Cardiff and Vale UHB

Annual Report

2020 - 2021

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GIG CYMRU NHS WALES

Bwrdd Iechyd Prifysgol Caerdydd a'r Fro

Cardiff and Vale University Health Board

About Us

Our aim is to care for people and keep people well. The Annual Report will outline the work of Cardiff and Vale UHB (CVUHB) (the Health Board), 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 quarterly plans and the reports presented to the Board and its Committees provides 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.

What's in this Annual Report?

Our Annual Report is part of a suite of documents that tell you about our organisation, the care we provide and what we do to plan, deliver and improve healthcare for you, in order to meet changing demands and future challenges. It provides information about our performance, what we have achieved in 2020-2021 and how we will improve next year. It also explains how important it is to work with you and listen to you to help you to take the best care of yourselves and to deliver better services that meet your needs and are provided as close to you as possible.

In March 2020, due to the COVID-19 pandemic the Integrated Medium-Term Plan (IMTP) process was paused and Quarterly Frameworks were introduced for NHS Wales. Organisations were required to produce quarterly plans addressing the priorities set out in these frameworks. Our priorities were shaped by the 2019-2022, IMTP which set out our objectives and plans. https://cavuhb.nhs.wales/about-us/our-mission-vision/cardiff-vale-integrated-medium-term-plan/

Our Annual Report for 2020-2021 includes:

- Our **Performance Report** which details how we have performed against our targets and actions planned to maintain or improve our performance.
- Our **Accountability Report** which details our key accountability requirements under the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008; including our Annual Governance Statement (AGS) which provides information about how we manage and control our resources and risks, and comply with governance arrangements.
- Our summarised **Financial Statements** which detail how we have spent our money and met our obligations under The National Health Service Finance (Wales) Act 2014.

The Annual Report should be read in conjunction with other supporting documents, sign posted by means of web-links within this document.

Accessibility

If you require additional copies of this document, it can be downloaded in both English and Welsh versions from our website. Alternatively, if you require the document in an alternative format, we can provide a summary of this document in different languages, larger print or Braille, please contact us using the details below:

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1. Welcome from our Chair and Chief Executive

We are delighted to bring you our Annual Report for 2020-2021.

This year has been one of the most challenging the NHS has ever experienced, and we have not faced a public health emergency of this magnitude since the Spanish flu pandemic in 1918. From its sudden emergence in January 2020, COVID-19 has posed significant challenges to how we can deliver services to our patients whilst keeping them and our staff safe.

COVID-19 has placed a tremendous strain on our health service provisions, testing our ability to adapt, make agile decisions and to find new ways of working to protect the patient population of Cardiff and the Vale of Glamorgan.

We have evolved, we have banded together and we would like to express our heartfelt appreciation, gratitude and admiration to our staff and volunteers who have enabled us to provide an unprecedented response, coped with extraordinary pressures and demonstrated teamwork, resilience and working side-by-side in solidarity. We're truly inspired by our workforce's personal commitment to making a difference during these challenging times and the examples of finding ways to be flexible, to do things differently, and to make continuous improvement makes us proud.

It is also important to pay tribute to how national and local services have collaborated to support us in responding the COVID-19 challenges, including staff from social care, public health, Local Authorities, voluntary and community sector, students and Universities. We have witnessed camaraderie to get the job done and delivered great things through collaborative leadership.

We entered the year in the midst of a pandemic and are at the other side delivering the largest Mass Vaccination programme the NHS has ever seen. In Cardiff and the Vale of Glamorgan, at the time of writing this, we have delivered over 400,000 doses of the vaccination in just 4 months which equals 71% of our adult population receiving their first dose and 27% of our adult population receiving both doses.

This is a testament to the hard work, dedication and commitment of our staff, volunteers and partners in supporting each other to protect our population and give us hope for the future.

Many of our staff over the past year have also been redeployed to other areas to help the COVID-19 response and this has shown a great commitment to caring for our patients and keeping them well, as well as upskilling, facing new challenges and helping other teams so we could all fight the virus.

A key part of the work we do at Cardiff and Vale University Health Board is delivering innovation to improve outcomes to patients that matter and make a difference. There have been so many examples of this but highlights over the last year include:

- The design and delivery of transforming the Principality Stadium into the second largest field hospital in the UK – **Ysbyty Calon y Ddraig – Dragon's Heart Hospital** in five short weeks. The 2,000 bed hospital was developed to meet the

expected demand to care for patients affected by COVID-19. The additional staff and bed capacity provided was instrumental in enabling people who are recovering, and well enough, to leave acute hospitals, freeing up much needed capacity in acute and community hospital sites. The name of the hospital was chosen by the public and really fired up emotions of what the hospital was there to do.

- **Video Consultations** – during the COVID-19 pandemic, the Health Board needed to review how services were delivered to patients closer to home as restrictions were imposed to keep people safe. The Health Board increased the use of video consultations for patients, with over 15,000 consultations taking place through the Attend Anywhere platform. We estimate this has prevented in excess of 150,000 miles of travel to hospital for our patients. It adds up to around 41 tonnes of CO2 emissions having been avoided in and around local hospitals. The Virtual Consultations will continue as we move out of COVID-19 so we can provide a flexible service to our patients depending on their needs.
- **'Phone First' system: CAV 24/7** We were the first Health Board in Wales to introduce a new 'Phone First' triage system for the Emergency Unit (EU), Minor Injuries Unit and Out of Hours (OOH) Service. CAV24/7 was developed by clinicians from our EU and OOH service in response to the challenges of COVID-19 where it was not feasible to continue to have people in waiting rooms due to social distancing. To keep our staff and patients safe, we implemented the phone first service for people to call us if it is not life or limb threatening. Callers are triaged over the phone and offered a time slot at an appropriate setting if medical attention is required, or signposted to another Primary Care service such as Community Pharmacy. The service has reduced the number of attendances to our EU by a third and we are now looking into the next phase of the campaign to improve the uptake of the service.
- **Cardiff and Vale COVID-19 Rehabilitation Model** - In June, we launched "Keeping Me Well", the Cardiff and Vale COVID-19 Rehabilitation Model that identifies the significant rehabilitation needs of people recovering from the virus, as well as those whose rehabilitation has been interrupted as a result of the COVID-19 pandemic. The Keeping Me Well site has also been adopted as a signposting tool for other Health Board's and is continuing to be developed to become a therapies 'hub'. The bespoke website offers tips, advice and exercises for people to do in the comfort of their own home and was developed by our Allied Health Professionals.
- **RECOVERY trial** - The health board was the first in the UK to open the RECOVERY (Randomised Evaluation of COVID-19 therapy) trial, which found that the low-dose steroid treatment, Dexamethasone reduces deaths of hospitalised patients with severe respiratory complications of COVID-19. Dexamethasone was found to improve survival in COVID-19. This

was a major breakthrough for COVID-19, which we are pleased to say Cardiff and Vale made a substantial contribution to. Melanie James, from the Pontprennau area of Cardiff, was the first patient in Wales to receive a transfusion of monoclonal antibodies to treat COVID-19 at University Hospital Llandough,

- **Launch of Virtual Stay Steady Clinics** - our Physiotherapy team launched the 'Stay Steady Virtual Clinics' a service which aims to provide early intervention to individuals who are worried about falling or are a little unsteady on their feet. The clinic is delivered 'virtually' by phone or video consultation, and is available to all residents in Cardiff and the Vale of Glamorgan.
- **Museum of Military Medicine** - in August, we announced we are working in partnership with the proposed Museum of Military Medicine, located at Cardiff Bay. This fantastic new facility will host a Veterans' NHS Wales Hub which will provide specialist mental health support for those who have served in the Armed Forces.
- **Advanced Therapies Wales Launch** - the Advanced Therapies Wales (ATW) programme officially launched its service to the public in August and Advanced Therapies Wales is working together to harness the potential of Advanced Therapeutic Medical Products (ATMP's) to improve the health, wellbeing and prosperity of the people of Wales.
- **Cardiff and Vale Recovery College** – in September we launched the Cardiff and Vale Recovery & Wellbeing College which provides free courses on a range of mental health and wellbeing topics - available to people who are currently using or have used mental health services, their carers, and mental health workers in the Health Board, Local Authority and Charitable Sector. Over the first two terms the Recovery College has delivered 30 courses, had 641 enrolments and completed 217 hours of teaching.
- **UHW Lakeside Wing** – in December, 166 beds that make up the 'Northern Wing' of the UHW Lakeside Wing were made available to accept patients who need rehabilitation and are recovering from a long period of acute illness. The UHW Lakeside Wing adopted a multi-disciplinary model of care, ensuring staff such as physiotherapists, occupational therapists, dieticians, pharmacists, healthcare support workers and registered nurses are working collaboratively to provide patient care under one roof. The second phase of Lakeside Wing was handed over in January 2021 which provided a total of 300 additional beds.
- **COVID-19 vaccine Delivery** - On Tuesday 8 December the COVID-19 vaccination campaign began in our first Mass Vaccination Centre in Splott with the world's eyes on us as one of the first countries in the World to begin vaccinating. Since December, we have opened an additional three Mass Vaccination Centres, had support from all 60 GP Practices across Cardiff and the Vale of Glamorgan and support from Community Pharmacies to deliver

to our population. This capacity has enabled us to deliver the vaccine to the majority of our population in just 4 short months, alongside our Mobile Vaccination Teams who went into the community to vaccinate patients who are housebound, our care homes, our homeless community, Asylum Seekers, the Traveller Community, and at our Community Mosques to take the vaccine to our communities.

