,957)
Total assets employed		563,173	559,547
Financed by :			
Taxpayers' equity			
General Fund		450,666	443,904
Revaluation reserve		112,507	115,643
Total taxpayers' equity		563,173	559,547

The financial statements on pages 102 to 105 were approved by the Board on 29th June 2020 and signed on its behalf by:

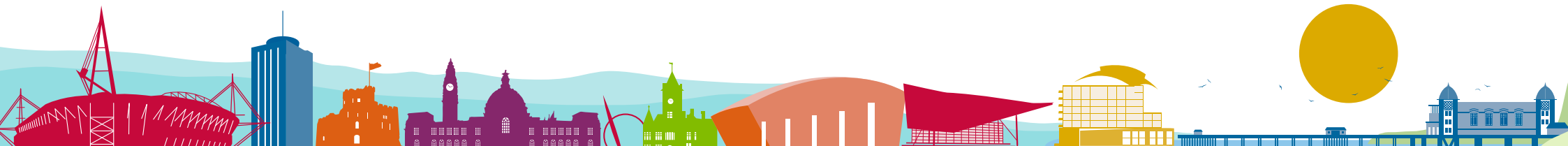
Chief Executive and Accountable Officer
Date: 29 June 2020 Leonard Richards

The notes on pages 106 – 150 form part of these accounts.

Statement of Changes in Taxpayers' Equity For the year ended 31 March 2020			
	General	Revaluation	Total
	Fund	Reserve	Reserves
	£000s	£000s	£000s
Changes in taxpayers' equity for 2019-20			
Balance at 1 April 2019	443,904	115,643	559,547
Net operating cost for the year	(1,043,916)		(1,043,916)
Net gain/(loss) on revaluation of property, plant and equipment	0	1,134	1,134
Net gain/(loss) on revaluation of intangible assets	0	0	0
Net gain/(loss) on revaluation of financial assets	0	0	0
Net gain/(loss) on revaluation of assets held for sale	0	0	0
Impairments and reversals	0	0	0
Other Reserve Movement	0	0	0
Transfers between reserves	4,270	(4,270)	0
Release of reserves to SoCNE	0	0	0
Transfers (to)/from LHBs	(99)	0	(99)
Total recognised income and expense for 2019-20	(1,039,745)	(3,136)	(1,042,881)
Net Welsh Government funding	1,019,429		1,019,429
Notional Welsh Government Funding	27,078		27,078
Balance at 31 March 2020	450,666	112,507	563,173

The notes on pages 106 – 150 form part of these accounts.

The £99k on the Transfers to/from line reflects Assets transferred to Cwm Taf Morgannwg Health Board in 2019/20 relating to the community dental service.



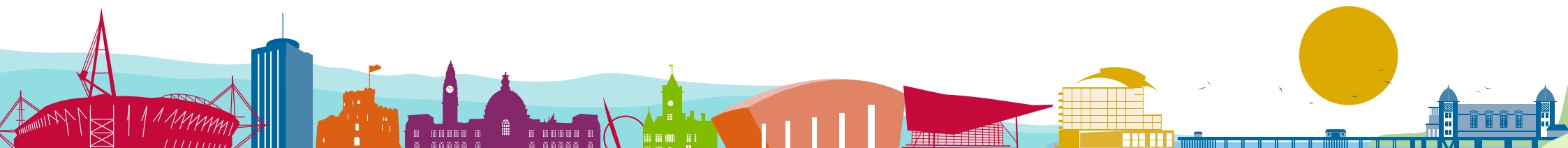
Statement of Changes in Taxpayers' Equity For the year ended 31 March 2019			
	General	Revaluation	Total
	Fund	Reserve	Reserves
	£000s	£000s	£000s
Changes in taxpayers' equity for 2018-19			
Balance at 31 March 2018	417,207	112,765	529,972
Adjustment for Implementation of IFRS 9	(1,259)	0	(1,259)
Balance 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
Other reserve movement	0	0	0
Transfers between reserves	1,294	(1,294)	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	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 notes on pages 106 – 150 form part of these accounts.

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.

Statement of Cash Flows for year ended 31 March 2020			
		2019-20	2018-19
		£'000	£'000
Cash Flows from operating activities			
Net operating cost for the financial year	Notes	(1,043,916)	(964,633)
Movements in Working Capital	27	21,891	22,537
Other cash flow adjustments	28	84,166	29,544
Provisions utilised	20	(30,300)	(25,133)
Net cash outflow from operating activities		(968,159)	(937,685)
Cash Flows from investing activities			
Purchase of property, plant and equipment		(54,657)	(52,538)
Proceeds from disposal of property, plant and equipment		4,341	131
Purchase of intangible assets		(238)	(1,532)
Proceeds from disposal of intangible assets		0	170
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		(50,554)	(53,769)
Net cash inflow/(outflow) before financing		(1,018,713)	(991,454)
Cash Flows from financing activities			
Welsh Government funding (including capital)		1,019,429	991,288
Capital receipts surrendered		0	0
Capital grants received		0	0
Capital element of payments in respect of finance leases and on-SoFP		(525)	(471)
Cash transferred (to)/ from other NHS bodies		0	0
Net financing		1,018,904	990,817
Net increase/(decrease) in cash and cash equivalents		191	(637)
Cash and cash equivalents (and bank overdrafts) at 1 April 2019		1,219	1,856
Cash and cash equivalents (and bank overdrafts) at 31 March 2020		1,410	1,219

The notes on pages 106 – 150 form part of these accounts.



Notes to the Accounts

1. Accounting policies

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

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

1.1. Accounting convention

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

intangible assets and inventories.

1.2. Acquisitions and discontinued operations

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

1.3. Income and funding

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

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

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

Miscellaneous income is income which relates directly to the operating activities of the LHB and is

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

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

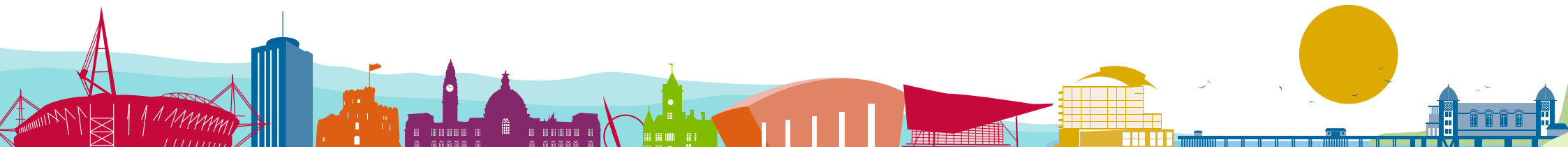
Income is accounted for applying the accruals convention. Income is recognised in the period in which services are provided. Where income had been received from third parties for a specific activity to be delivered in the following financial year, that income will be deferred.

Only non-NHS income may be deferred.

1.4. Employee benefits

1.4.1. Short-term employee benefits

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



forward leave into the following period.

1.4.2. Retirement benefit costs

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

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

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

However, NHS Wales' organisations are required to account for their staff employer contributions of 20.68% in full and on a gross basis, in the 2019-20

annual accounts. Payments made on their behalf by Welsh Government are accounted for on a notional basis. For detailed information see Other Note within these accounts.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the NHS Wales organisation commits itself to the retirement, regardless of the method of payment.

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

1.4.3. NEST Pension Scheme

An alternative pensions scheme for employees not eligible to join the NHS Pensions scheme has to be offered. The NEST (National Employment Savings Trust) Pension scheme is a defined

contribution scheme and therefore the cost to the NHS body of participating in the scheme is equal to the contributions payable to the scheme for the accounting period.

1.5. Other expenses

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

1.6. Property, plant and equipment

1.6.1. Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the NHS Wales organisation;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to



- have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are treated as separate assets and depreciated over their own useful economic lives.

1.6.2. Valuation

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land and buildings used for services or for administrative purposes are stated in the Statement of Financial Position (SoFP) at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement

cost

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. NHS Wales' organisations have applied these new valuation requirements from 1 April 2009.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

In 2017-18 a formal revaluation exercise was applied to land and properties. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

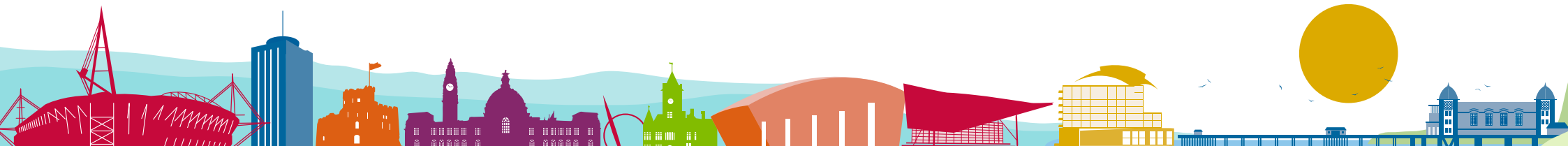
An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve

for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure.

References in IAS 36 to the recognition of an impairment loss of a revalued asset being treated as a revaluation decrease to the extent that the impairment does not exceed the amount in the revaluation surplus for the same asset, are adapted such that only those impairment losses that do not result from a clear consumption of economic benefit or reduction of service potential (including as a result of loss or damage resulting from normal business operations) should be taken to the revaluation reserve. Impairment losses that arise from a clear consumption of economic benefit should be taken to the Statement of Comprehensive Net Expenditure (SoCNE).

From 2015-16, IFRS 13 Fair Value Measurement must be complied with in full. However IAS 16 and IAS 38 have been adapted for the public sector context which limits the circumstances under which a valuation is prepared under IFRS 13. Assets which are held for their service potential and are in use should be measured at their current value in existing use. For specialised assets current value in existing use should be interpreted as the present value of the assets remaining service potential, which can be assumed to be at least equal to the cost of replacing that service potential. Where there is no single class of asset that falls within IFRS 13, disclosures should be for material items only.

In accordance with the adaptation of IAS 16 in table 6.2 of the FReM, for non-specialised assets



in operational use, current value in existing use is interpreted as market value for existing use which is defined in the RICS Red Book as Existing Use Value (EUV).

Assets which were most recently held for their service potential but are surplus should be valued at current value in existing use, if there are restrictions on the NHS organisation or the asset which would prevent access to the market at the reporting date. If the NHS organisation could access the market then the surplus asset should be used at fair value using IFRS 13. In determining whether such an asset which is not in use is surplus, an assessment should be made on whether there is a clear plan to bring the asset back into use as an operational asset. Where there is a clear plan, the asset is not surplus and the current value in existing use should be maintained. Otherwise the asset should be assessed as being surplus and valued under IFRS13.

Assets which are not held for their service potential should be valued in accordance with IFRS 5 or IAS 40 depending on whether the asset is actively held for sale. Where an asset is not being used to deliver services and there is no plan to bring it back into use, with no restrictions on sale, and it does not meet the IAS 40 and IFRS 5 criteria, these assets are surplus and are valued at fair value using IFRS 13.

Assets which are not held for their service potential should be valued in accordance with IFRS 5 or IAS 40 depending on whether the asset is actively held for sale. Where an asset is not being used to deliver services and there is no plan to bring it back into use, with no restrictions on sale, and it does not meet the IAS 40 and IFRS 5 criteria, these assets are

surplus and are valued at fair value using IFRS 13.

1.6.3. Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any carrying value of the item replaced is written-out and charged to the SoCNE. As highlighted in previous years the NHS in Wales does not have systems in place to ensure that all items being “replaced” can be identified and hence the cost involved to be quantified. The NHS in Wales has thus established a national protocol to ensure it complies with the standard as far as it is able to which is outlined in the capital accounting chapter of the Manual For Accounts. This dictates that to ensure that asset carrying values are not materially overstated. For All Wales Capital Schemes that are completed in a financial year, NHS Wales organisations are required to obtain a revaluation during that year (prior to them being brought into use) and also similar revaluations are needed for all Discretionary Building Schemes completed which have a spend greater than £0.5m. The write downs so identified are then charged to operating expenses.

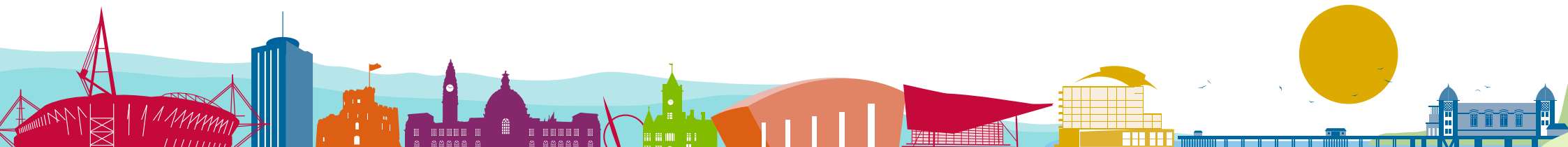
1.7. Intangible assets

1.7.1. Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the NHS Wales organisation; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to use the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the intangible



asset and use it

- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Measurement

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), indexed for relevant price increases, as a proxy for fair value. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

1.8. Depreciation, amortisation and impairments

Freehold land, assets under construction and assets held for sale are not depreciated.

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their

estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the NHS Wales Organisation expects to obtain economic benefits or service potential from the asset. This is specific to the NHS Wales organisation and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over the shorter of the lease term and estimated useful lives.

At each reporting period end, the NHS Wales organisation checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

Impairment losses that do not result from a loss of economic value or service potential are taken to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the SoCNE. Impairment losses that arise from a clear consumption of economic benefit are taken to the SoCNE. The balance on any revaluation reserve (up to the level of the impairment) to which the impairment would have been charged under IAS 36 are transferred to retained earnings.

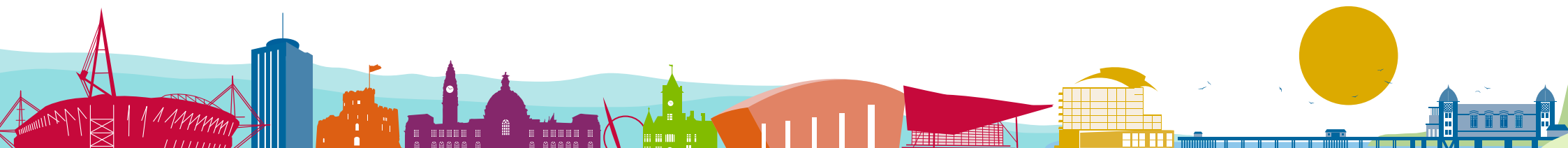
1.9. Research and Development

Research and development expenditure is charged to operating costs in the year in which it is incurred, except insofar as it relates to a clearly defined project, which can be separated from patient care activity and benefits there from can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the SoCNE on a systematic basis over the period expected to benefit from the project.

1.10 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the SoCNE. On disposal, the balance for the asset on the revaluation reserve, is transferred to the General Fund.



Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead it is retained as an operational asset and its economic life adjusted. The asset is derecognised when it is scrapped or demolished.

1.11. Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

1.11.1. The NHS Wales organisation as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the SoCNE.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term. Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated and individually assessed as to whether they are operating or finance leases.

1.11.2. The NHS Wales organisation as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the NHS Wales organisation net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the NHS Wales organisation's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.12. Inventories

Whilst it is accounting convention for inventories to be valued at the lower of cost and net realisable value using the weighted average or "first-in first-out" cost formula, it should be recognised that the NHS is a special case in that inventories are not generally held for the intention of resale and indeed there is no market readily available where such items could be sold. Inventories are valued at cost and this is considered to be a reasonable approximation to fair value due to the high turnover

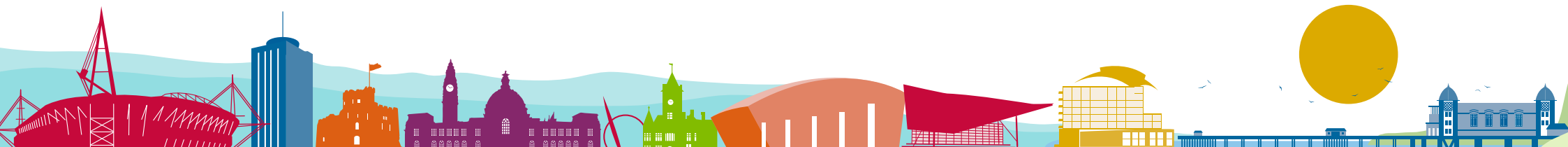
of stocks. Work-in-progress comprises goods in intermediate stages of production. Partially completed contracts for patient services are not accounted for as work-in-progress.

1.13. Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Statement of Cash flows (SoCF), cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the cash management.

1.14. Provisions

Provisions are recognised when the NHS Wales organisation has a present legal or constructive obligation as a result of a past event, it is probable that the NHS Wales organisation will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using the discount rate supplied by HM Treasury.



When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the NHS Wales organisation has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the NHS Wales organisation has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

1.14.1. Clinical negligence and personal injury costs

The Welsh Risk Pool Services (WRPS) operates a risk pooling scheme which is co-funded by the Welsh Government with the option to access a risk sharing agreement funded by the participative NHS Wales bodies. The risk sharing option was

implemented in 2019-20. The WRP is hosted by Velindre NHS Trust.

1.14.2. Future Liability Scheme (FLS) - General Medical Practice Indemnity (GMPI)

The FLS is a state backed scheme to provide clinical negligence General Medical Practice Indemnity (GMPI) for providers of GMP services in Wales.

In March 2019, the Minister issued a Direction to Velindre NHS Trust to enable Legal and Risk Services to operate the Scheme. The GMPI is underpinned by new secondary legislation, The NHS (Clinical Negligence Scheme) (Wales) Regulations 2019 which came into force on 1 April 2019.

GMP Service Providers are not direct members of the GMPI FLS, their qualifying liabilities are the subject of an arrangement between them and their relevant LHB, which is a member of the scheme. The qualifying reimbursements to the LHB are not subject to the £25,000 excess.

1.15. Financial Instruments

From 2018-19 IFRS 9 Financial Instruments has applied, as interpreted and adapted for the public sector, in the FReM. The principal impact of IFRS 9 adoption by NHS Wales' organisations, was to change the calculation basis for bad debt provisions, changing from an incurred loss basis to a lifetime expected credit loss (ECL) basis.

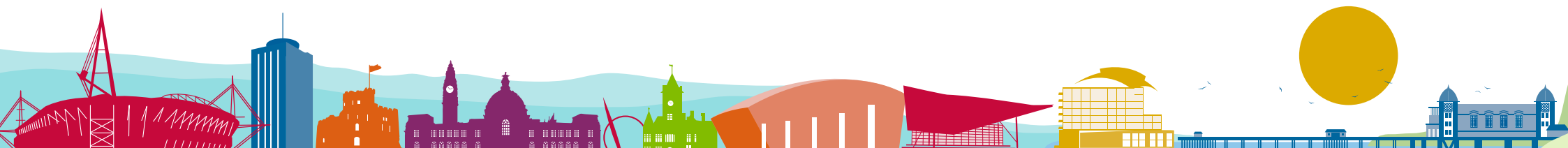
All entities applying the FReM recognised the difference between previous carrying amount and the carrying amount at the beginning of the annual reporting period that included the date of initial application in the opening general fund within Taxpayer's equity.

1.16 Financial assets

Financial assets are recognised on the SoFP when the NHS Wales organisation becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

The accounting policy choice allowed under IFRS 9 for long term trade receivables, contract assets which do contain a significant financing component (in accordance with IFRS 15), and lease receivables within the scope of IAS 17 has been withdrawn and entities should always recognise a loss allowance at an amount equal to lifetime Expected Credit Losses. All entities applying the FReM should utilise IFRS 9's simplified approach to impairment for relevant assets.

IFRS 9 requirements required a revised approach for the calculation of the bad debt provision, applying the principles of expected credit loss, using the practical expedients within IFRS 9 to construct a provision matrix.



1.16.1. Financial assets are initially recognised at fair value

Financial assets are classified into the following categories: financial assets 'at fair value through SoCNE'; 'held to maturity investments'; 'available for sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

1.16.2 Financial assets at fair value through SoCNE

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through SoCNE. They are held at fair value, with any resultant gain or loss recognised in the SoCNE. The net gain or loss incorporates any interest earned on the financial asset.

1.16.3 Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

1.16.4 Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to the SoCNE on de-recognition.

1.16.5. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the net carrying amount of the financial asset.

At the SOFP date, the NHS Wales organisation assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more

events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the SoCNE and the carrying amount of the asset is reduced directly, or through a provision of impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the SoCNE to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.17. Financial liabilities

Financial liabilities are recognised on the SOFP when the NHS Wales organisation becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.



1.17.1. Financial liabilities are initially recognised at fair value

Financial liabilities are classified as either financial liabilities at fair value through the SoCNE or other financial liabilities.

1.17.2. Financial liabilities at fair value through the SoCNE

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the SoCNE. The net gain or loss incorporates any interest earned on the financial asset.

1.17.3. Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.18. Value Added Tax (VAT)

Most of the activities of the NHS Wales organisation are outside the scope of VAT and, in general, output

tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.19. Foreign currencies

Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the SoCNE. At the SoFP date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date.

1.20. Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Wales organisation has no beneficial interest in them. Details of third party assets are given in the Notes to the accounts.

1.21. Losses and Special Payments

Losses and special payments are items that the Welsh Government would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way each

individual case is handled.

Losses and special payments are charged to the relevant functional headings in the SoCNE on an accruals basis, including losses which would have been made good through insurance cover had the NHS Wales organisation not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses register which is prepared on a cash basis.

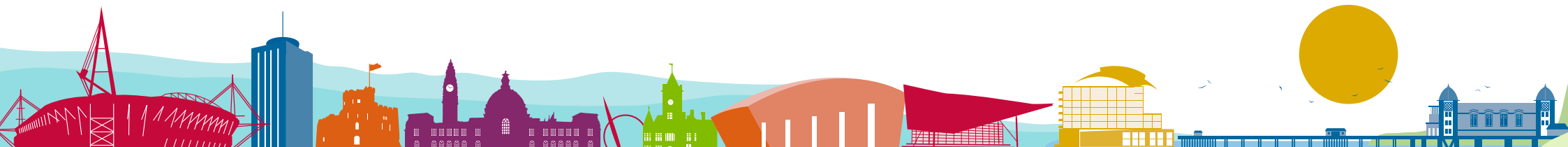
The NHS Wales organisation accounts for all losses and special payments gross (including assistance from the WRP).

The NHS Wales organisation accrues or provides for the best estimate of future pay-outs for certain liabilities and discloses all other potential payments as contingent liabilities, unless the probability of the liabilities becoming payable is remote.

All claims for losses and special payments are provided for, where the probability of settlement of an individual claim is over 50%. Where reliable estimates can be made, incidents of clinical negligence against which a claim has not, as yet, been received are provided in the same way. Expected reimbursements from the WRP are included in debtors. For those claims where the probability of settlement is between 5- 50%, the liability is disclosed as a contingent liability.

1.22. Pooled budget

The LHB has entered into a pooled arrangement



with Cardiff and The 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 which are resident in the localities of the partners to the pooled budget. The pooled budget arrangement became operational from 1st January 2012.

During 2019-20 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 2019-20 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 on page 146 of these accounts.

1.23. Critical Accounting Judgements and key sources of estimation uncertainty

In the application of the accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

1.24. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the SoFP date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Significant estimations are made in relation to on-going clinical negligence and personal injury claims. Assumptions as to the likely outcome, the potential liabilities and the timings of these litigation claims

are provided by independent legal advisors. Any material changes in liabilities associated with these claims would be recoverable through the Welsh Risk Pool.

Significant estimations are also made for continuing care costs resulting from claims post 1 April 2003. An assessment of likely outcomes, potential liabilities and timings of these claims are made on a case by case basis. Material changes associated with these claims would be adjusted in the period in which they are revised.

Estimates are also made for contracted primary care services. These estimates are based on the latest payment levels. Changes associated with these liabilities are adjusted in the following reporting period.

1.24.1. Provisions

The NHS Wales organisation provides for legal or constructive obligations for clinical negligence, personal injury and defence costs that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

Claims are funded via the Welsh Risk Pool Services (WRPS) which receives an annual allocation from Welsh Government to cover the cost of reimbursement requests submitted to the bi-monthly WRPS Committee. Following settlement to individual claimants by the NHS Wales organisation, the full cost is recognised in year and matched to income (less a £25K excess) via a WRPS debtor, until reimbursement has been received from the WRPS Committee.



1.24.2. Probable & Certain Cases – Accounting Treatment

A provision for these cases is calculated in accordance with IAS 37. Cases are assessed and divided into four categories according to their probability of settlement;

Remote	Probability of Settlement Accounting Treatment	0 – 5% Contingent Liability.
Possible	Probability of Settlement Accounting Treatment Contingent Liability for all other estimated expenditure.	6% - 49% Defence Fee - Provision*
Probable	Probability of Settlement Accounting Treatment	50% - 94% Full Provision
Certain	Probability of Settlement Accounting Treatment	95% - 100% Full Provision

* Personal injury cases - Defence fee costs are provided for at 100%.

The provision for probable and certain cases is based on case estimates of individual reported claims received by Legal & Risk Services within NHS Wales Shared Services Partnership.

The solicitor will estimate the case value including defence fees, using professional judgement and from obtaining counsel advice. Valuations are then discounted for the future loss elements using individual life expectancies and the Government Actuary’s Department actuarial tables (Ogden tables) and Personal Injury Discount Rate of minus 0.75%.

Future liabilities for certain & probable cases with a probability of 95%-100% and 50%- 94% respectively are held as a provision on the balance sheet. Cases typically take a number of years to settle, particularly for high value cases where a period of development is necessary to establish the full extent of the injury caused.

i) 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 £7.896m re non NHS organisations and a credit note provision of £0.712m 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.

ii) In line with IAS 19 the LHB has reviewed the level of annual leave taken by its staff to March 31st 2020. Based on a sample the LHB has accrued

£0.914m re untaken annual leave. This is based on a sample of the leave records of 29% 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.

iii) The LHB has estimated a liability of £0.544m 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 £1.674m in respect of such cases within note 21.1 of these Accounts.

iv) 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 26 different wards has now been counted. This represents 638 beds out of a possible 1,939 across the LHB. In this way a figure of £0.622m 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.

v) 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 £2.000m
- > GMS Schemes & Frameworks £3.154m
- > Prescribing £13.469m
- > Pharmacy £5.340m

vi) Due to restrictions created by the Covid 19 pandemic it was not possible to count all inventory items held at the end of March 2020. In these cases estimates have been made as to the value held based on previous counts. The value of these holdings included within note 14.1 is £2,195,814.

1.25 Private Finance Initiative (PFI) transactions

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as

service concession arrangements, following the principles of the requirements of IFRIC 12. The NHS Wales organisation therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- a) Payment for the fair value of services received;
- b) Payment for the PFI asset, including finance costs; and
- c) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

1.25.1. Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

1.25.2. PFI asset

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the NHS Wales organisation's approach for each relevant class of asset in accordance with the principles of IAS 16.

1.25.2. PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

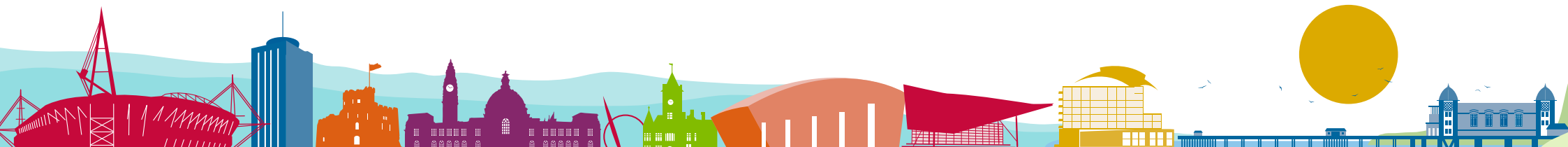
An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the SoCNE.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the SoCNE.