- **MOU with BAPIO** - in January, the Health Board signed a Memorandum of Understanding (MOU) with the British Association of Physicians of Indian Origin (BAPIO). This is the first of its kind for the Health Board and BAPIO, and I believe it demonstrates our commitment and willingness to drive forward meaningful and tangible change. The Health Board is an inclusive employer which thrives on the diversity of its staff, benefiting hugely from the multiple cultures, heritages and nationalities we have in our employment,
- **World's largest ICU Oxygen Trial** - We led the UK's largest ever research trial looking at how patients are treated with oxygen in ICU (Intensive Care Units). Given that COVID-19 is a respiratory disease and critically ill patients often require the support of oxygen, the results of this study will be used to further guide oxygen use.
- Our ICU Research Team also **led the UK in a trial** involving patients who had a cardiac arrest in the community. The trial involved cooling patients when they came into hospital to a temperature of 33C as cooling the body can protect the brain and potentially increase chances of survival. The trial used a deemed consent approach with retrospective consent gained from patients or their families afterwards. Wales contributed 54 patients to the trial.
- We also started the engagement process with our partners and community for **Shaping Our Future Clinical Services** to gather feedback on our plans for the future of the Health Board, including the development of UHW2.

Given the prospect of further 'waves' of COVID-19 and uncertainty around the surge capacity required by the NHS to manage any resultant increases in demand, we are working with Welsh Government to assess if field hospital facilities should be maintained in 2021/2022. In developing local plans, we will also consider whether existing field hospital facilities could add value – where it is prudent to do so - through delivery of other services based on local population need.

COVID-19 has demonstrated that the world can work differently, no longer needing face to face contact in the same way. The need for travel has been reduced whilst also creating opportunities to change the way in which we work, with virtual appointments and consultations fast becoming the accepted way of working. Greater use of technology, adopted rapidly during the pandemic, can support new ways of delivering health and social care for the future. 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 must, however, work both to tackle digital exclusion and

ensure that our services do not discriminate against those who are digitally excluded. We have been allocated additional funding to support us with the continuation of the NHS response to COVID-19, and the recovery of elective services as hospitalisations continue to fall. The NHS has faced significant challenges this winter and health and care staff have worked tirelessly on the frontline, caring for thousands of COVID-19 patients while continuing to provide urgent treatment for those who need it. The funding will also ensure the NHS can continue to provide the mental health and occupational health support services it has put in place for nurses, paramedics, therapists, pharmacists, and other staff working on the frontline during the pandemic.

It is fair to say the past 12 months has really enabled a period of reflection and appreciation of the NHS and what it does for our local communities and population. We remain cautious, but optimistic, about the impact of the exceptional progress made with the vaccination programme and the decline we continue to see in the transmission of the virus. This is beginning to show a welcome reduction in pressure on the NHS and social care. It presents us with an opportunity to look ahead to how we can capture the learning and innovation of the last year and plan for the recovery phase.

Len Richards
Chief Executive

Charles Janczewski
UHB Chair

2. Cardiff and Vale UHB Profile

2.1 About Us

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

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

- Public Health: we support the communities of Cardiff and Vale with a range of public health and preventative health advice and guidance
- 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 abroad range of medical and surgical treatments and interventions.
- Tertiary centre: we also serve a wider population across Wales and often the UK with specialist treatment and complex services such as neurosurgery and cardiac services.

Public Health

Improving the health of our population and reducing inequalities. Providing preventative health care information and advice including access to health and well-being services.

Primary,Community and Intermediate Care

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

Acute and Tertiary Care

Providing unscheduled or emergency care. Elective care and specialist services to a wider population across Wales, including diagnostics and therapeutic services.

Corporate Services

Providing the support services required to run an integrated health system across Cardiff and Wales ensuring patient safety, governance, quality assurance, performance and excellent delivery of all services.

2.2 Our Mission & Vision

Our mission is "Caring for People, Keeping People Well", and our vision is that a person's chance of leading a healthy life should be the same wherever they live and whoever they are.

Cardiff and Vale University Health Board's 10-year transformation and improvement strategy, Shaping Our Future Wellbeing, is our chance to work collaboratively with the public and the Health Board workforce to make our Health Board more sustainable for the future. Together, we can improve equity for all of our patients - both today and tomorrow.

To find out more, Visit our dedicated transformation website.

2.3 Our Board

Our Board consists of 22 members, including Chair, Vice Chair and Chief Executive. The Health Board has 11 Independent Members, all of whom are appointed by the Minister for Health and Social Services and three 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 the terms and conditions of appointment, Board members also fulfill 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 which 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.