1.25.3. Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the NHS Wales organisation's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.



The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

1.25.4. Assets contributed by the NHS Wales organisation to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the NHS Wales organisation's SoFP.

1.25.5. Other assets contributed by the NHS Wales organisation to the operator

Assets contributed (e.g. cash payments, surplus property) by the NHS Wales organisation to the operator before the asset is brought into use, which

are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the NHS Wales organisation, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured at the present value of the minimum lease payments, discounted using the implicit interest rate. It is subsequently measured as a finance lease liability in accordance with IAS 17.

On initial recognition of the asset, the difference between the fair value of the asset and the initial liability is recognised as deferred income, representing the future service potential to be received by the NHS Wales organisation through the asset being made available to third party users.

1.26. Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the NHS Wales organisation, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the NHS Wales organisation. A contingent asset is disclosed where an inflow of economic benefits is probable.

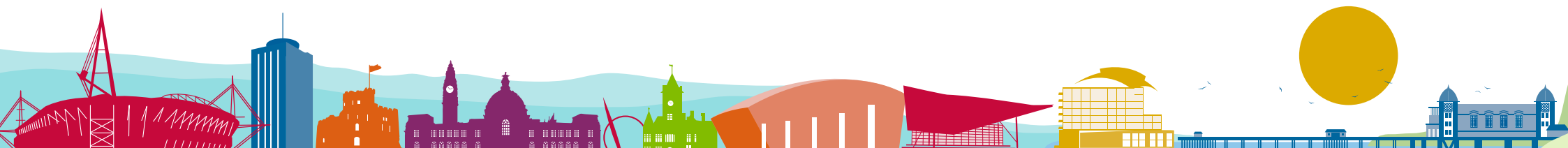
Where the time value of money is material, contingencies are disclosed at their present value.

Remote contingent liabilities are those that are disclosed under Parliamentary reporting requirements and not under IAS 37 and, where practical, an estimate of their financial effect is required.

1.27. Absorption accounting

Transfers of function are accounted for as either by merger or by absorption accounting dependent upon the treatment prescribed in the FReM. Absorption accounting requires that entities account for their transactions in the period in which they took place with no restatement of performance required.

Where transfer of function is between LHBs the gain or loss resulting from the assets and liabilities transferring is recognised in the SoCNE and is disclosed separately from the operating costs.



1.28. Accounting standards that have been issued but not yet been adopted

The following accounting standards have been issued and or amended by the IASB and IFRIC but have not been adopted because they are not yet required to be adopted by the FReM

IFRS14 Regulatory Deferral Accounts Not EU-endorsed.*

Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable.

IFRS 16 Leases is to be effective from 1st April 2021.

IFRS 17 Insurance Contracts, Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

1.29. Accounting standards issued that have been adopted early

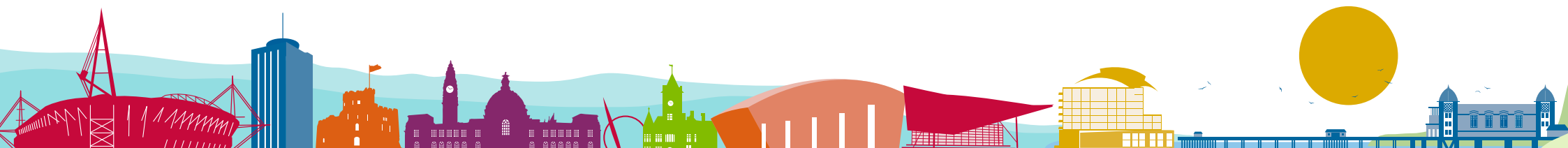
During 2019-20 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

1.30. Charities

Following Treasury's agreement to apply IAS 27 to NHS Charities from 1 April 2013, the 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 the Cardiff & Vale Health Charity as a subsidiary and therefore is required to consolidate the results of the Cardiff & Vale Health Charity within the statutory accounts of the LHB.

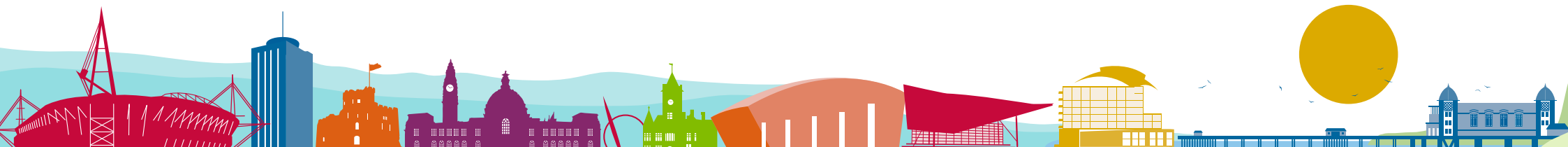
The determination of control is an accounting standard test of control and there has been no change to the operation of the Cardiff & Vale Health Charity or its independence in its management of charitable funds.

However, the NHS Wales organisation has with the agreement of the Welsh Government adopted the IAS 27 (10) exemption to consolidate. Welsh Government as the ultimate parent of the Local Health Boards will disclose the Charitable Accounts of Local Health Boards in the Welsh Government Consolidated Accounts. Details of the transactions with the charity are included in the related parties' notes.



2. Financial Duties Performance				
The National Health Service Finance (Wales) Act 2014 came into effect from 1 April 2014. The Act amended the financial duties of Local Health Boards under section 175 of the National Health Service (Wales) Act 2006. From 1 April 2014 section 175 of the National Health Service (Wales) Act places two financial duties on Local Health Boards:				
- A duty under section 175 (1) to secure that its expenditure does not exceed the aggregate of the funding allotted to it over a period of 3 financial years				
- A duty under section 175 (2A) to prepare a plan in accordance with planning directions issued by the Welsh Ministers, to secure compliance with the duty under section 175 (1) while improving the health of the people for whom it is responsible, and the provision of health care to such people, and for that plan to be submitted to and approved by the Welsh Ministers.				
The first assessment of performance against the 3 year statutory duty under section 175 (1) was at the end of 2016-17, being the first 3 year period of assessment.				
Welsh Health Circular WHC/2016/054 "Statutory and Financial Duties of Local Health Boards and NHS Trusts" defines the statutory financial duties of NHS Wales bodies effective from 2016-17.				
2.1 Revenue Resource Performance				
Annual financial performance				
	2017-18	2018-19	2019-20	Total
	£'000	£'000	£'000	£'000
Net operating costs for the year	919,454	954,633	1,043,916	2,917,999
Less general ophthalmic services expenditure and other non-cash limited expenditure	(19,395)	(18,165)	(17,216)	(54,776)
Less revenue consequences of bringing PFI schemes onto SIPP	(1,025)	(1,025)	(1,025)	(3,075)
Total operating expenses	899,034	941,443	1,025,705	2,866,182
Revenue Resource Allocation	872,207	925,547	1,025,670	2,823,424
Under / (over) spend against Allocation	(26,827)	(15,896)	55	(38,668)
The LHB has not met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2017-18 to 2019-20.				
The Health Board did not receive any repayable cash only support in 2019-20. The accumulated cash only support provided to the Health Board by the Welsh Government is £34,549m as at 31 March 2020. 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				
	2017-18	2018-19	2019-20	Total
	£'000	£'000	£'000	£'000
Gross capital expenditure	55,926	49,349	61,333	166,608
Add: Losses on disposal of donated assets	0	4	12	16
Less: Net V of property, plant and equipment and intangible assets disposed	(2,297)	(210)	(2,167)	(4,674)
Less capital grants received	0	0	0	0
Less donations received	(6,806)	(630)	(1,106)	(8,542)
Charge against Capital Resource Allocation	47,023	48,413	58,070	153,506
Capital Resource Allocation	47,121	48,487	58,159	153,767
(Over) / Under spend against Capital Resource Allocation	98	64	89	231
The LHB has met its financial duty to break-even against its Capital Resource Limit over the 3 years 2017-18 to 2019-20.				

2.3 Duty to prepare a 3 year plan					
The NHS Wales Planning Framework for the period 2019-20 to 2021-22 Issued to LHBs placed a requirement upon them to prepare and submit Integrated Medium Term Plans to the Welsh Government.					
The LHB submitted an Integrated Medium Term Plan for the period 2019-20 to 2021-22 in accordance with NHS Wales Planning Framework.					
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3. Analysis of gross operating costs					
3.1 Expenditure on Primary Healthcare Services					
	Cash limited	Non-cash limited	2019-20	2018-19	
	£'000	£'000	£'000	£'000	
General Medical Services	76,550		76,550	74,929	
Pharmaceutical Services	20,475	12,032	32,507	34,932	
General Dental Services	33,739		33,739	32,806	
General Ophthalmic Services	1,903	5,244	7,147	7,072	
Other Primary Health Care expenditure	12,057		12,057	11,327	
Prescribed drugs and appliances	76,456		76,456	72,072	
Total	221,180	17,276	238,456	233,136	
The Total expenditure above includes £15,469m in respect of staff costs (£12,923m 2018-19)					
3.2 Expenditure on healthcare from other providers					
			2019-20	2018-19	Re-stated
			£'000	£'000	£'000
Goods and services from other NHS Wales Health Boards			24,048	26,331	
Goods and services from other NHS Wales Trusts			30,938	28,606	
Goods and services from Health Education and Improvement Wales (HEIW)			0	0	
Goods and services from other non-Welsh NHS bodies			2,147	2,244	
Goods and services from WHSSC / EASC			128,702	121,663	
Local Authorities			15,452	8,006	
Voluntary organisations			7,290	7,309	
NHS Funded Nursing Care			9,093	8,979	
Continuing Care			59,128	57,757	
Private providers			14,097	13,566	
Specific projects funded by the Welsh Government			0	0	
Other			0	0	
Total			290,895	274,511	
The 2018-19 Expenditure with Local Authorities included £27.4m re a payment to Cardiff Council in respect of a pooling arrangement re the purchase of continuing healthcare services. Under the terms of the agreement the Council returned to us the same figure which was recorded as income from Local Authorities in Note 4. We have subsequently been advised that these transactions are of no economic value and hence we have netted off the receipt and payment in 2019/20 and re-stated 18/19 to reflect the same treatment.					

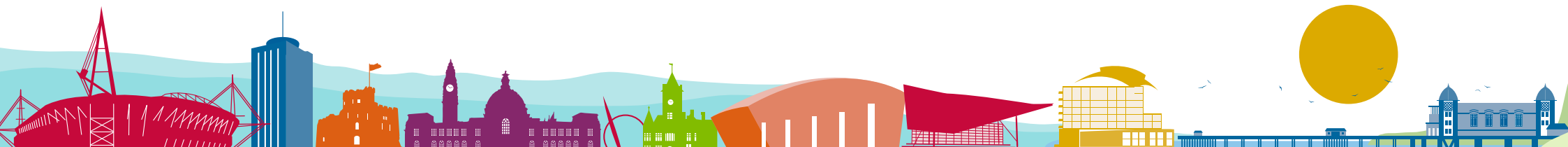
3.3 Expenditure on Hospital and Community Health Services				2019-20	2018-19
				£'000	£'000
Directors' costs				2,373	2,331
Staff costs				661,827	597,790
Supplies and services - clinical				189,468	177,070
Supplies and services - general				8,827	8,561
Consultancy Services				2,476	2,186
Establishment				11,320	10,666
Transport				707	855
Premises				30,138	27,863
External Contractors				0	0
Depreciation				20,002	31,574
Amortisation				856	717
Fixed asset impairments and reversals (Property, plant & equipment)				10,963	(123)
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				360	0
Audit fees				381	401
Other auditors' remuneration				0	0
Losses, special payments and irrecoverable debts				3,379	2,888
Research and Development				0	0
Other operating expenses				1,301	(396)
Total				962,226	862,403
3.4 Losses, special payments and irrecoverable debts: charges to operating expenses					Reclassified
				2019-20	2018-19
				£'000	£'000
Increase/(decrease) in provision for future payments:					
Clinical negligence:					
Secondary care				30,437	22,254
Primary care				0	0
Redress Secondary Care				406	126
Redress Primary Care				0	0
Personal Injury				2,226	277
All other losses and special payments				1,340	440
Defence legal fees and other administrative costs				729	372
Gross increase/(decrease) in provision for future payments				35,838	23,479
Contribution to Welsh Risk Pool				0	0
Premium for other insurance arrangements				0	0
Irrecoverable debts				(100)	875
Less: Income received/due from Welsh Risk Pool				(31,499)	(21,455)
Total				3,379	2,898
				2019-20	2018-19
				£	£
Permanent Injury included within personal injury £:				102,630	(20,000)

The reclassification of 18/19 is presentation only with the Clinical negligence costs being further detailed into Primary and Secondary care in 19/20.



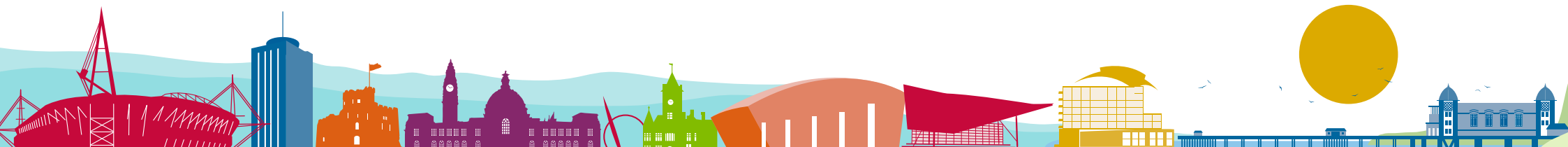
4. Miscellaneous Income					
				2019-20	Re-stated 2018-19
				£'000	£'000
Local Health Boards				74,359	71,217
Welsh Health Specialised Services Committee (WHSSC)/Emergency Ambulance Services Committee (EASC)				240,256	221,552
NHS Wales trusts				6,188	5,311
Health Education and Improvement Wales (HEIW)				20,685	9,953
Foundation Trusts				195	224
Other NHS England bodies				5,282	4,545
Other NHS Bodies				0	0
Local authorities				9,094	5,177
Welsh Government				5,121	4,739
Welsh Government Hosted bodies				0	0
Non NHS:					
Prescription charge income				0	53
Dental fee income				5,571	5,559
Private patient income				1,247	1,055
Overseas patients (non-reciprocal)				144	302
Injury Costs Recovery (ICR) Scheme				2,634	1,654
Other income from activities				2,144	1,965
Patient transport services				0	0
Education, training and research				28,847	35,520
Charitable and other contributions to expenditure				3,226	2,542
Receipt of donated assets				1,107	631
Receipt of Government granted assets				0	0
Non-patient care income generation schemes				3,542	2,227
NHS Wales Shared Services Partnership (NWS-SP)				0	0
Deferred income released to revenue				750	224
Contingent rental income from finance leases				0	0
Rental income from operating leases				0	0
Other income:					
Provision of laundry, pathology, payroll services				7,613	7,415
Accommodation and catering charges				4,117	3,577
Mortuary fees				505	343
Staff payments for use of cars				0	0
Business Unit				0	0
Other				14,753	14,042
Total				437,774	405,760
Other income includes:					
Non Staff SLAs with Cardiff University				4,805	3,336
Creche Fees				708	600
Compensation Payments received				60	1,215
Pharmacy sales				0	2,070
Equipment Evaluation Income				232	442
NHS Non Patient Care Income				2,071	2114
Non Patient Related Staff Recharges				665	1305
Other				5,645	2,955
Total				14,187	14,042

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. The 2018-19 Local Authorities income included £27.4m re a receipt from Cardiff Council in respect of a pooling arrangement re the purchase of continuing healthcare services. Under the terms of the agreement, we made payments to the Council amounting to the same figure. This was disclosed as purchases of healthcare from Local Authorities in Note 3.2. We have subsequently been advised that these transactions are of no economic value and hence we have netted off the receipt and payment in 2019/20 and re-stated 18/19 to reflect the same treatment.



5. Investment Revenue					2018-20	2018-19
					£000	£000
Rental revenue:						
PFI Finance lease income						
planned					0	0
contingent					0	0
Other finance lease revenue					0	0
Interest revenue:						
Bank accounts					0	0
Other loans and receivables					0	0
Impaired financial assets					0	0
Other financial assets					0	0
Total					0	0
6. Other gains and losses					2018-20	2018-19
					£000	£000
Gain/(loss) on disposal of property, plant and equipment					105	(12)
Gain/(loss) on disposal of intangible assets					0	0
Gain/(loss) on disposal of assets held for sale					2,070	3
Gain/(loss) on disposal of financial assets					0	0
Change on foreign exchange					0	0
Change in fair value of financial assets at fair value through SoCNE					0	0
Change in fair value of financial liabilities at fair value through SoCNE					0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale					0	0
Total					2,175	(9)
For more information on the gain on disposal of buildings, please see page 41 of these accounts						
7. Finance costs					2018-20	2018-19
					£000	£000
Interest on loans and overdrafts					0	0
Interest on obligations under finance leases					5	8
Interest on obligations under PFI contracts						
main finance cost					1,258	1,282
contingent finance cost					0	0
Interest on late payment of commercial debt					2	0
Other interest expense					0	0
Total interest expense					1,265	1,290
Provisions unwinding of discount					16	42
Other finance costs					0	0
Total					1,281	1,332

8. Operating leases					2019-20	2018-19
					£000	£000
LHR as lessee						
As at 31st March 2020 the LHB had 20 operating lease agreements in place for premises, 3 arrangements in respect of equipment and 43 in respect of vehicles. During the year 1 premises, 0 equipment and 7 vehicle leases expired.						
Payments recognised as an expense					2019-20	2018-19
					£000	£000
Minimum lease payments					2,325	1,353
Contingent rents					0	0
Sub-lease payments					0	0
Total					2,325	1,353
Total future minimum lease payments						
Payable					£000	£000
Not later than one year					2,250	1,132
Between one and five years					6,098	2,564
After 5 years					2,439	2,167
Total					10,787	5,863
During our preparatory work for the introduction of IFRS 16, the LHB concluded that 4 of its contracts with suppliers contained implicit leases that should have been disclosed in the operating leases in previous years. While these are included in the 2019-20 figures, comparatives have not been restated. If they had been included in 2018-19 then the payments recognised as an expense would have increased by £0.935m and total future minimum lease payments would have increased by £5.974m.						
Number of operating leases expiring						
	Land & Buildings	Vehicles	Equipment	Total		
Not later than one year	3	30	1	34		
Between one and five years	6	13	2	21		
After 5 years	11	0	0	11		
Total	20	43	3	66		
Charged to the income statement					1,375	152
There are no future sublease payments expected to be received						
LHR 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



9.6 Reporting of other compensation schemes - exit packages						
	2019-20	2019-20	2019-20	2019-20	2018-19	
Exit packages cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures	Total number of exit packages	Number of departures where special payments have been made	Total number of exit packages	
	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only	
less than £10,000	0	0	0	0	0	
£10,000 to £25,000	0	0	0	0	2	
£25,000 to £50,000	0	1	1	1	4	
£50,000 to £100,000	0	0	0	0	2	
£100,000 to £150,000	0	1	1	1	0	
£150,000 to £200,000	0	0	0	0	0	
more than £200,000	0	0	0	0	0	
Total	0	2	2	2	8	
	2019-20	2019-20	2019-20	2019-20	2018-19	
Exit packages cost band (including any special payment element)	Cost of compulsory redundancies	Cost of other departures	Total cost of exit packages	Cost of special element included in exit packages	Total cost of exit packages	
	£'	£'	£'	£'	£'	
less than £10,000	0	0	0	0	0	
£10,000 to £25,000	0	0	0	0	28,098	
£25,000 to £50,000	0	38,519	38,519	38,519	134,061	
£50,000 to £100,000	0	0	0	0	153,161	
£100,000 to £150,000	0	108,519	108,519	108,519	0	
£150,000 to £200,000	0	0	0	0	0	
more than £200,000	0	0	0	0	0	
Total	0	147,038	147,038	147,038	315,320	

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 NHS has agreed early retirements, the additional costs are met by the NHS, and not by the NHS pension scheme. Ill-health retirement costs are met by the NHS pension scheme and are not included in the table.

All 2 special payments are avoidance payments, the highest payment was £108,519 the lowest payment was £58,519 and the median payment was for £75,519.

The tables above report packages agreed in the financial year rather than packages paid during the financial year. During 2019-20 £529,514 was paid for exit packages (2018-19 £152,844).

9. Employee benefits and staff numbers

[illegible]

9.6 Remuneration Relationship

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

The banded remuneration of the highest-paid director in the LHB in the financial year 2019-20 was £220,000 - £225,000 (2018-19, £215,000 - £220,000). This was 7.31 times (2018-19, 7.42) the median remuneration of the workforce, which was £30,442 (2018-19, £29,302). In both 2019-20 and 2018-19 the highest paid director was the Medical Director.

	2019-20	2018-19
Band of Chief Executive Remuneration	215-220	205-210
Median Total Remuneration £	30,442	29,302
Ratio	7.14	7.08
Band of Highest Paid Director's Remuneration	220-225	215-220
Median Total Remuneration £	30,442	29,302
Ratio	7.31	7.42

In 2019-20, 4 (2018-19, 6) employees received remuneration in excess of the highest-paid director. Remuneration for these staff ranged from £230,000 to £285,000 (2018-19 £215,000 to £250,000). All four 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 1.7% 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 2.5% and 2% respectively and there were also slight changes to the composition of the workforce which will have contributed to the change in the ratio.

9.7 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined

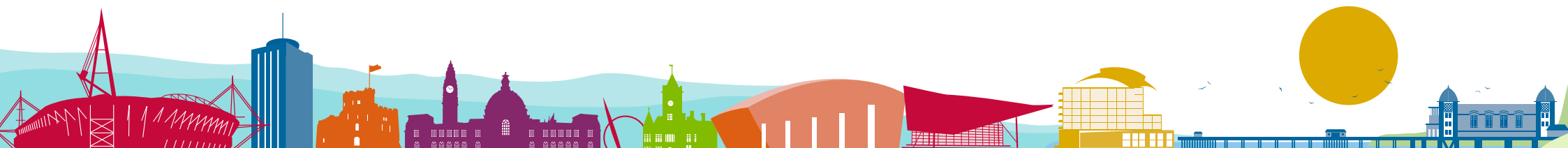
contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2020, is based on valuation data as 31 March 2019, updated to 31 March 2020 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on



the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6%, and the Scheme Regulations were amended accordingly.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

c) National Employment Savings Trust (NEST)

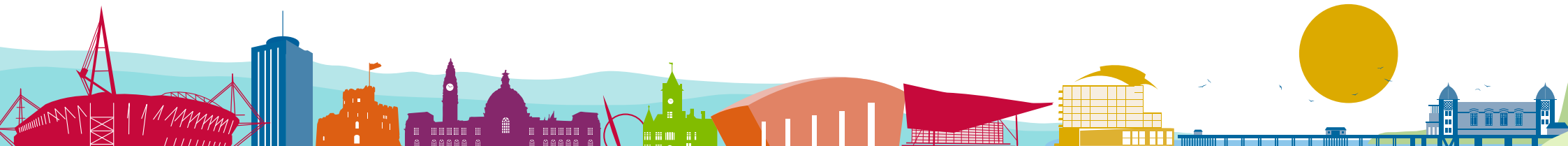
NEST is a workplace pension scheme, which was set up by legislation and is treated as a trust-based scheme. The Trustee responsible for running the scheme is NEST Corporation. It's a non-departmental public body (NDPB) that operates at arm's length from government and is accountable to Parliament through the Department for Work and Pensions (DWP).

NEST Corporation has agreed a loan with the Department for Work and Pensions (DWP). This has paid for the scheme to be set up and will cover expected shortfalls in scheme costs during the earlier years while membership is growing.

NEST Corporation aims for the scheme to become self-financing while providing consistently low charges to members.

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 2019-20 and 2018-19 exclude both the number and value of non-NHS bills paid to primary care services and contractor services.						
		2019-20	2019-20	2018-19	2018-19	
		Number	£000	Number	£000	
NHS						
Total bills paid		8,216	233,809	8,361	231,945	
Total bills paid within target		6,401	222,077	5,991	217,636	
Percentage of bills paid within target		77.9%	95.0%	71.7%	93.8%	
Non-NHS						
Total bills paid		305,232	646,369	308,555	606,354	
Total bills paid within target		292,518	621,255	293,203	580,435	
Percentage of bills paid within target		95.8%	96.1%	95.0%	95.7%	
Total						
Total bills paid		313,448	880,178	316,916	838,299	
Total bills paid within target		298,919	843,332	299,194	798,071	
Percentage of bills paid within target		95.4%	95.8%	94.4%	95.2%	

10.2 The Late Payment of Commercial Debts (Interest) Act 1998				
			2018-20	2018-19
			£	£
Amounts included within finance costs (note 7) from claims made under this legislation				
			2608.28	0
Compensation paid to cover debt recovery costs under this legislation				
			0	0
Total			2608.28	0



Using qualifying earnings to calculate contributions, currently the legal minimum level of contributions is 8% of a jobholder's qualifying earnings, for employers whose legal duties have started. The employer must pay at least 3% of this.

The earnings band used to calculate minimum contributions under existing

legislation is called qualifying earnings. Qualifying earnings are currently those between £6,136 and £50,000 for the 2019-20 tax year (2018-19 £6,032 and £46,350).

Restrictions on the annual contribution limits were removed on 1st April 2017.

[illegible][illegible]

Additional disclosures re Property, Plant and Equipment

i) Donated additions 2019/2020

Of the donated additions shown in Note 11.1, the Noah's Ark Charity funded £0.104m of equipment for the Children's Hospital. The LHB's Charitable Fund contributed £0.047m towards the purchase of equipment during the year. Other donors funded building and asset under construction costs worth £0.944m.

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 7 such revaluations, the total effect of which were:

Impairments written off via the Statement of Comprehensive Net Expenditure (SoCNE) were (£28.092m), reversal of Impairments of £0.717m were credited to the SoCNE.

The significant schemes brought into use were:

UHW Neonatal scheme (£18.536m) was written off the carrying value via the SoCNE.

CRI areas re services transferring from Rookwood Hospital (£4.936m) was written off the carrying value via the SoCNE.

In addition 5 minor schemes were brought into use and Impairments of (£4.620m) were written off the carrying value via the SoCNE, whilst a reversal of impairment of £0.717m 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.