Our Board Members

Independent Members

Charles Janczewski
Chair

Professor Ceri Phillips
Vice-Chair

Michael Imperato
Independent Member - Legal

Professor. Gary Baxter
Independent Member - University

David Edwards
Independent Member - Information Communication & Technology

Councillor Susan Elsmore
Independent Member - Local Authority

Akmal Hanuk
Independent Member - Local Community

Sara Moseley
Independent Member - Third (Voluntary) Sector

Dr Rhian Thomas
Independent Member - Capital & Estates

John Union
Independent Member - Finance

Mike Jones
Independent Member - Trade Union

Executive Directors and Officer Members

Len Richards
Chief Executive

Dr Stuart Walker
Deputy CEO & Executive Medical Director

Catherine Phillips
Executive Director of Finance

Steve Curry
Chief Operating Officer

Abigail Harris
Executive Director of Strategic Planning

Dr Fiona Jenkins
Executive Director of Therapies & Health Sciences

Fiona Kinghorn
Executive Director of Public Health

Ruth Walker
Executive Nurse Director

Rachel Gidman
Executive Director of People and Culture

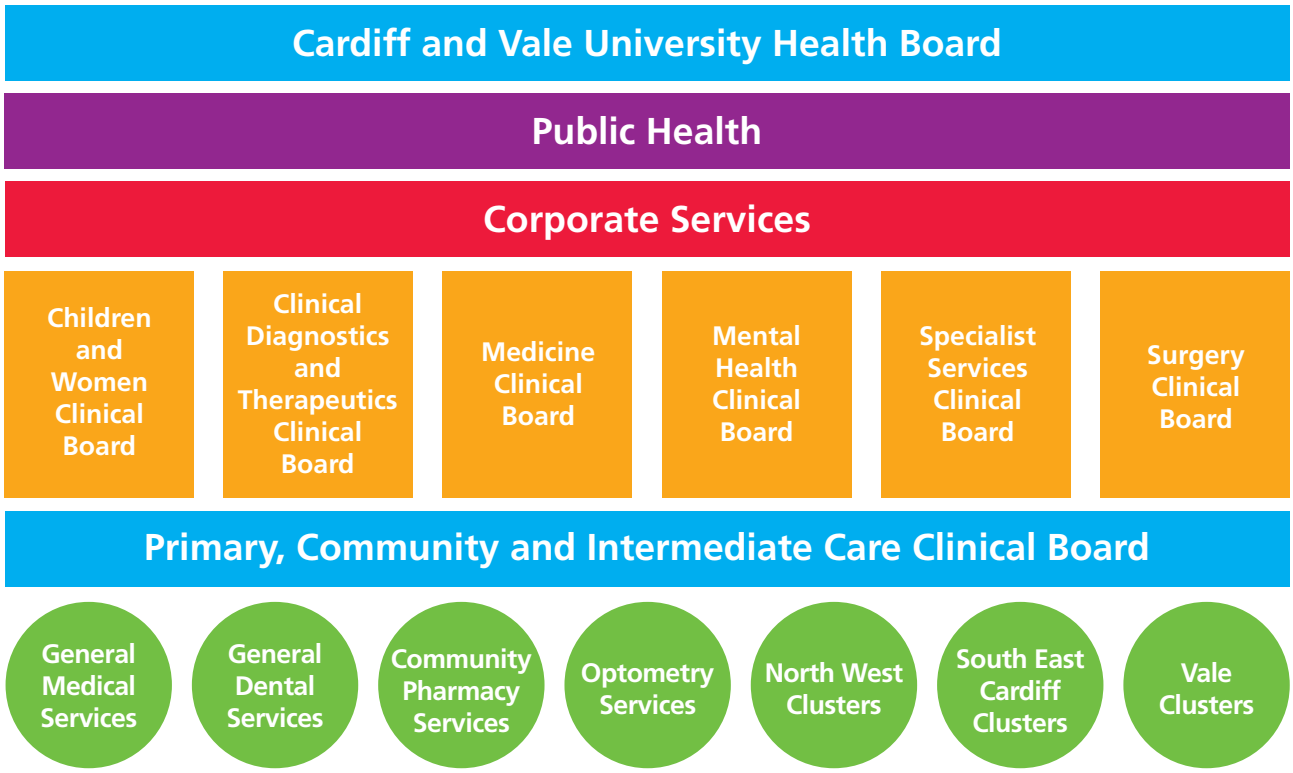
Other Directors

Nicola Foreman
Director of Corporate Governance

Allan Wardhaugh
Chief Clinical Information Officer

2.4 Our Structure

We have a workforce of around 15,000 staff who consistently deliver high quality services to all of our patients. Our organisation is structured and designed into seven Clinical Boards which 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.



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

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

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.

2.5 The Population We Serve

Understanding the needs of our population is essential for robust and effective planning. The Population Needs Assessment undertaken for the Social Services and Wellbeing (Wales) Act, which was developed with our regional partners, provides a collective view of the population challenges on which we have based our plans. The process of fully updating the needs assessment will start in the next year, with an interim update taking place during the COVID-19 pandemic.

It is important we look beyond simply understanding the health needs of our citizens, and also consider the wellbeing of our population which encompasses environmental, social, economic, and cultural wellbeing.

Population growth

The population of Cardiff and Vale continues to grow, with the latest Welsh Government projections estimating an increase from 502,000 in 2021 to 521,000 in 2031, around 4%. In contrast to the previous projections published 4 years ago, the rate of growth in the Vale is predicted to exceed that of Cardiff, with growth in the Vale of 5.3% over 10 years compared with 3.4% in Cardiff. Actual population growth, particularly in Cardiff, will be highly dependent on progress with large housing developments.

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 33% over the next 10 years, and 9% in Cardiff.

Health inequalities

There is considerable variation in healthy behaviours and health outcomes in our area, with variation in smoking rates, physical activity, diet and rates of overweight and obesity. Uptake of childhood vaccinations is also lower in more disadvantaged areas, and people are more likely to experience poor air quality. 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.

The COVID-19 pandemic exposed these deep-seated inequalities, with impacts seen more heavily in our more deprived areas, and amongst Black, Asian and minority ethnic communities.

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.

We don't yet know the long-term health impact of the COVID-19 pandemic on our population's health but expect there to be adverse impacts on mental well-being which could last for many years; and impacts from "long COVID-19". We also anticipate significant negative impacts on the wider determinants of health, for example levels employment and educational attainment; however, there may also be positive changes seen, for example in community cohesion and levels of walking and cycling.

COVID-19 Rehabilitation

In response to the growing number of individuals requiring rehabilitation post-COVID-19 infection, who are identifying as living with "'long COVID-19", those both hospitalised and managed at home, the Health Board set up a multi-disciplinary therapy rehabilitation team which has support from our Primary Care Team with a lead GP.

The team is part of a community care pathway but has links to specialist services to support patients who the team identify may require further clinical investigation/ intervention. Should medical opinion or advice be required the team are able to refer on as needed.

The team has been in place since January 2021, it has received over 300 referrals from GPs, Specialist Consultants and AHPs, and helped over 100 individuals on their recovery journey. The team comprises an AHP Lead, an Occupational Therapist, a Physiotherapist, a Speech and Language Therapist, a Dietitian, a Psychologist, Psychology Assistance, a Rehabilitation coach and administration support. The ethos of the team is one of psychologically, whole person, informed care and rehabilitation.

Patients seen by the service receive an extensive virtual first assessment/ consultation where they are offered a co-ordinating approach to their rehabilitation. They are offered advice, support, direction to existing rehab service or offered brief specific virtual intervention or virtual group rehabilitation. The team continues to evolve their practice in line with ongoing research regarding the effects of COVID-19 and national guidelines.

Tobacco

One in seven adults (14%) 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 three in 10 (29%) who are considered inactive.

Social isolation and loneliness

Around a quarter of vulnerable people in our area reported being lonely some or all of the time, prior to the COVID-19 pandemic. We don't yet know the longer-term impact of the pandemic on isolation and loneliness. Social isolation is associated with reduced mental wellbeing and life expectancy.

Welsh language

A quarter (25%) of people of all ages in Cardiff say they can speak Welsh, and 1 in 5 (21.4%) in the Vale. Cardiff has one of the most ethnically diverse populations in Wales, with one in five people from a black, Asian or minority ethnic background. 'White

other' and Indian ethnicities are the second and third most common ethnic groups after White British.

Our population's health – Public Health Team

The population of Cardiff and the Vale continues to grow, and in the next 20 years it is projected we will serve a population of around 535,000, or around 33,000 more people than today.

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. The COVID-19 pandemic will have had long-term impacts on health inequalities (see the population we serve, above)

As a Health Board 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 priorities include tobacco, immunisations (including COVID-19 mass vaccination), healthy weight and a healthy environment (including responding to the climate emergency), and cross-cutting work on inequalities, including food poverty; other priority areas include alcohol, falls prevention, sexual health, and health at work.

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 (CHC)

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:

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2.6 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 Health Board'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

- We acknowledge and accept responsibility for failure if/when it occurs
- We explaining clearly why the failure happened and express sincere regret for any resulting injustice or hardship.

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.

2.7 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 'homefirst' 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.

2.8 Integrated Medium-Term Plan (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 approvable but due to Covid-19 the IMTP process was paused. The IMTP is a statutory document and marks a significant step forward. This was the first time in three years that this had been considered as approvable by Welsh Government and alongside improving our position from targeted intervention to enhanced monitoring this was a double achievement.

In March 2020, due to the COVID-19 pandemic the IMTP process was paused and Quarterly Frameworks were introduced for NHS Wales. Organisations were required to produce quarterly plans addressing the priorities set out in these frameworks.

2.9 Research, Development, Innovation and Partnerships

One of the core principles of the NHS and the Health Board strategy is to bring benefits to patients through Research and Development (R&D) and innovation. Effective R&D performance is essential if the Health Board 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 Health Board:

- Fulfils the Health Board's statutory responsibilities
- Enables links with similar institutions in the rest of the world, sharing best practice and increasing the status of the Health Board
- 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.

The Health Board 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 Health Board. The Health Board is developing a structure which encourages generation of funding and resources for R&D.

Part 1

Performance Report

3. Performance Overview

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 2021-2022 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 information.

Our Performance

3.1. Impact of COVID-19 on delivery of services

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.

In March 2020 the IMTP process was paused and Quarterly Frameworks were introduced for NHS Wales. Organisations were required to produce quarterly plans addressing the priorities set out in these frameworks.

In addition, the Welsh Government published its Winter Protection Plan for 2020-21 in October and organisations were required to ensure their plans were aligned to the priorities identified. https://gov.wales/winter-protection-plan-health-and-social-care-2020-2021/. The Health Board and partner organisations – local authorities, Welsh Ambulance NHS Trust and the third sector – developed and published the Cardiff and Vale of Glamorgan Regional Partnership Board Winter Protection Plan for 2021-21: https://cavuhb.nhs.wales/files/publications/winter-preparedness/cardiff-and-vale-of-glamorgan-regional-partnership-board-winter-protection-plan-2020-21/ in October 2020. This plan aligned with the priorities set out in the Welsh Government's overarching Winter Protection Plan for 2020-21.

The scale and duration of the pandemic has had an unprecedented impact on the delivery of services. In 2020-2021 there were a number of service delivery risks related to the impact of COVID-19, namely:

- Uncertainty of the demand profile of both COVID-19 and non-COVID-19 patient groups – with some services receiving exceptional demand and others where demand was suppressed,
- Services where the Health Board has had to reduce its levels of activity in order to re-prioritise resources for the COVID-19 response,
- Reduced efficiency as a result of additional Infection, Prevention and Control measures in place to minimise COVID-19 transmission,
- Extended waiting times as a result of reduced delivery activity,
- Rebuilding confidence for clinicians and patients to re-establish activity when safe to do so,
- Working in a new level of complexity with the necessity to separate patient groups to minimise the risk of virus transmission.