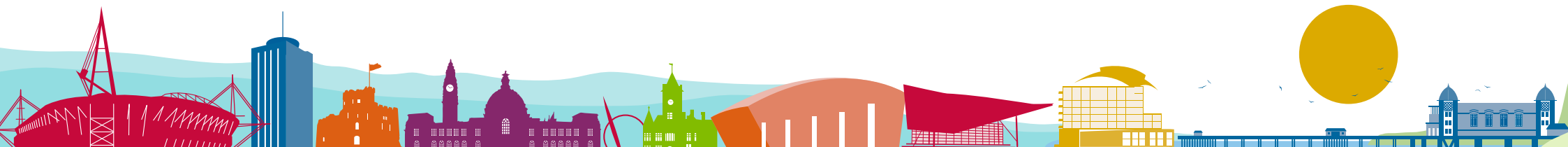
iv) During the year, there was a fire at one of the properties Held for Sale (Lansdowne Hospital), the property was revalued by the District Valuer and an impairment of (£0.350m) has been charged to the SoCNE, see Note 11.2 for further detail.

v) 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.

vi) As per Welsh Government guidance the LHB has applied an Indexation factor to its Land and Buildings for 2019/2020 for a handful of sites this has resulted in a reversal of a prior period Impairment charge and therefore £7.412m has been credited to the SoCNE.

vii) Transfers of Equipment within NHS Wales. On the 1st of April 2019 the LHB transferred the Community Dental service for the Cwm Taf area to Cwm Taf Morgannwg University Health Board. As Cwm Taf is inside the whole of government boundary this transaction is shown within the Transfers from/into other NHS Bodies line in Note 11.1.

viii) 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 2019	1,086	820	0	0	0	1,906
Plus assets classified as held for sale in the year	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Less assets sold in the year	(1,086)	(470)	0	0	0	(1,556)
Add reversal of impairment of assets held for sale	0	0	0	0	0	0
Less impairment of assets held for sale	0	(350)	0	0	0	(350)
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0
Balance carried forward 31 March 2020	0	0	0	0	0	0
Balance brought forward 1 April 2018	0	0	0	0	0	0
Plus assets classified as held for sale in the year	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
Assets sold in the period						
The LHB sold three properties in 2019/2020, at a profit of £2.070m. The largest profit (£1.661m) was in respect of the sale of the Site of the Former Lansdowne Hospital.						
Assets impaired during the year						
As mentioned on page 33 during 2019/20, there was a fire at the Site of the Former Lansdowne Hospital, the District Valuer valued the property after the fire and an impairment of (£0.350m) is shown above.						

12. Intangible non-current assets							
2019-20							
	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure - internally generated	Carbon Reduction Commitments	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2019	6,934	0	112	0	500	196	7,742
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	238	0	0	0	0	0	238
Additions- internally generated	0	0	0	0	0	0	0
Additions- donated	14	0	0	0	0	0	14
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	(188)	(188)
Gross cost at 31 March 2020	7,186	0	112	0	500	30	7,828
Amortisation at 1 April 2019	4,728	0	112	0	0	0	4,840
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	782	0	0	0	83	0	865
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Amortisation at 31 March 2020	5,490	0	112	0	83	0	5,685
Net book value at 1 April 2019	2,206	0	0	0	500	196	2,902
Net book value at 31 March 2020	1,696	0	0	0	407	30	2,133
At 31 March 2020							
Purchased	1,847	0	0	0	0	30	1,877
Donated	48	0	0	0	0	0	48
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	407	0	407
Total at 31 March 2020	1,895	0	0	0	407	30	2,133



12. Intangible non-current assets							
2018-19							
	Software (purchased)	Software (internally generated)	Licences and trade marks	Patents	Development expenditure- internally generated	Carbon Reduction Commitments	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2018	5,354	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	(163)	(200)
Gross cost at 31 March 2019	6,404	0	112	0	500	198	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	1,789	0	37	0	74	365	2,245
Net book value at 31 March 2019	2,208	0	0	0	500	198	2,902
At 31 March 2019							
Purchased	2,113	0	0	0	0	198	2,314
Donated	33	0	0	0	0	0	33
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	500	0	500
Total at 31 March 2019	2,208	0	0	0	500	198	2,902

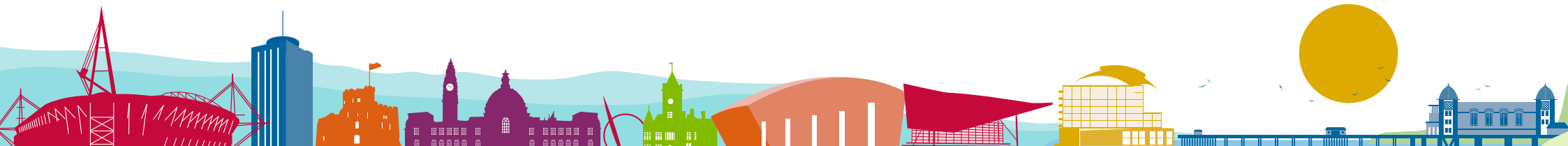
Additional Disclosures re Intangible Assets

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 £0.014m to the purchase of intangible assets during the year.



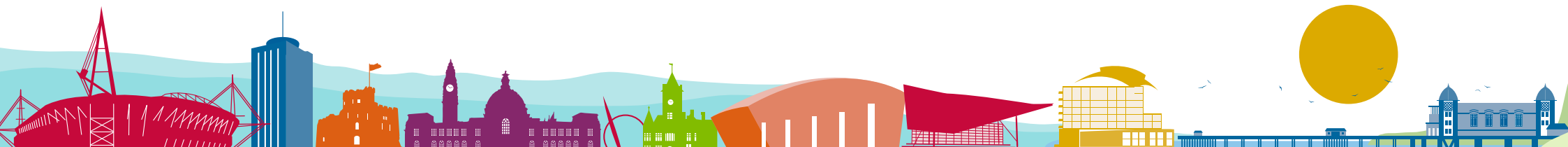
13. Impairments				
	2018-20		2019-19	
	Property, plant & equipment	Intangible assets	Property, plant & equipment	Intangible assets
	£000	£000	£000	£000
Impairments arising from:				
Loss or damage from normal operations	0	0	0	0
Abandonment in the course of construction	0	0	0	0
Over specification of 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	0	0
Others (specify)	23,442	0	3,648	0
Reversal of Impairments	(8,129)	0	(3,771)	0
Total of all Impairments	20,313	0	(123)	0
Analysis of Impairments charged to reserves in year:				
Charged to the Statement of Comprehensive Net Expenditure	20,313	0	(123)	0
Charged to Revaluation Reserve	0	0	0	0
	20,313	0	(123)	0
<p>Professional valuations are carried out by the District Valuers 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.</p> <p>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 7 such revaluations, the total effect of which were:</p> <p>Impairments written off via the Statement of Comprehensive Net Expenditure (SoCNE) were (£28,092m), reversal of impairments of £0.717m were credited to the SoCNE.</p> <p>The significant schemes brought into use were:</p> <p>LHW Neonatal scheme (£18.536m) was written off the carrying value via the SoCNE.</p> <p>CRI anaesthetic services transferring from Rookwood Hospital (£4.936m) was written off the carrying value via the SoCNE.</p> <p>In addition 5 minor schemes were brought into use and impairments of (£4.520m) were written off the carrying value via the SoCNE, whilst a reversal of impairment of £0.717m was credited to the SoCNE.</p> <p>During the year, there was a fire at one of the properties held for sale (Lansdowne Hospital), the property was revalued by the District Valuer and an impairment of (£0.350m) has been charged to the SoCNE, see Note 11.2 for further detail.</p> <p>As per Welsh Government guidance the LHB has applied an indexation factor to its Land and Buildings for 2019/2020 for a handful of sites this has resulted in a reversal of a prior period impairment charge and therefore £7.412m has been credited to the SoCNE.</p>				

14.1 Inventories			31 March	31 March
			2020	2019
			£000	£000
Drugs			5,477	4,809
Consumables			11,273	12,071
Energy			34	48
Work in progress			0	0
Other			0	0
Total			16,784	16,928
Of which held at realisable value			0	0
14.2 Inventories recognised in expenses			31 March	31 March
			2020	2019
			£000	£000
Inventories recognised as an expense in the period			2,845	2,795
Write-down of inventories (including losses)			43	62
Reversal of write-downs that reduced the expense			0	0
Total			2,888	2,857
<p>Due to restrictions created by the Covid 19 pandemic it was not possible to count all inventory items held at the end of March 2020. In these cases estimates have been made as to the value held based on previous counts. The value of these holdings included within note 14.1 is £2,195,814.</p>				



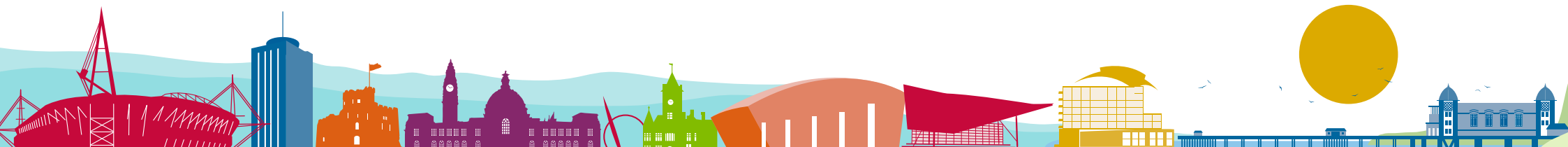
16. Trade and other Receivables				Reclassified
Current			31 March 2020 £000	31 March 2019 £000
Welsh Government			1,608	3,390
WHSCC / EASC			4,103	5,964
Welsh Health Boards			4,083	3,483
Welsh NHS Trusts			2,008	1,795
Health Education and Improvement Wales (HEIW)			196	653
Non - Welsh Trusts			2,814	2,508
Other NHS			145	131
Welsh Risk Pool Claim reimbursement				133,521
NHS Wales Secondary Health Sector			125,616	0
NHS Wales Primary Sector FLS Reimbursement			0	0
NHS Wales Redress			400	0
Other			0	0
Local Authorities			2,060	9,595
Capital debtors - Tangible			0	0
Capital debtors - Intangible			0	0
Other debtors			19,600	18,524
Provision for irrecoverable debts			(7,400)	(8,172)
Pension Prepayments NHS Pensions			0	0
Other prepayments			5,400	5,614
Other accrued income			0	0
Sub total			161,605	175,987
Non-current				
Welsh Government			0	0
WHSCC / 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 Claim reimbursement:				19,582
NHS Wales Secondary Health Sector			14,311	0
NHS Wales Primary Sector FLS Reimbursement			0	0
NHS Wales Redress			0	0
Other			0	0
Local Authorities			0	0
Capital debtors - Tangible			0	0
Capital debtors - Intangible			0	0
Other debtors			3,686	2,760
Provision for irrecoverable debts			(1,172)	(910)
Pension Prepayments NHS Pensions			0	0
Other prepayments			1,106	0
Other accrued income			0	0
Sub total			17,779	21,432
Total			179,384	198,419

In line with the WAO 19/20 revised guidance, amounts owing to the Pool (Cardiff CC Creditor) and amounts owing from the Pool (Cardiff CC Debtor) at year-end have been included net (£7231k). The 18/19 comparative has not been restated (£6851K).



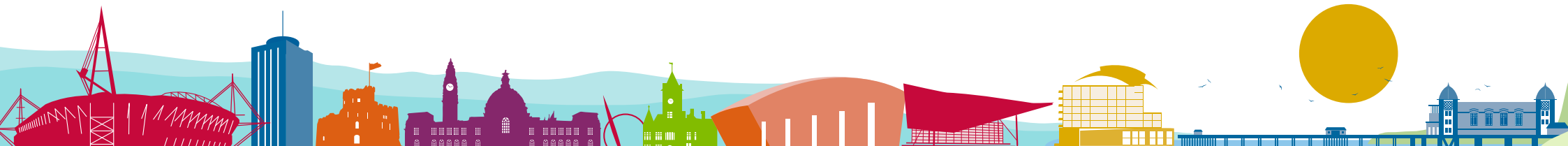
15. Trade and other Receivables (continued)			
	31 March	31 March	
	2020	2019	
	£000	£000	
Receivables past their due date but not impaired			
By up to three months	17,849	12,474	
By three to six months	899	1,092	
By more than six months	4,386	4,447	
	23,134	18,013	
<p>Reflective of the fact that IFRS 9 requires bodies to account for the expected credit loss on all outstanding invoices (not just the non-NHS ones) the UHB from 2018-19 includes its NHS Credit note provision within the figure for irrecoverable debts in note 15 and has also included outstanding NHS invoices within the above disclosure on receivables not impaired.</p>			
Expected Credit Losses (ECL) / Provision for impairment of receivables			
Balance at 31 March 2019		(7,012)	
Adjustment for Implementation of IFRS 9		(1,259)	
Balance at 1 April 2019	(9,082)	(8,271)	
Transfer to other NHS Wales body	0	0	
Amount written off during the year	341	83	
Amount recovered during the year	0	0	
(Increase) / decrease in receivables impaired	160	(874)	
Bad debts recovered during year	0	0	
Balance at 31 March 2020	(8,581)	(9,082)	
<p>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.</p>			
Receivables VAT			
Trade receivables	0	0	
Other	2,135	1,921	
Total	2,135	1,921	

16. Other Financial Assets				Current		Non-current	
				31 March	31 March	31 March	31 March
				2020	2019	2020	2019
				£000	£000	£000	£000
Financial assets							
Shares and equity type investments							
	Held to maturity investments at amortised costs			0	0	0	
	At fair value through SOCG			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 SOCG			0	0	0	0
	Available for sale at FV			0	0	0	0
Total							
				0	0	0	0
17. Cash and cash equivalents							
	</						



18. Trade and other payables		
Current	31 March 2020	31 March 2019
Welsh Government	0	0
WHS&C / HS&C	1,302	1,131
Welsh Health Boards	8,884	8,840
Welsh NHS Trusts	7,733	3,033
Health Education and Improvement Wales (HEIW)	7	0
Other NHS	18,320	18,008
Taxation and social security payable / refunds	8,834	8,003
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	0	0
Non-instantaneous payable to HMRC	7,834	7,010
Non-NHS payables - Revenue	20,477	24,033
Local authorities	14,218	20,030
Capital payables- Tangible	17,073	11,765
Capital payables- Intangible	0	0
Derivatives	0	0
Rentals due under operating leases	0	0
Outgoings under finance leases - HP assets	201	200
Imputed finance lease element of an off-BPFP HP assets	283	220
Penalties - staff	0	0
Non-NHS - Revenue	83,180	87,804
Deferred income	0	0
Deferred income brought forward	1,884	1,000
Deferred income - donations	482	820
Transfer to / from surpluses - current statement income	0	0
Released to SoCNE	(790)	(234)
Other donations	12,881	12,710
HP assets - deferred assets	33	18
Payments on account	1,048	310
Sub-Total	183,703	174,030
Non-current	0	0
Welsh Government	0	0
WHS&C / HS&C	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
Non-instantaneous payable to HMRC	0	0
Non-NHS payables - Revenue	0	0
Local authorities	0	0
Capital payables- Tangible	0	0
Capital payables- Intangible	0	0
Derivatives	0	0
Rentals due under operating leases	0	0
Outgoings under finance leases - HP assets	0	201
Imputed finance lease element of an off-BPFP HP assets	0	283
Penalties - staff	0	0
Non-NHS - Revenue	0	0
Deferred income	0	0
Deferred income brought forward	0	0
Deferred income - donations	0	0
Transfer to / from surpluses - current statement income	0	0
Released to SoCNE	0	0
Other donations	0	0
HP assets - deferred assets	0	33
Payments on account	0	0
Sub-Total	0	0
Total	183,703	174,030
It is intended to pay all liabilities within the 30 day period stated by the Welsh Government.		
In line with the W&S 2020 related guidance, amounts owing to the Real (Cardiff CC Debtor) and amounts owing from the Real (Cardiff CC Debtor) at year end have been included net (£7231k). The £210 surpluses have not been realised (£0.00 + £0).		

18. Trade and other payables (continued).				
Amounts falling due more than one year are expected to be settled as follows:				
	31 March 2020	31 March 2019		
Between one and two years	2,000	6,000		
Between two and five years	413	602		
In five years or more	1,552	1,344		
Sub-total	6,524	7,149		
	8,489	9,095		
19. Other financial liabilities				
Financial liabilities				
	Current		Non-current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	2,020	2,019	2,020	2,019
	£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



Note 20. 2019/2020 (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 £140.291m has been shown within note 15 (Trade and Other receivables) in respect of such expected reimbursements.

Other Provisions include

- Continuing Healthcare IRP & Ombudsman claims £0.544m
- Potential Payments to staff in respect of time off in lieu £0.307m
- Employment Tribunal Litigation Cases £0.938m
- Carbon Reduction Commitments £0.024m
- Holiday Pay on Voluntary Overtime £1.143m
- Other provisions considered commercially sensitive £4.518m

20. Provisions	Revised 2019/2020								
	At 31 April 2019	Transfer of provisions from former Welsh Risk Pool	Transfer of provisions from other sources	Transfer between sources and other sources	Arising during the year	Reversal during the year	Reversal amount	Use falling off the account	At 31 March 2020
Current	6000	6000	6000	6000	6000	6000	6000	6000	6000
Clinical negligence -									
Secondary care	148,016	(32,744)	101	3,000	30,330	(24,072)	(3,106)	0	143,830
Primary care	0	0	0	0	0	0	0	0	0
Reserve Secondary care	75	0	0	0	482	(211)	(46)	0	373
Reserve Primary care	0	0	0	0	0	0	0	0	0
Personal Injury	830	0	0	0	3,912	(766)	(346)	11	3,108
Other losses and special payments	0	0	0	0	303	(303)	0	0	0
Other legal fees and other admin in relation	4,386	0	0	304	1,163	(332)	(217)		4,383
Provisions relating to former directors	0			0	0	0	0	0	0
Provisions relating to other staff	128			108	70	(741)	0	4	123
excluding	0			0	0	0	0	0	0
Other	11,371		(287)	(13)	1,804	(3,332)	(3,680)		6,683
total	160,037	(32,744)	(186)	3,000	40,018	(30,683)	(7,242)	18	112,830
Non Current									
Clinical negligence -									
Secondary care	0	0	0	(2,000)	0	(500)	(2,778)	0	12,818
Primary care	0	0	0	0	0	0	0	0	0
Reserve Secondary care	0	0	0	0	0	0	0	0	0
Reserve Primary care	0	0	0	0	0	0	0	0	0
Personal Injury	3,877	0	0	(50)	0	0	0	0	3,827
Other losses and special payments	0	0	0	0	0	0	0	0	0
Other legal fees and other admin in relation	477	0	0	(304)	33	(27)	(5)		231
Provisions relating to former directors	0			0	0	0	0	0	0
Provisions relating to other staff	1,101			(156)	0	0	0	0	945
excluding	0			0	0	0	0	0	0
Other	712		0	18	30	0	0		760
total	5,267	0	0	(2,000)	33	(612)	(2,783)	0	10,327
OTAL									
Clinical negligence -									
Secondary care	148,016	(32,744)	101	0	30,330	(24,072)	(3,106)	0	143,830
Primary care	0	0	0	0	0	0	0	0	0
Reserve Secondary care	75	0	0	0	482	(211)	(46)	0	373
Reserve Primary care	0	0	0	0	0	0	0	0	0
Personal Injury	4,287	0	0	0	3,912	(766)	(346)	11	8,728
Other losses and special payments	0	0	0	0	303	(303)	0	0	0
Other legal fees and other admin in relation	3,333	0	0	0	1,381	(642)	(632)		3,110
Provisions relating to former directors	0			0	0	0	0	0	0
Provisions relating to other staff	1,337			108	70	(741)	0	4	1,177
excluding	0			0	0	0	0	0	0
Other	12,084		(287)	(13)	1,830	(3,332)	(3,680)		7,674
total	160,037	(32,744)	(186)	0	40,873	(30,300)	(10,800)	18	112,807
Expected timing of cash flows									
					In year	Between	There after		Total
					to 31 March 2021	1 April 2021	21 March 2028		
Clinical negligence -									6000
Secondary care					0				0
Primary care					100,000	13,010	0		113,010
Reserve Secondary care					373	0	0		373
Reserve Primary care					0	0	0		0
Personal Injury					2,108	833	2,780		5,721
Other losses and special payments					0	0	0		0
Other legal fees and other admin in relation					1,326	281	0		1,607
Provisions relating to former directors					0	0	0		0
Provisions relating to other staff					123	730	308		1,161
excluding					0	0	0		0
Other					6,683	680	131		7,494
total					112,830	18,181	3,119		134,130



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 £0.544m provision made for probable continuing care costs relating to 21 claims received;

Note [21.1] sets out the £1.674m contingent liability for possible continuing care costs relating to 21 claims received;

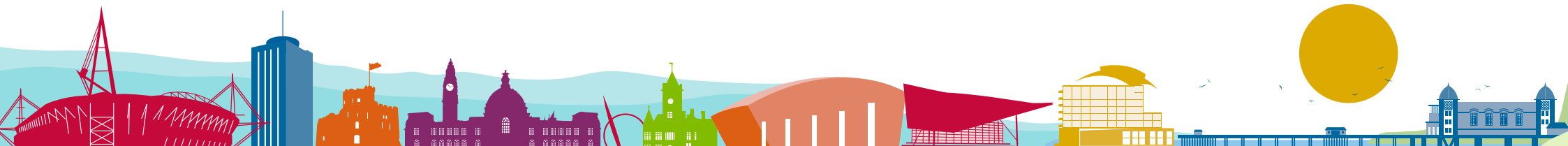
The UHB is providing £0.211m in respect of 10 Phase 3 claims received between 1st May 2014 and 31st July 2014.

The UHB is providing £0.081m in respect of 2 Phase 5 claims received between 1st November 2015 and 31st October 2016.

The UHB is providing £0.205m in respect of 5 Phase 6 claims received between 1st November 2016 and 31st October 2017.

The UHB is providing £0.047m in respect of 4 Phase 7 claims received between 1st April 2018 and 31st March 2019.

For Phase 7 (2019/2020) claims received between 1st April 2019 and 31st March 2020, 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 this Phase.



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

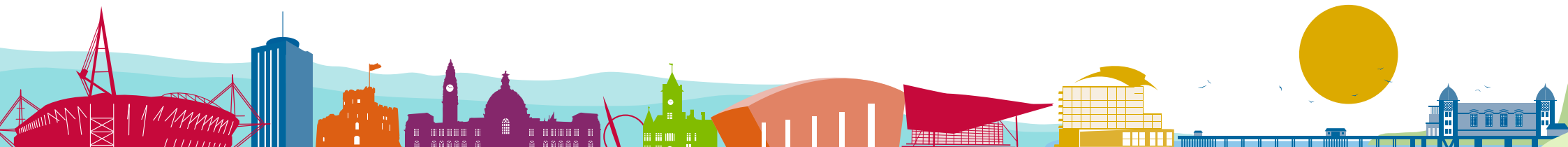
Other provisions considered commercially sensitive £7.081m

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.

10. Provisions (continued)									
	At 1 April 2018	Structured settlement claims 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	13300	13300	13300	13300	13300	13300	13300	13300	13300
Clinical negligence-	0	0	0	0	0	0	0	0	0
Secondary care	108,855	(27,171)	(2,110)	48,939	28,052	(19,162)	(19,167)	0	118,918
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	228	0	0	0	219	(219)	(153)	0	78
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal Injury	514	0	0	215	437	(755)	(169)	41	589
Other losses and special payments	0	0	0	0	440	(440)	0	0	0
Defence legal fees and other administration	2,353	0	0	544	912	(1,092)	(555)	0	1,358
Analysts relating to former directors	0	0	0	0	0	0	0	0	0
Analysts relating to other staff	159	0	0	71	115	(190)	0	1	155
Restructuring	0	0	0	0	0	0	0	0	0
Other	10,245	0	(444)	221	8,231	(2,540)	(2,040)	0	11,371
Total	120,912	(27,171)	(2,554)	49,700	37,469	(24,753)	(22,419)	42	123,087
Non-Current									
Clinical negligence-	0	0	0	0	0	0	0	0	0
Secondary care	53,717	0	0	(48,939)	12,410	(262)	(32)	0	15,894
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal Injury	3,554	0	0	(215)	5	0	0	0	3,339
Other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	784	0	0	(544)	347	(50)	(2)	0	477
Analysts relating to former directors	0	0	0	0	0	0	0	0	0
Analysts relating to other staff	1,172	0	0	(71)	0	0	0	0	1,101
Restructuring	0	0	0	0	0	0	0	0	0
Other	934	0	0	(221)	0	0	0	0	713
Total	59,471	0	0	(49,700)	12,765	(150)	(34)	0	24,382
GRAND TOTAL									
Clinical negligence-	0	0	0	0	0	0	0	0	0
Secondary care	160,272	(27,171)	(2,110)	0	41,462	(19,444)	(19,199)	0	153,918
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	228	0	0	0	219	(219)	(153)	0	78
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal Injury	4,068	0	0	0	445	(755)	(169)	41	4,297
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	(1,155)	(557)	0	2,333
Analysts relating to former directors	0	0	0	0	0	0	0	0	0
Analysts relating to other staff	1,331	0	0	0	115	(190)	0	1	1,257
Restructuring	0	0	0	0	0	0	0	0	0
Other	11,179	0	(444)	0	8,231	(2,540)	(2,040)	0	12,384
Total	180,587	(27,171)	(2,554)	0	50,231	(25,133)	(22,449)	42	155,340

The Clinical Negligence provision includes £0.078m in respect of 13 potential claims under the Welsh Government "Putting Things Right" Redress Scheme. In addition 26 claims were settled during the year under this scheme to the value of £0.225m.



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.

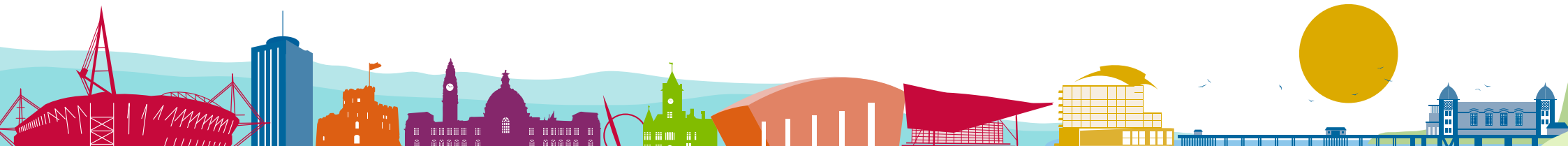
The UHB is providing £0.741m in respect of 14 Phase 6 claims received between 1st November 2016 and 31st October 2017.

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. Contingencies							
21.1 Contingent liabilities							
						Redrafted	
						2018-20	2018-19
Provisions have not been made in these accounts for the following amounts:						£'000	£'000
Legal claims for alleged medical or employer negligence:-							
Secondary care						182,181	152,580
Primary care						0	0
Redress Secondary care						0	0
Redress Primary care						0	0
Doubtful debts						0	0
Equal Pay costs						0	0
Defence costs						1,180	1,075
Continuing Health Care costs						1,674	7,889
Other						0	0
Total value of disputed claims						185,025	161,534
Amounts (recovered) in the event of claims being successful						(180,833)	(150,989)
Net contingent liability						4,482	10,545

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

UHB 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 UHB 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 £2.006m re clinical negligence and £0.812m re personal injury.



Continuing Healthcare Cost uncertainties

Liabilities for continuing healthcare costs continue to be a significant financial issue for the UHB. 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 £0.544m provision made for probable continuing care costs relating to 21 claims received;

Note 21.1 sets out the £1.674m contingent liability for possible continuing care costs relating to 21 claims received;

The UHB is providing £0.211m in respect of 10 Phase 3 claims received between 1st May 2014 and 31st July 2014.

The UHB is providing £0.081m in respect of 2 Phase 5 claims received between 1st November 2015 and 31st October 2016.

The UHB is providing £0.205m in respect of 5 Phase 6 claims received between 1st November 2016 and 31st October 2017.

The UHB is providing £0.047m in respect of 4 Phase 7 claims received between 1st April 2018 and 31st March 2019.

For Phase 7 (2019/2020) claims received between 1st April 2019 and 31st March 2020, 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 this Phase.