In response to the challenges, the Health Board developed and implemented a revised operating model designed to be highly adaptable and provide for both COVID-19 and non- COVID-19 patient groups. The first principle of the revised operating model is to be COVID-19 ready. This is congruent with the national framework. The overriding principle of both frameworks is the need to minimise harm, balancing risks across the system and the four different types of harm i.e. harm from COVID-19 itself; harm from reduction in non- COVID-19 activity; harm from overwhelmed NHS; and harm from wider social actions/lockdowns.

The revised operating model means that the Health Board has operated within four to six week planning cycles, informed by data and modelling. With anticipated periods of undulating COVID-19 demand, different responses have been required at different times by the Health Board over the last year.

Assurance and accountability requirements for health boards were changed to reflect the immediate needs of safety. At the start of the pandemic, the focus of the Health Board switched to managing COVID-19 and maintaining essential services, in line with national guidance. Subsequently, comprehensive quarterly plans were developed, with the focus of the service delivery element of these on managing COVID-19 demand, minimising the risk of in-hospital COVID-19 transmission, maintaining essential services and increasing activity through the re-introduction of other more routine services when it was safe to do so. Activity data and performance against key indicators, in line with national guidance, has been used for management information and to provide assurance against the delivery of quarterly plans.

Management of COVID-19 outbreaks – throughout out the pandemic a number of wards across the organisation have been affected by outbreaks of COVID-19. This became particularly challenging during the second wave. An Infection, Prevention and Control Cell was established with Executive oversight which met regularly and worked closely with the Operations teams to ensure the safety of patients and of staff and to maximise the availability of in-patients beds as far as was safely possible. At the most challenging time, the Deputy Executive Nurse Director chaired daily Infection Prevention and Control meetings with senior staff to monitor the overall situation. Lakeside Wing additional capacity was opened on the 27 December 2020 to the first cohort of patients to support with COVID-19 pressures within the Health Board footprint. Clinical Boards held operational meetings to ensure that effective management of the clinical areas is in place. These fed in to the outbreak meetings outlined above. Information from the IP&C Cell was fed in to the twice weekly Health Board-wide COVID-19 Operations meeting, chaired by the Chief Operating Officer. The Executive Nurse Director or her deputy provided information to this meeting to ensure a cohesive approach and good communication was in place. The Health Board complied fully with routine daily nosocomial reporting arrangements to Welsh Government.

3.2 Planning and delivery of safe, effective and quality services for COVID-19 and non- COVID-19 care

At all stages of the pandemic the Health Board has responded quickly to clinically redesign the delivery of services, repurpose and reconfigure the footprint and create the capacity needed to maintain access to essential services and provide more routine services when safe to do so.

3.3 Redesigning primary care services to deliver emergency care during acute phase of COVID-19

In Primary Care contracted providers in General Medical Services changed their way of working to ensure access to emergency care during the first and second wave. This was achieved through a move to cluster models, with GMS COVID-19 hubs open and a rapid expansion of virtual appointments with all GPs moving to a telephone triage first model.

Urgent Dental Centres and Optometry centres were also established.

Pharmacy services also delivered rapid transformation, maintaining continuity of care through effective medicines management as well as maintaining common ailment services and working collaboratively to ensure effective supplies of palliative medicine in the community.

3.4 Design and implementation of testing and immunisation for COVID-19

Test Trace Protect (TTP)

TTP services in Cardiff and the Vale of Glamorgan were set up as part of the response to the COVID-19 pandemic, following the publication of the Welsh Government's Test Trace Protect Strategy. First published in May 2020, this strategy required local health boards and local authorities to work together to deliver systems which 'enhance health surveillance in the community, undertake effective and extensive contact tracing, and support people to self-isolate where required to do so' www.gov.wales/test-trace-protect-html.

The last year has seen an unprecedented level of partnership working to deliver this, achieving a coordinated and effective response across the region. Partners included Cardiff Council, Vale of Glamorgan Council, Shared Regulatory Services and Public Health Wales (PHW), as well as local volunteers and voluntary organisations. The following provides a description of some of what has been achieved

Test

Led by the Health Board, and working with PHW Microbiology and local authorities, as well as Welsh Government and PHW nationally, the local testing capacity has been increased to be able to offer same day PCR testing for anybody who requires it, in line with the National Testing Plan. Drive through and walk through testing sites have

been established, and mobile testing units are available to be deployed if needed to respond to potential outbreaks. In addition, a team of specialist nurses is available to test people in their own homes if they are unable to travel, or to visit settings such as care homes. Over 95% of test results are received within 24 hours. Regular Lateral Flow Device (LFD) testing has also been established in care homes, schools and hospitals, with plans being developed for other workplaces.

Trace

The contact tracing service for Cardiff and the Vale of Glamorgan is hosted by Cardiff Council on behalf of the partnership. Staff are trained to provide advice on isolation to anybody who has tested positive for COVID-19 and identify their contacts whilst they were infectious. These contacts are then asked to isolate with the aim of stopping further transmission. The contact tracing service runs from 8am to 8pm, 7 days per week and was expanded rapidly in the autumn as case numbers increased during the second wave. More recently as case numbers declined, contact tracing has been extended to look back over 14 days before onset of symptoms in order to identify possible sources of infection; this contributes to driving down case numbers further.

The information gathered from contact tracing is reviewed daily by a specialist multidisciplinary team, so that potential clusters of infections are identified and appropriate actions taken. A robust process has also been established for identifying workplace, school, healthcare and student clusters, to ensure timely response and intervention; interventions may include providing advice on improving COVID-19 secure measures in workplaces or offering testing to identify people who may be carrying the virus without symptoms.

To complement this, a comprehensive local surveillance system has been developed which monitors a suite of indicators, including the rate of new cases, hospital admissions and numbers of incidents in key settings which, together with nationally analysed data, is used to inform the response across Cardiff and the Vale of Glamorgan. Strong governance arrangements have been put in place so that decisions are made collectively with all partners involved.

Protect

Both local authorities led work in the early stages of the pandemic to support people who were required to shield, by ensuring they were able to access food, medicines and other support needs. Telephone helplines were set up and a system for delivering food parcels organised. These support mechanisms were extended to support those required to isolate. Rapid arrangements were also put in place to support vulnerable groups through the course of the year, for example by arranging safe accommodation for those who were sleeping rough.

Finally, a partnership communications team has been established to ensure up to date and accurate information on all aspects of testing, contact tracing, support and vaccination are shared with the people who live and work in Cardiff and the Vale of Glamorgan. Wherever possible, opportunities are identified to engage with individuals

and groups to ensure this information meets their needs.

The Health Board commenced its mass vaccination programme in December 2020. Four Vaccination centres were fully operational by the end of March 2021 as well as mobile teams and local vaccination centres. The vaccination programme has also been supported by primary care with 59 GP practices supporting vaccination of local population. Up to the end of March 2021, the Health Board has delivered **196,444** first doses (50% of our total adult population) and **65,155** second doses.

Listening to seldom heard groups as part of the COVID-19 Vaccination program.
The term 'seldom-heard groups' refers to under-represented people who use our services. Many factors can contribute to people who use services being seldom-heard, including: Disability, Ethnicity, Sexuality, Communication impairments, mental health problems, Homelessness, Geographical isolation.

Working in collaboration with our partners we have developed plans to reach the following groups:

- Homeless people
- Travellers
- Asylum seekers
- Black, Asian or Minority Ethnic Communities
- Carers
- People with sensory loss
- Transgender communities
- People with some Mental Health conditions
- Sex Workers

Approach Via the Patient Experience Team and in collaboration with our partners, we have been engaging with Seldom Heard Groups to understand their needs, their appetite for vaccination and the most appropriate ways to reach them. We are activating tailored approaches for each group – drawing on the most relevant operational capacity/channel and in collaboration with our partners.

These plans are being developed in collaboration with our partners

We have vaccinated in homeless shelters, the traveller sites, the Indian Centre supported by the British Association of Physicians of Indian Origin and several Mosques. We have established ongoing programmes of vaccination sessions.

We have vaccinated Sex workers via a drop-in clinic supported by Street Life. We have liaised with local parlours where sex workers are based.

We hosted a male and female vaccination clinic at a Mosque over the Easter weekend.