Pensions tax annual allowance – Scheme Pays arrangements 2019/20

In accordance with a Ministerial Direction issued on 18 December 2019, the Welsh Government have taken action to support circumstances where pensions tax rules are impacting upon clinical staff who want to work additional hours, and have determined that:

Clinical staff who are members of the NHS Pension Scheme and who, as a result of work undertaken in the 2019-20 tax year, face a tax charge on the growth of their NHS pension benefits, may opt to have this charge paid by the NHS Pension Scheme, with their pension reduced on retirement;

Cardiff & Vale UHB will then pay them a corresponding amount on retirement, ensuring that they are fully compensated for the effect of the deduction.

This scheme will be fully funded by the Welsh Government with no net cost to Cardiff & Vale UHB.

Clinical staff have until 31 July 2021 to opt for this scheme and the ability to make changes up to 31 July 2024.

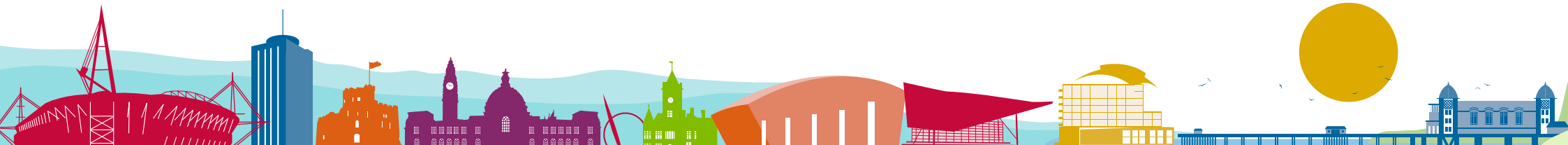
Using information provided by the Government Actuaries Department and the NHS Business Services Authority, a national 'average discounted value per nomination' (calculated at £3,345) could be used by NHS bodies to estimate a local provision by multiplying it by the number of staff expected to take up the offer.

At the date of approval of these accounts, there was no evidence of take-up of the scheme by our clinical staff in 2019-20 and no information was available to enable a reasonable assessment of future take up to be made. As no reliable estimate can therefore be made to support the creation of a provision at 31 March 2020, the existence of an unquantified contingent liability is instead disclosed.



21.2 Remote Contingent liabilities				2019-20	2018-19
				£000	£000
Please disclose the values of the following categories of remote contingent liabilities:					
Guarantees				0	0
Indemnities				60	0
Letters of Comfort				0	0
Total				60	0
The figure shown above under Indemnities relates to Clinical Negligence & Personal Injury claims against the UHB, where our legal advisors informed us that the claimants chance of success is remote					
21.3 Contingent assets				2019-20	2018-19
				£000	£000
				0	0
				0	0
				0	0
Total				0	0
22. Capital commitments					
Contracted capital commitments at 31 March				2019-20	2018-19
				£000	£000
Property, plant and equipment				16,637	30,479
Intangible assets				0	0
Total				16,637	30,479
The in year decrease in commitments disclosed is largely due to the progress made in respect of the construction of our major capital schemes.					

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 2020	
				Number	£
Clinical negligence				132	27,780,872
Personal injury				74	785,803
All other losses and special payments				328	3,267,571
Total				534	32,114,046
Analysis of cases which exceed £300,000 and all other cases					
				Amounts paid out in year	Cumulative amount
Cases where cumulative amount exceeds £300,000				£	£
	Number	Case type			
	009WMMN0008	Clinical Negligence		3,688,000	3,688,000
	099WMMN0028	Clinical Negligence		150,000	1,520,000
	109WMMN0013	Clinical Negligence		285,000	4,791,250
	139WMMN0007	Clinical Negligence		615,556	1,137,529
	149WMMN0001	Clinical Negligence		45,000	1,178,000
	149WMMN0016	Clinical Negligence		70,000	1,620,000
	159WMMN0010	Clinical Negligence		1,443,500	1,493,500
	159WMMN0020	Clinical Negligence		1,425,000	1,575,000
	159WMMN0113	Clinical Negligence		395,000	395,000
	159WMMN0127	Clinical Negligence		120,000	395,000
	169WMMN0007	Clinical Negligence		1,615,000	1,695,000
	169WMMN0028	Clinical Negligence		615,145	662,705
	169WMMN0050	Clinical Negligence		195,000	669,654
	169WMMN0054	Clinical Negligence		6,916,915	7,916,915
	169WMMN0134	Clinical Negligence		495,000	495,000
	179WMMN0030	Clinical Negligence		57,214	669,714
	179WMMN0052	Clinical Negligence		274,767	475,000
	179WMMN0097	Clinical Negligence		317,500	317,500
	179WMMN0115	Clinical Negligence		1,945,000	2,435,000
	179WMMN0186	Clinical Negligence		1,142,336	1,142,336
	189WMMN0067	Clinical Negligence		1,386,379	1,386,379
	209WMMN0001	General Litigation		416,016	416,016
	209WMMN0010	Fruitless Payment		319,446	319,446
	209WMMN0012	Damage to Property		1,401,056	1,401,056
Sub-total				26,466,062	32,610,904
All other cases				6,657,983	10,511,359
Total cases				32,114,045	42,822,263



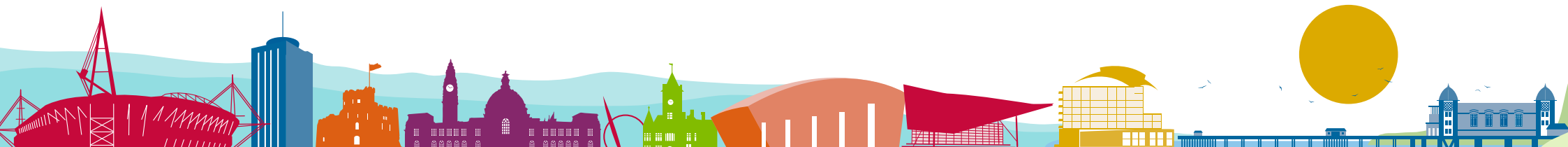
24. Finance leases				
24.1 Finance leases obligations (as lessee)				
As at 31st March 2019 the LHB currently has one finance lease agreement in place for the lease of a building. This lease agreement is due to expire in 2020/21. The LHB also had one finance lease agreement in place for the lease of 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 (1.27%) as it has not been possible to determine the discount rate implicit in the lease agreement.				
Amounts payable under finance leases:				
Land	31 March 2020	31 March 2019		
	£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 2020	31 March 2019		
	£000	£000		
Minimum lease payments				
Within one year	210	210		
Between one and five years	0	210		
After five years	0	0		
Less finance charges allocated to future periods	(2)	(5)		
Minimum lease payments	208	415		
Included in:				
Current borrowings	208	207		
Non-current borrowings	0	208		
	208	415		
Present value of minimum lease payments				
Within one year	206	200		
Between one and five years	0	194		
After five years	0	0		
Present value of minimum lease payments	206	394		
Included in:				
Current borrowings	0	0		
Non-current borrowings	0	0		
	0	0		
Other	31 March 2020	31 March 2019		
	£000	£000		
Minimum lease payments				
Within one year	94	94		
Between one and five years	0	94		
After five years	0	0		
Less finance charges allocated to future periods	(1)	(2)		
Minimum lease payments	93	186		
Included in:				
Current borrowings	93	93		
Non-current borrowings	0	93		
	93	186		
Present value of minimum lease payments				
Within one year	92	89		
Between one and five years	0	87		
After five years	0	0		
Present value of minimum lease payments	92	176		
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	31 March
				2020	2019
Gross investment in leases				£000	£000
Within one year				0	0
Between one and five years				0	0
After five years				0	0
Less finance charges allocated to future periods				0	0
Minimum lease payments				0	0
Included in:					
Current borrowings				0	0
Non-current borrowings				0	0
				0	0
Present value of minimum lease payments					
Within one year				0	0
Between one and five years				0	0
After five years				0	0
Less finance charges allocated to future periods				0	0
Present value of minimum lease payments				0	0
Included in:					
Current borrowings				0	0
Non-current borrowings				0	0
				0	0

25. Private Finance Initiative contracts				
25.1 PFI schemes off-Statement of Financial Position				
The NHS has no PFI schemes which are deemed to be off-statement of financial position.				
Commitments under off-SolP PFI contracts		On-SolP PFI contracts	Off-SolP PFI contracts	
		31 March 2020	31 March 2019	
		\$'000	\$'000	
Total payments due within one year		0	0	
Total payments due between 1 and 5 years		0	0	
Total payments due thereafter		0	0	
Total future payments in relation to PFI contracts		0	0	
Total estimated capital value of off-SolP PFI contracts		0	0	
25.2 PFI schemes on-Statement of Financial Position				
Capital value of scheme included in Fixed Assets Note 11				\$'000
				17,852
Contract start date:	31/03/2000			
Contract end date:	31/03/2021			
On 31st March 2000, a 21 year Private Finance Initiative (PFI) Contract was signed between the former Cardiff & Vale Trust and IBC (Impregilo/Macob consortium) for the provision of an 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 £12.647m and the annual payments to be made for the provision of the site and for a range of facilities management services is £2.760m.				
Total obligations for on-Statement of Financial Position PFI contracts due:				
		On SolP PFI	On SolP PFI	On SolP PFI
		Capital element	Imputed Interest	Service charges
		31 March 2020	31 March 2020	31 March 2020
		\$'000	\$'000	\$'000
Total payments due within one year		233	1,222	5,347
Total payments due between 1 and 5 years		1,901	4,380	9,147
Total payments due thereafter		5,894	5,319	13,289
Total future payments in relation to PFI contracts		5,705	5,901	24,783
		On SolP PFI	On SolP PFI	On SolP 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	1,285	5,207
Total payments due between 1 and 5 years		1,570	4,561	8,555
Total payments due thereafter		7,135	4,307	14,805
Total future payments in relation to PFI contracts		5,935	10,153	28,567
Total present value of obligations for on-SolP PFI contracts		£21,661m		



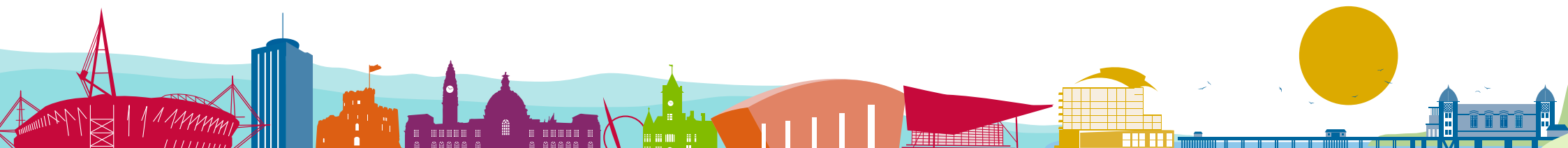
25.3 Changes to expenditure		2019-20	2018-19
Service charges for On Statement of Financial Position PFI contracts (excl interest costs)		£000	£000
		2,279	2,201
Total expense for On Statement of Financial Position PFI contracts		0	0
The total charged in the year to expenditure in respect of PFI contracts		2,279	2,201
The LHB is committed to the following annual charges			
		31 March 2020	31 March 2019
PFI scheme expiry date:		£000	£000
Not later than one year		2,347	2,207
Later than one year, not later than five years		0,147	0,588
Later than five years		13,280	14,805
Total		24,783	25,600
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 Price Index.			
25.4 Number of PFI contracts			
		Number of on SoF PFI contracts	Number of off SoF PFI contracts
Number of PFI contracts		1	0
Number of PFI contracts which individually have a total commitment > £500m		0	0
PFI Contract			
Number of PFI contracts which individually have a total commitment > £500m		0	
PFI Contract			
St David's Hospital		On	
25.5 The LHB has one Public Private Partnerships			
In addition to the St David's PFI Scheme set out previously in Note 25.2, the LHB had one other Public Private Partnerships (PPP) Schemes during 2019/20 as set out below:			
Llandough Hospital Staff Accommodation			
On 26th 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 Rairake Properties Limited. This transfer was completed during 2007/8.			

25.5 The LHB had 1 Public Private Partnerships during the year (Continued)

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 £0.048m. 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 £0.588m on the LHB's statement of financial position (note 11).

On initial recognition of the assets 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 2019/20 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.

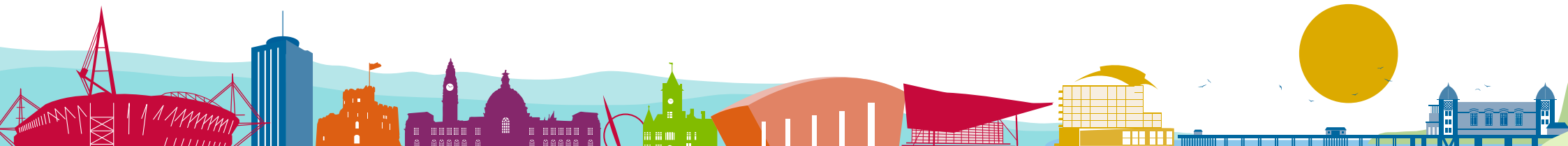
Credit risk

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		
	2019-20	2018-19
	£000	£000
(Increase)/decrease in inventories	142	(1,229)
(Increase)/decrease in trade and other receivables - non-current	3,653	36,037
(Increase)/decrease in trade and other receivables - current	15,382	(10,798)
Increase/(decrease) in trade and other payables - non-current	(584)	(540)
Increase/(decrease) in trade and other payables - current	8,103	(5,504)
Total	26,696	17,966
Adjustment for accrual movements in fixed assets - creditors	(5,329)	5,351
Adjustment for accrual movements in fixed assets - debtors	0	0
Other adjustments	524	(780)
	21,891	22,537
28. Other cash flow adjustments		
	2019-20	2018-19
	£000	£000
Depreciation	29,982	31,574
Amortisation	855	717
(Gains)/Loss on Disposal	(2,175)	9
Impairments and reversals	20,313	(123)
Release of PFI deferred credits	(18)	(101)
Donated assets received credited to revenue but non-cash	(1,107)	(631)
Government Grant assets received credited to revenue but non-cash	0	0
Non-cash movements in provisions	9,258	(1,901)
Other movements	27,078	0
Total	84,166	29,544
Other movements relate to Staff Employer Pensions Contributions - Notional Element (Note 34.1)		



29. Events after the Reporting Period

The COVID-19 pandemic has presented a number of challenges for the Health Board, which are represented in the following disclosures within the financial statements. Included within Note 3.3 - Expenditure on Hospital and Community Health Services are costs of £1.057m associated with the COVID-19 pandemic during the latter part of March 2020. These costs have been covered by a resource allocation from Welsh Government and there is therefore no impact on the performance against the resource limits reported in Note 2. The UHB also received £1.786m additional capital funding to cover COVID related additions to cover both tangible and intangible capital additions during 2019-20.