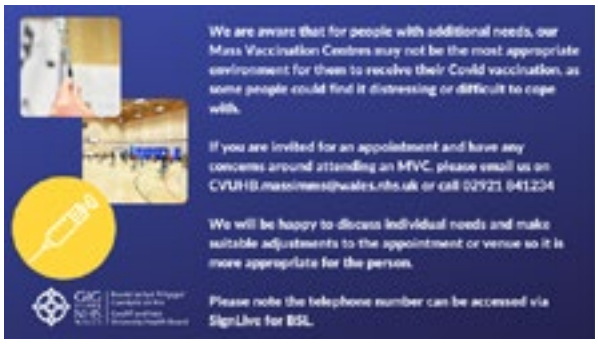
We identified the 1,750 people in Cardiff and Vale who are asylum seekers and targeted vaccination sessions are planned.

We activated an unpaid carer's form with the option of completing it over the telephone via our 7 day mass vaccination helpline
We ensured that our contact centre and mass vaccination phone lines can be accessed by our deaf community via sign live phone number (provides a BSL interpreter on line).

At each mass vaccination centre we have tablets in place to provide audio versions of leaflets in all languages, BSL interpretation and 24 hour language line access to interpreters for all language requirements.

We have feedback machines in each Mass Vaccination centre to capture patient experience and ethnicity details as people use the centres.

It was recognised that for some people with Learning Disabilities vaccination centres can be very difficult environments- we encourage contact with our team to consider if a planned appointment at a centre is appropriate, if the GP or local pharmacist would be better or is a home visit required.



Easy read information in multiple languages has been prepared to place in local retail and places of multi faith worship in local communities. As we move into younger cohorts we recognise the need to identify social influencers and be mindful of the messages about protection of others is important. We also recognise the need to be flexible with appointments as many will be working or have childcare commitments etc.

3.5 Redesign of acute services to provide COVID-19 care

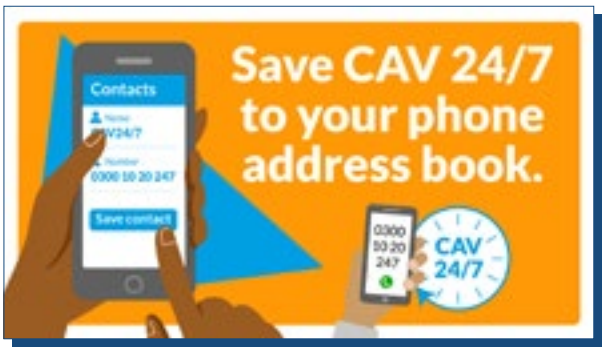
A three-phase plan was rapidly put in place by the Health Board in order to respond to the impact of the anticipated surge in demand:

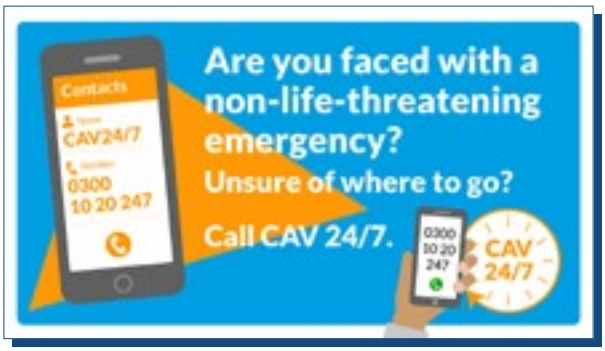
- Phase 1 – Repurposing capacity and zoning
- Phase 2 – Commissioning additional capacity within Health Board facilities
- Phase 3 – 'In extremis' commissioning of capacity outside Health Board facilities

Key achievements have been:

- Over 300 additional beds repurposed on existing sites for cohorting of COVID-19 patients,
- Expansion of critical care capacity to 85 beds, a 124% increase,
- A number of service moves were made to allow expansion of essential services, for example the fracture clinic at UHW was transferred to UHL,
- Two wards in community hospitals were re-commissioned and two other areas – one in UHW and one in UHL – were converted into additional ward areas,
- A 1,500 bed facility commissioned at the Dragon's Heart Hospital, a field hospital at the Principality Stadium – with the first patient admitted on 28 April 2020. The Health Board agreed with Welsh Government and the WRU to decommission this facility as a Field Hospital from 12th November 2020,
- Build and commissioning of a 400-bed temporary surge facility – the Lakeside Wing – on the UHW site – with the first patient admitted on 27th December 2020.

In August 2020, the Health Board implemented CAV 24/7 – a new and innovative approach to how patients access urgent care. Traditionally, patients have been able to access the emergency department by walking into their local Emergency Unit (EU) or A&E. The **'phone first' system** replaces this for non-emergencies with patients being encouraged to phone ahead and, if required, they will get a booked timeslot. The service has been receiving, on average, 180 calls per day.





3.6 Planning and delivery of safe, effective and quality services for non- COVID-19 care. Delivery of infection control measures to deliver both COVID-19 and non-COVID-19 care

Throughout the pandemic the Health Board has pursued options in order to safely maintain essential and non-essential services. A central element of this response was the creation of dedicated 'green' and 'amber' zones on both acute hospital sites to support the segregation of COVID-19 and non- COVID-19 patients, thereby minimising the risk of COVID-19 transmission. The development of Protected Elective Surgical Units (Green zones / PESU) in particular was intended as a 'hospital within a hospital', including separate access, facilities, processes and staffing. This was supported by a systematic clinical audit process to capture the outcomes of all surgical patients treated within the green zone.

The Health Board established a multidisciplinary PPE Cell comprising IP&C, Health and Safety, Patient Safety, Procurement and Senior Consultants and Clinicians from the service. Chaired by the Executive Nurse Director that met weekly at the beginning of the pandemic. They discussed issues in relation to procurement, infection prevention and control, Fit testing and training and to monitor all reported incidents. Day-to-day operational issues were managed by the Health and Safety Team to ensure that there was prudent use of all available PPE. The Board invested significantly in PPE for staff and despite challenges in international availability of some products there was never a shortage of available PPE for staff. Initial; issues with prudent distribution were tackled and the PPE Cell proved to be a very effective and efficient forum for overseeing the safe procurement, use and distribution of PPE. The Board received a full report on the provision of PPE at the May 2020 meeting. The PPE Cell continues to meet.

3.7 Delivery of essential services

Throughout the pandemic the Health Board has maintained access to urgent and emergency essential services including urgent and emergency surgery, eye care, cancer treatments, unscheduled care and mental health.

The Health Board maintained access to urgent and emergency surgery through its Protective Elective Surgical Units, with nearly 5,000 operations undertaken in nine months up to December 2020, with a much-reduced cancellation rate (6% for March to December 2020 compared to 18% for the same period in 2019) and zero infections. The Health Board has also maximised the use of independent sector capacity, including local independent sector hospitals, endoscopy insourcing and the use of a mobile MRI scanner. 10,074 patients were seen and treated in Spire Health from April to December 2020. 43% of surgical cases were cancer cases with the remaining 57% urgent surgery. Over 90% of outpatients seen at Spire Cardiff were for urgent Ophthalmology treatments, Clinical haematology and Breast Cancer patients.

The Health Board commenced endoscopy insourcing in January 2021 – delivering between 200-300 cases per month.

Prioritisation of patients has been based on clinical urgency rather than time-based targets. For patients waiting for surgical treatments, the Health Board has used Royal College of Surgeon's Clinical guide to surgical prioritisation during the pandemic to support assigning priority levels and timeframes for each surgical procedure.

Digital has been a key enabler of service delivery during the pandemic with the Health Board accelerating the use of virtual working through the adoption and rollout of "AttendAnywhere", a video consultation platform, and telephone appointments. A third of outpatient activity is now undertaken virtually. The Health Board has also rolled out Consultant Connect, a platform supporting more timely advice and guidance between primary and secondary care clinicians to 22 specialties to date.

See on Symptoms and patient-initiated follow-up, alternative models of care to the traditional outpatient approach, has been rolled out at a greater pace to reduce unnecessary follow-up appointment and ensure timely follow-ups for those patients who do need to be seen. In recent months, just over 4,000 patients per month have been transferred to this model of care.

The approach outlined above has ensured the Health Board has safely delivered as much non- COVID-19 elective activity as possible. Some key activity indicators are:

- New outpatient activity is at 84% of pre-COVID-19 levels after an initial reduction to 29% in April 2020,
- Elective inpatient admissions and day cases are at 72% of pre-COVID-19 levels having initially reduced to 27% in April 2020,
- Radiology activity has recovered to c. 90% of pre-COVID-19 levels and endoscopy is at 85%.

Whilst the Health Board has maintained access to essential planned care services throughout the pandemic and non-essential services when safe to do so, the impact overall with cessation or reduction of activity has been significant. Whilst waiting lists have not grown exponentially, patients are now waiting longer to be seen and treated, particularly those on a Referral to Treatment time pathway, outpatient follow-up pathway and diagnostic pathway. As at the end of March 2021:

- There were 92,286 patients on the RTT waiting list, of which 32,938 patients were waiting greater than 36 weeks - an increase of 29,423 since the end of March 2020 when 3,515 patients were waiting greater than 36 weeks,
- Patients waiting greater than 8 weeks for a diagnostic test increased from 782 in March 2020 to 4,547 at the end of March 2021,

- Whilst the volume of patients waiting for a follow-up appointment at the end of March 2021 has reduced to 170,453 (183,412 at the end of March 2020), 49,862 patients were 100% delayed – an increase of 5,343 compared to March 2020 (44,519 patients).

The Health Board continued to provide essential Eye Care services throughout the pandemic. At the end of March 2021, 96.4% patient pathways assessed as Health Risk Factor R1 had a target date allocated and 60.4% assessed as R1 were waiting within their target date or within 25% beyond their target date. Over the last year R1 compliance has ranged from 50.4% to 60.4%.

Referrals for patients with suspected cancer were significantly reduced at the start of the pandemic but, following a proactive primary care led communication campaign, have steadily increased. For the period April 2020 to February 2021, referrals are at 81% of expected levels. The Health Board has continued to maintain cancer activity throughout and from December 2020, in line with rest of Wales, moved to reporting the Single Cancer Pathway (SCP) only. Treatment levels this year are at 90% of pre- COVID-19 levels, with an average of 160 treatments per month. Although the Health Board has been successful in maintaining treatment activity and referral rates, backlog work and timeliness of treatment has, in some months, resulted in cancer compliance reducing. Compliance against the SCP for April 2020 to February 2021 has ranged from 53.9% to 81.2%.

Whilst attendances at our Emergency Unit reduced significantly at the start of the pandemic, these have subsequently increased – albeit it back to lower levels than previously. In 2020/21, 106,324 patients attended our Emergency Unit in comparison to 149,874 in 2019/20. 81.42% of our patients were seen, admitted or discharged within 4 hours and 1,456 patients waited more than 12 hours. Ambulance handover delays reduced in comparison to last year with 1,949 greater than 1 hour in comparison to 4,333 the previous year.

Mental Health services have continued throughout. Early in the pandemic, the service undertook work to review the expected growth demand as the psychological impacts of the pandemic become apparent and this informed the response. This required new ways of working and expansion of services around the lower tier services model to allow the minimum and earliest intervention possible. The response included a wide population-based approach as well some more targeted and specialist services, with a particular focus on primary care. The service also embraced virtual working with the service being the highest user of "AttendAnywhere" video consultations in the Health Board.

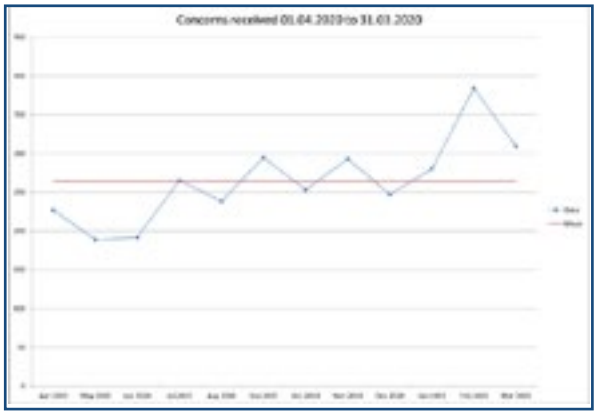
Mental Health initially experienced a decline in referral volumes. From May onwards, the service started to see a recovery of referral demand and from August onwards demand has grown to unprecedented levels. This has resulted in some pressure on Mental Health services. This has been a contributory factor to a deterioration in compliance in 28-day access for primary mental health.

4. Putting Things Right (PTR)

The central Concerns Team have continued to work in accordance with the Putting Things Right (PTR) Regulations.

At the beginning of the Pandemic, the Concerns Team wrote to everyone who had an active concern to advise that, whilst during this time, our responses may take longer than we would like, we wanted to reassure people that we had not forgotten about them and we remained committed to responding to their concerns.

During the period 1 April 2020 to 31 March 2021 we received 3,210 concerns, which is an increase from 3,166 when compared to 2019-2020. It is noted that at the beginning of the pandemic, there was a reduction in Concerns, however, an increasing trend has been observed:



The Health Board has closed 3,142 concerns during the period.

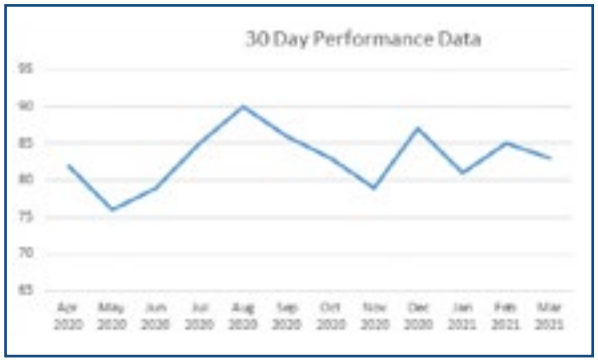
In some 30 cases failings were identified, 12 of which triggered part 6 of the regulations and are continuing to be managed under the Redress scheme. Upon completion of investigation 4 cases, where, failings in care had been identified were considered to be out of value and complainants were advised that it was in their best interest to pursue a civil claim.

- 0.6 % (19) of cases were referred to the Public Services Ombudsman Wales (PSOW) (Ombudsman) during this period,
- 1 was partially upheld by the Ombudsman,
- 4 are currently under review by the Ombudsman.

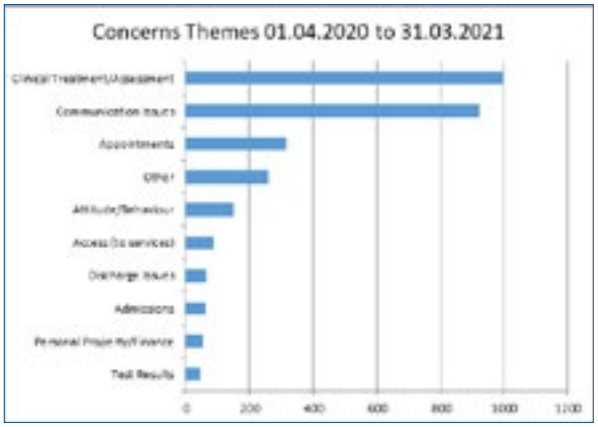
The remainder 14 of the cases were not investigated by the Ombudsman as they were Premature and the HB had not had the opportunity to fully respond to ongoing concerns raised with the Ombudsman.

Performance

Whilst there is not any published benchmarking data for concerns performance across Wales, it is very pleasing to note that, despite the demand on the Health Board, we are consistently maintaining a 30 working day performance which exceeds the Welsh Government target of 75%.



Concerns Themes



Patients, are raising concerns relating to delays in follow up appointments and planned procedures, in particular elective surgical procedures. In an attempt to manage patient expectations, Trauma and Orthopaedic Directorate has contacted patients on the waiting list to apologise for the delays and to provide an update. Some Surgical Procedures have been undertaken at Spire. Through the Prehabillitation to Rehabilitation work we have contacted patients on elective waiting lists and they were provided with the Patient Experience contact phone number to speak with a member of the team if they had any enquiries. The feedback has been very positive and patients appreciated knowing that they had not been forgotten about and that they were on a waiting list. The program provides information about improving and maintaining a healthy lifestyle whist awaiting surgery. The focus is in people seeing a waiting list as a preparation list and to encourage people to be as healthy as possible for surgery if required.

There has been a significant increase in the number of concerns regarding poor communication, in particular, in relation to lack of information when families are worried about their loved ones, inability to make contact directly to the wards via the telephone and lack of communication regarding discharge arrangements.

In order to address/ reduce concerns and to improve communication, the Concerns Team have implemented a 7 day working model since March 2020 to support/facilitate communication between wards and relatives.

The Patient Experience Team have also supported Virtual Visiting which has helped to allay concerns regarding relatives not being able to visit during this very difficult time. In order to facilitate visiting when possible, the Concerns Team provide a 7 day booking line to support this – on average, we receive over a 100 calls a day.

Due to the high number of enquiries, approximately 120 calls a day, relating to the COVID-19 vaccine programme, the Concerns Team are currently hosting the vaccination enquiry line 7 days a week. This provides an opportunity for members of the public to be reassured regarding when to expect the vaccine, to be signposted appropriately and facilitate arrangements for patients with more complex needs.