The pandemic also restricted the UHB's ability to carry out yearend stock counts. Where this was the case, estimates have been made as to the value held based on previous counts. The value of these holdings included within note 14.1 is £2,195,814.

Most of the Health Board's Covid-related costs have occurred since April 2020 and they will therefore be reported in next year's 2020-21 financial statements.

The 2019-20 Annual Governance Statement at pages 48 to 50 explains how the Health Board has adapted its governance arrangements in order to strengthen its handling of the pandemic.

The need to plan and respond to the COVID-19 pandemic has had a significant impact on the organisation, wider NHS and society as a whole. It has required a dynamic response which has presented a number of opportunities in addition to the risks. The need to respond and recover from the pandemic will be with the organisation and wider society throughout 2020/21 and beyond. The organisation's Governance Framework will need to consider and respond to this need.

30. Related Party Transactions

The Welsh Government is regarded as a related party. During the year the UHB have had a significant number of material transactions with the Welsh Government and with other entities for which the Welsh Government is regarded as the parent body, namely:

Related Party	Repayments to related party	Income from related party	Amount owed to related party	Amount due from related party
	£000	£000	£000	£000
Welsh Government	105	1,044,406	10	1,808
Gwent and South Wales University Health Board	4,405	5,789	1,872	665
Lincoln-Sheffield University Health Board	3,267	36,217	1,364	794
Great Ouse Valley University Health Board	604	705	475	107
South Wales Morgannwg University Health Board	17,311	30,227	1,359	1,889
Hywel Dda University Health Board	303	6,340	363	333
Ponwy Teaching Health Board	162	2,306	24	276
Welsh Ambulance NHS Trust	4,223	33	323	3
Valindia NHS Trust	30,829	2,348	5,969	1,272
Welsh Health Specialised Services Committee	136,666	240,360	1,303	4,169
Public Health Wales Trust	6,661	5,166	1,465	634
Health Education and Improvement Wales	7	30,785	7	125
	203,639	1,367,996	14,507	12,063

During the period, other than the individuals set out below, there have been no other material related party transactions involving other board members or key senior management staff:

Mrs. Maria Gade has been Chair of the Cardiff and Vale University Health Board until 28th August 2019. During that time, she was also an Executive Director of Social Care Wales.

Charles Janczewski was Vice Chair of the Cardiff and Vale Health Board from 28th August 2019. He is also Chair of Governance Board for Health & Wellbeing Academy at Swansea University.

Mrs. Eileen Bandish is an independent member of Cardiff and Vale University Health Board. She is also Director of Information and Technology at Cardiff University.

Sarah Moseley is an independent member of Cardiff and Vale University Health Board. She is also Executive Director of Mind.

Dr. Nicholas is a Chair Emeritus of the Cardiff and Vale University Health Board. He is also a member of the Life Sciences Hub Wales board (Welsh Government) and 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 and a member of the Life Sciences Hub Wales board (Welsh Government).

Mrs. Uggal Harris is the Executive Director of Strategic Planning for Cardiff & Vale University Health Board. She is also an independent member of Social Care Wales.

Frank Kingdon is Director of Public Health for Cardiff and Vale University Health Board. Her husband is Director of Public Protection in Rhondda Cynon Taf County Borough Council.

Susan Blom is an independent member of Cardiff and Vale University Health Board and cabinet member for Social Care Health & Wellbeing for the City of Cardiff Council.

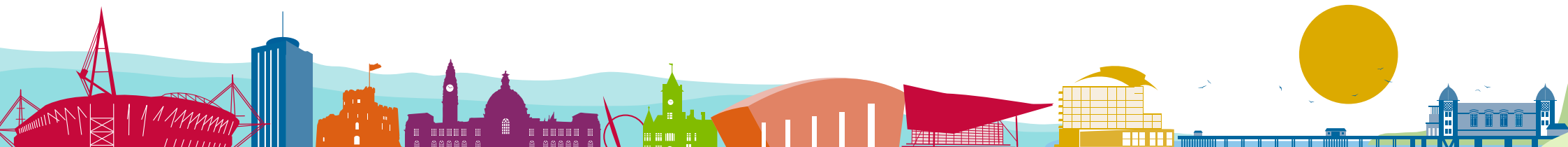
Lance Carter is an associate member of Cardiff and Vale University Health Board and the Director of Social Services in the Vale of Glamorgan Council.

Hanuk Shmida is Chair of the Cardiff and Vale Health Charity, Charitable Funds Committee and an independent member of Cardiff and Vale University Health Board. He is also a member of Glas Cymru Holdings (Welsh Water) and the chair of planning and economic strategy for the Welsh Government.

Michael Impey is an independent member of Cardiff & Vale University Health Board. He is also an equity partner in Wadkin & Gunn Solicitors.

Jonathan Gray became Director of Transformation and Informatics for Cardiff and Vale University Health Board from 2nd December 2019. He is also Clinical Director for the Life Sciences HUB (Welsh Government).

Rhian Thomas became an independent member of Cardiff and Vale University Health Board from 1st February 2020. She is also a member of Glas Cymru Holdings (Welsh Water).



30. Related Party Transactions (Continued)

The material transactions involving the related parties were as follows unless shown in the table in NHS Estates above:

	Expenditure to related party	Income from related party	Amounts owed to related party	Amounts due from related party
Cardiff & Vale Health Charity	7	1,426	6,000	6,000
Cardiff University	3,553	7,526	1,575	3,058
City of Cardiff Council	49,023	37,555	17,038	9,762
Vale of Glamorgan Council	8,608	1,253	3,707	38
MIND	254			
Cardiff Mind Ltd	146		6	
Mind Cymru	11		11	
Watkins & Gurn Solicitors	65			
Swansea University	197	132	154	7
RCT Borough Council	50	30		20
Social Care Wales		6		
Welsh Water	1,426	30	271	
Total £000s	65,655	48,335	23,538	13,765

We bring to your attention that during 2019/2020 two invoices to Cardiff Council were written-off to the value of £240.00. The write-offs were due to normal operational issues and were not influenced by related parties named above.

The LHB has close links with Cardiff University which includes the sharing of staff as well as sharing accommodation at the University Hospital of Wales Site.

The LHB is a member of the Welsh Risk Pool for Clinical Negligence and Personal Injury Claims. During 2019/2020 The LHB has received settlements of £21.966m in respect of claims made. In addition until March 2020 the LHB had a debtor balance of £140.27m in respect of amounts due from the Welsh Risk Pool.

The corporate body is a registered charity and as Corporate Trustees, 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 been made aware that the wife of John Antoniasz (Independent Member - Gwynedd) is Chief Executive of the National Assembly Wales.

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.

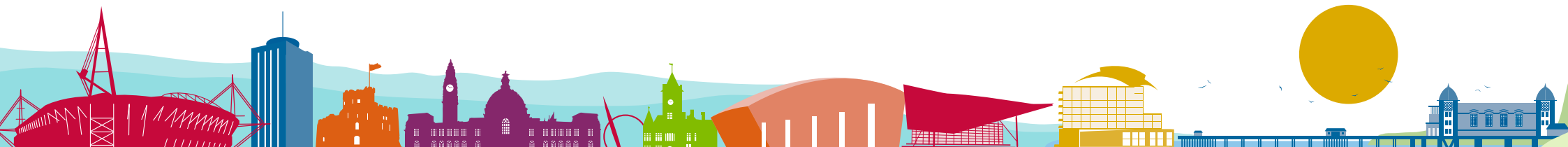
31. Third Party Assets

The LHB held £192,291 cash at bank and in hand at 31 March 2020 (31 March 2019, £202,070) 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 2019-20 or 2018-19. 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 March 2020 was £11,080,726 (£11,779,421 31st March 2019).

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 topsliced 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 2019-20 of £1.821m of which Cardiff & Vale UHB's contribution was £1.258m. 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 £0.194m in the year. The Health element of the overspend was £0.035m and Cardiff & Vale has accounted for this in its annual accounts for the year ended 31/3/20.

During the year the UHB received £11.803m of revenue income and a capital allocation of £3.630m 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 £11.803m and the capital expenditure was £3.630m, which is in line with funding allocated.

In addition, the UHB received £3.035m of revenue income from the Welsh Government's Transformation fund. 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 2019-20 Welsh Government passed funding for Integrated Family Support Services directly to Cardiff Council. From this allocation, £79,444 was passed to Cardiff & Vale UHB. This allocation has funded 2 Band 7 integrated Support workers with a Nursing background, one for the period 25/05/19 to 31/03/20 and one for the period 17/06/19 to 31/03/20, 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 2019/20 were £29,064,199.



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 2019/20 these accounts contain income of £3.721m and expenditure of £2.856m 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			
34.1. 8.3% Staff Employer Pension Contributions - Notional Element			
The value of notional transactions is based on estimated costs for the twelve month period 1 April 2019 to 31 March 2020. This has been calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions between April 2019 and February 2020 alongside Health Board/Trust/SHA data for March 2020. Transactions include notional expenditure in relation to the 6.3% paid to NHS BSA by Welsh Government and notional funding to cover that expenditure as follows			
Statement of Comprehensive Net Expenditure for the year ended 31 March 2020			£'000
Expenditure on Primary Healthcare Services	2019-20	577	
Expenditure on Hospital and Community Health Services	2019-20	26,501	
Statement of Changes in Taxpayers' Equity For the year ended 31 March 2020			
Net operating cost for the year		Balance at 31 March 2020	27,078
Notional Welsh Government Funding		Balance at 31 March 2020	27,078
Statement of Cash Flows for year ended 31 March 2020			
Net operating cost for the financial year	2019-20	27,078	
Other cash flow adjustments	2019-20	(27,078)	
2.1 Revenue Resource Performance			
Revenue Resource Allocation	2019-20	27,078	
3. Analysis of gross operating costs			
3.1 Expenditure on Primary Healthcare Services			
General Medical Services	2019-20	-	
3.3 Expenditure on Hospital and Community Health Services			
Directors' costs	2019-20	52	
Staff costs	2019-20	27,026	
9.1 Employee costs			
Permanent staff			
Employer contributions to NHS Pension Scheme	2019-20	27,078	
Charged to capital	2019-20	-	
Charged to revenue	2019-20	27,078	
18. Trade and other payables			
Current			
Pensions: staff		Balance at 31 March 2020	-
28. Other cash flow adjustments			
Other movements	2019-20	27,078	



34. Other Information

34.2) 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).
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.

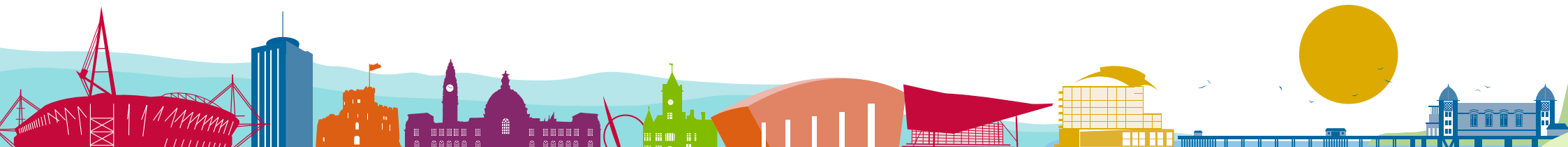
4. As such, £1,500 per FCE is the derived estimate for a WIP calculation.

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 :

$$£1,500 / 6 \text{ days} \times 3 \text{ days} \times 300 \text{ FCEs} = 225\text{K}$$

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

The UHB has applied the same methodology to its activity data for 2018/19, this has produced a very similar result (an estimated adjustment of £0.226m). Hence due to the immaterial nature and in line with the agreed NHS Wales position, no such adjustment has been made to these accounts.

34.3) IFRS 16 Disclosure

HM Treasury agreed with the Financial Reporting Advisory Board (FRAB), to defer the implementation of IFRS 16 Leases until 1 April 2021, because of the circumstances caused by Covid-19. To ease the pressure on NHS Wales Finance Departments the IFRS 16 detailed impact statement has been removed by the Welsh Government Health and Social Services Group, Finance Department.

We expect the introduction of IFRS16 will not have a significant impact and this will be worked through for disclosure in our 2020-21 financial statements.

34.4) 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 £0.413m.



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.

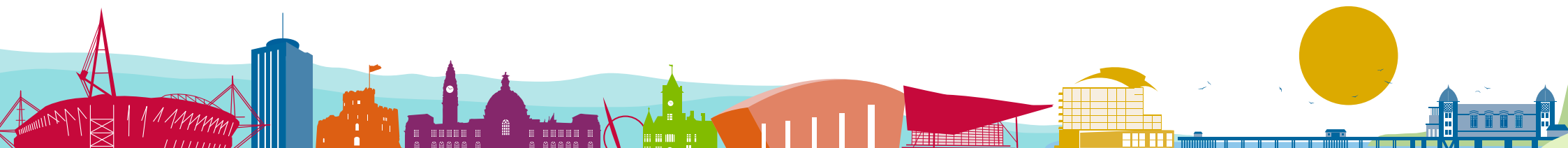
7. The notes to the accounts shall, inter alia, include details of the accounting policies adopted.

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