Visitors and staff express concern about staff not adhering to social distancing. To address this, the Health Board has continued to highlight the importance of social distancing in the CEO Connects and on posters displayed across all sites. The Executives and Communication Team are actively reminding people of the importance of social distancing through many social media and other routes. The Communications Team actively send out reminders about social distancing through all available media channels.

5. Delivering in Partnership

COVID-19 placed a tremendous strain on our health service provisions, testing our ability to adapt, make agile decisions and to find new ways of working to protect the patient population of Cardiff and the Vale of Glamorgan.

We have evolved, we have banded together and we would like to express our heartfelt appreciation, gratitude and admiration to the NHS staff who have enabled us to provide an unprecedented response, coped with extraordinary pressures and demonstrated teamwork, resilience and working side-by-side in solidarity. We're truly inspired by our workforce's personal commitment to making a difference during these challenging times and the examples of finding ways to be flexible, to do things differently, and to make continuous improvement makes us proud. #ThankyouNHS

It is also important to pay tribute to how national and local services have collaborated to support us in responding the COVID-19 challenges, including staff from social care, nursing homes, public health, Local Authorities, voluntary and community sector, students and Universities. We have witnessed camaraderie to get the job done and delivered great things in partnership and through collaborative leadership.

6. Workforce Management and Wellbeing

The Health Board faced one of its most significant staffing challenges during the COVID-19 Pandemic as in addition to experiencing its highest ever sickness rates of 8.39%. We also had a high number of staff unable to attend work as they were self-isolating or shielding. The usual sources of temporary staff such as our nurse bank and external agencies were also facing similar problems along with unprecedented demand for staff from all sectors of healthcare.
A further challenge was the anticipated increase in COVID-19 patients and the additional staff required to provide care in the Dragon's Heart field hospital.

Despite these challenges the Health Board developed a clear plan to ensure we would continue to provide **safe staffing levels** for our patients. This was achieved by the following actions:

- Identifying those staff who could be redeployed to care for the additional capacity required for the COVID-19 patients. This included staff in areas where elective activity either reduced or ceased.
- Deploying non-ward-based nurses to ward areas following refresher training undertaken at very short notice for example Clinical Nurse Specialists
- Appealing to those clinicians who had retired and could return to work on a temporary basis.

- Developing a workforce hub whose sole purpose was to recruit large volumes of staff in a very short period. To date, more than 2,000 staff have been recruited and a large number of them have secured substantive appointment within the Health Board.
- A rolling programme of nurse recruitment.
- Using both nursing and medical students as a temporary pool of staff.
- Deploying medical staff where the clinical need was greatest.

There were times during the past 12 months where providing enough staff to maintain safe levels of care were very challenging however the amount of effort by those working in, and managing these areas ensured everything was done to keep our patient safe.

6.1 Identifying and training staff to undertake new roles

In March 2020 discussions with workforce, nursing and allied health professional leads identified a need for urgent education in response to the first wave of the pandemic.

The key staff groups requiring training comprised:

- Off ward nurses (e.g. clinical nurse specialists, research nurses and clinic nurses) who were being redeployed into ward roles
- Newly recruited Health Care Support Workers (HCSW) for Nursing recruited via mass recruitment and newly recruited AHP assistants
- Health Board nurses who were being redeployed to critical care. During wave one Cardiff University also worked with the Consultant Nurse for Critical Care and provided critical care specialist education for this group.
- Overseas nurses who had joined the NMC temporary register
- St Johns Ambulance Volunteers supporting the Dragon's Heart Field Hospital and the Lakeside Wing
- Registered nurses who had joined the temporary NMC register to support the Health Board during the pandemic
- Allied Health Professionals (AHP) who were supporting as HCSW on wards or the critical care proning team (Dental Nurses, audiologists and podiatrists)
- Paediatric, surgical and mental health nurses who were deployed into adult medical areas
- 430 student nurses who opted to join the Health Board as employees under the Nursing and Midwifery Council (NMC) Emergency Education standards.

The training continued throughout the first and second waves and comprised:

Health Care support Worker Induction	A shortened 2.5-day HCSW induction programme covering the fundamentals of care, to support mass recruitment and deployment of AHPs into ward roles
Manual Handling	A half day manual handling workshop was developed and delivered by the Health and Safety Training Unit to ensure that staff were equipped with the right skills
Two-phase essential skills programme	For registered nurses. Delivered in conjunction with the Resuscitation, Medical Engineering, Palliative Care and Point of Care Testing Teams. Cardiff University also provided clinical skills tutors to assist with training and a Health Board Patient Safety Advisor was also released to support.
Student Induction Workshops	Provided essential COVID-19 related education. The LED team worked with the Directors of Nursing to place the students and worked with workforce and Cardiff University regarding the issuing of student contracts, deployment and termination of contracts.
St Johns Ambulance	Fundamental care workshops – delivered as part of the HCSW induction.
Fit testing	LED also worked collaboratively with the Corporate Nursing and Medical Education teams to undertake fit testing and are continuing to support the Health and Safety Training Unit with this function.

In 2020 the government introduced emergency legislation to allow the professional bodies to create a temporary **COVID-19 register.** This legislation meant that bodies such as the GMC and NMC could temporarily re-register fit, proper and suitably experienced individuals, so they could help with the coronavirus pandemic if they wanted and felt able to do so. This included staff who had retired but wanted to return to practice temporarily. The NMC contacted all nurses who had lapsed their registration in the previous 3 years to enquire as to whether they wished to be re-registered onto the temporary COVID-19 register. The Medical Workforce and Nursing Hubs contacted all local registrants and this resulted in 4 retired Consultants and 10 nurses being recruited. The nurses were all deployed to the Cardiff Testing Unit and/or Mass Immunisation Programme.

In addition to the retired registrants 25 Consultants and 214 junior doctors were recruited by the Medical Workforce Hub and by working closely with Cardiff University and Medical Education the Hub was able to engage 138 medical students. In March 2021 there were 75 doctors engaged temporarily to work in Mass Immunisation.

Last year the Health Board prioritised and implemented a range of resources to support the **health and well-being of our workforce** during COVID-19. This work continues as a priority, as we recognise the on-going importance to support our staff and their wellbeing needs.

During the first wave, the Health Board was overwhelmed by donations of gifts, food and drinks from the public and other organisations, which were received and

distributed to staff across all sites by the Cardiff & Vale Health Charity. The charity distributed over 70,000 meals to staff as part of their Spread the Love campaign.

A strategic Wellbeing group chaired by the Workforce Director enabled decisions and actions to take place at pace for the benefit of the staff's wellbeing.

The mental wellbeing of staff was a particular area of focus for the Health Board during the surge of the pandemic. In order to support as many staff members as best as possible, Dr Julie Highfield, a clinical psychologist at Cardiff and Vale UHB worked in collaboration with the internal wellbeing service in developing a series of fact sheets with tips for staff to better manage their mental health in the context of specific coronavirus-related situations. Examples include an end of shift wellbeing checklist, specific guidance for managers around grief and bereavement, and wellbeing tips for staff working at home. The Health Board also increased the capacity of its Employee Wellbeing Service as psychologists and staff from other departments were redeployed there; it is implemented telephone psychological support for staff.

The occupational health team worked with the dermatology department to implement a rapid-access pathway for staff affected by dermatology conditions associated with PPE use and increased hand washing. This piece of work was recognised as good practice in the BMJ 2020.

In order that the Health Board staff's needs as were met during COVID-19, the Health Board arranged for a number of changes to its sites. It arranged suspension of parking restrictions at its sites so that staff could park in any available space regardless of whether they carried a permit. As visitors and patients had stopped routinely coming to hospital, this initiative ensured that parking onsite was as easy and convenient as possible for staff and that they would not face penalties for parking in available visitor spaces. Furthermore, the Health Board's Capital, Estates and Facilities team arranged for 24-hour hot food provision to be implemented at the University Hospital of Wales restaurant, Y Gegin, and the restaurant at University Hospital Llandough. The team also planned and installed shower facilities at both UHW and UHL so that staff could shower before leaving site after their shift. There were also changing facilities made available to staff across the Health Board's sites. The Health Board also provided an accommodation booking service for staff who needed somewhere to stay urgently following working in hospital or if they had vulnerable family members meaning that they were unable to return home after caring for COVID-19 patients.

More recently, as a result of a charity donation from Gareth Bale and family, a Staff Haven has been integrated into the Lakeside Wing surge hospital. This provides a quiet environment where staff can rest, relax and decompress in work. Additional Staff havens have been opened in UHW and UHL with Aroma coffee bars nearby.

Other examples of the initiatives the Well-being Team have put in place during 2020/21 include:

- working with managers and senior managers to ensure they are aware of the range of resources available to support both their own wellbeing and that of their staff
- developed senior manager wellbeing checklist to provide guidance on what to consider in their areas to support their staff
- streamlined resources into a pack for managers to access but can also be used by individuals to support specific needs
- working collaboratively with Chaplaincy team to ensure that staff have access to pastoral support
- Head of Employee Health and Wellbeing visiting COVID-19 wards to speak to staff, offer support and raise awareness of support available
- implemented twice weekly virtual wellbeing drop-in sessions open to all staff
- working with Remploy to offer vocational mental health, one-to-one support, offered over 9 month period
- working collaboratively with the Cardiff Recovery College to offer mental health training and support to all staff
- working with Time to Change Wales to train wellbeing champions so that staff can access wellbeing advice and signposting in the workplace
- piloting a click and deliver app which will enable clinical staff to order refreshments to their department thereby enabling them to staff hydrated and fed during their shifts
- reviewing the capacity of the Rapid access Trauma pathway for Health Board staff to ensure it is sufficient to meet the increasing demands

'Shielding' means protecting those people who are **Clinically Extremely Vulnerable** to the serious complications of coronavirus because they have a particular existing health condition. These individuals received a shielding letter from the Welsh Government (or an equivalent letter from their GP/Specialist) advising them that they must remain shielded at home. Some staff may have received this letter because they care for someone who is considered clinically extremely vulnerable (i.e. shielding a family member). The first wave letters were sent on 24 March 2020 covered a 12-week period which was later extended to 16 August 2020. During the second wave shielding was re-introduced from 20 December 2020 until 31 March 2021.

At the peak, during the first wave, there were 637 staff (517.64 wte) staff who were shielding.

The absence report for March 2021 shows that the number of staff shielding had reduced to 270. It should be noted that Shielding does not mean that the individual was off sick or unwell, but they are vulnerable to the virus, and a large proportion of these worked from home.

A small group was established to work in partnership, to consider Shielding and provide insight from different perspectives. It was recognised that there was, at least

initially, a lack of understanding around Shielding and that managers should be provided with guidance and support for ensure consistency, help them find meaningful work for the individuals concerned, and make sure that the well-being of the individual was considered at all times.

A key tool for supporting all staff, but also those who were shielding was the **All-Wales COVID-19 Workforce Risk Assessment Tool**. This was developed to help individuals and their managers understand if they were at higher risk of developing more serious symptoms if they came into contact with the COVID-19 virus and to agree the right actions for them based on their level of risk. In March 2021 there were 1083 risk assessment records recorded in ESR, however, the completion of the risk assessment was not mandatory, nor was the recording of the outcomes in ESR for those who completed it.

In addition to the All-Wales risk assessment, the Health Board developed a separate Risk Assessment for Pregnant Staff with Potential Coronavirus Exposure to be completed by managers together with their pregnant employees at least twice during the pregnancy (i.e. before and after 28 weeks).

6.2 COVID-19 staff deaths

During the pandemic we have sadly lost several members of staff from different departments and roles across the Health Board who have died following contracting COVID-19. The Chair writes directly to the families of all staff offering our condolences and offering any help that we are able to provide. It is recognised that it is also very difficult for staff who have lost colleagues and part of the Patient Experience/ chaplaincy team's role is to support staff as well as patients, in these difficult times the chaplains have been supporting staff when very sadly their colleague has died.

With the consent of the next of kin we have been live streaming funerals on multiple sites, sometimes in several places to allow colleagues to observe the funeral service and pay their respects in a safe, socially distanced manner. If the family request the support of a hospital Chaplin at the actual service this is being offered. We have agreed with all families that we will have a memorial service that they will be welcome to attend and meet their loved ones colleagues when we are able to congregate in an appropriate and convenient location.

6.3 Local Partnership Forum and Other Employee Engagement Groups

Local Partnership Forum (LPF)

The Health Board has statutory duty to "take account of representations made by persons who represent the interests of the community it serves". This is achieved in part by three **Advisory Groups** to the Board and the Local Partnership Forum (LPF) is one of these.

LPF is co-chaired by the Chair of Staff Representatives and the Executive Director of Workforce and OD. Members are Staff Representatives (including the Independent Member for Trade Unions), the Executive

Team and Chief Executive, the Director of Corporate Governance, the Assistant Directors of Workforce and OD and the Head of Workforce Governance. The Forum meets 6 times a year.

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

Significant issues which the Local Partnership Forum considered during 2019-20 include:

- Review of the initial response to COVID-19 including the Dragon's Heart Hospital
- Shielding the workforce
- Remote/hybrid working
- Transforming urgent care (CAV 24/7)
- Strategic planning (recovery planning, Quarter 3-4 planning, IMTP)
- Physical Distancing Guidance for the Health Board
- Operational Updates
- Health and Wellbeing in the workplace (response to COVID-19)
- Learning from COVID-19
- Mass immunisation programme
- Recruitment and the Workforce Hub
- NHS Staff Survey
- Clinical Services Strategy and UHW2
- DPH annual report – re-imagining aging into the future

LPF also regularly receives an update on 'hot topics' from the Chief Executive and standing reports on WOD Key Performance Indicators, finance and patient quality, safety and experience.

The LPF has 3 sub-groups - the Workforce Partnership Group, the Employment Policies Sub Group and the Staff Benefits Group:

The **Workforce Partnership Group (WPG)** is co-chaired by the Chair of Staff Representatives and the Executive Director of Workforce and OD (WOD). Members are senior representatives of the WOD team, Lead Clinical Board Staff Representatives, the Lead Staff Representative for Health and Safety and the Staff Side Secretary. The Independent Member – Trade Union also has a standing invitation to attend. The WPG generally meets 6 times a year, alternating with the LPF, but due to the COVID pandemic the WPG has been meeting more frequently since June 2020.

WPG provides a forum for the Health Board and Trade Unions (including Professional Organisations and Staff Associations) to work together on issues of service development, engagement and communication specifically as they affect the workforce. Its purpose, as set out in the Terms of Reference, fall into three overarching themes: to communicate, to consider and to discuss matters which affect the workforce. The items discussed tend to be more operational or detailed than those brought to the LPF, and the LPF regularly refers matters to the WPG for follow up and further consideration.

Significant issues which the WPG has considered during 2020/21 include:

- Employee Health and Wellbeing
- Staff Survey
- Retire and Return principles
- Pay Progression
- Quarter 3 and 4 Workforce Plan
- EU Settlement Scheme (implications and support for staff)
- Health Working Relationships Review
- Internal Career Development Scheme
- Generic Job Descriptions
- Values Based Appraisal
- Internal Appointments Process
- General COVID updates
- AL and breaks during COVID
- Workforce Hub Activity
- MAAW Policy and training
- Employee Relations Activity
- Respect and Resolution Policy

The **Employment Policy Sub Group (EPSG)** is made up of representatives from Workforce and OD and Trade Unions and is co-chaired by the Workforce Governance Manager and a TU representative. EPSG is the primary forum for the development and review of employment policies, procedures and guidelines. It usually meets 6 times a year but due to workload pressure due to COVID-19 this was reduced in 2020/21.

Over the past year the following documents have been developed or reviewed and approved:

- Domestic Abuse Procedure
- Retire and Return Procedure
- Unauthorised Absence Procedure
- Values Based Appraisals Procedure
- Redeployment Procedure
- Equality, Inclusion and Human Rights Policy
- Managing Safeguarding Allegations (staff) Procedure
- Annual Leave Procedure
- Supporting Carers Guidelines

The **Staff Benefits Group** explores and co-ordinates discounts and benefits offered by external organisations for Health Board employees. The Group ensures and agree 'best deals' for staff and reports their work to the Charitable Funds Committee and the Local Partnership Forum.

The Staff Benefits Group meets on a bi-monthly basis and has the following membership:

- Senior Management Representative
- Senior Health Charity representative
- Senior Workforce Manager
- Staff Side representative
- Communications representative
- Sustainable Travel Manager
- Procurement Representative

Businesses and suppliers who wish to provide discounted goods or services to staff are invited to email the Communication,

Arts, Health Charity and Engagement Team and new proposals are taken to the Staff Benefits Group for discussion and approval and subsequently advertised on the Staff Benefits website page.

In 2020-2021 progress was restricted due to COVID-19. However, the group continued to hold virtual meetings and progressed the following:

- Revised the Terms of Reference to include an Executive Director lead,
- Obtained sponsors to help with staff welfare during COVID-19 and encouraged ongoing support towards staff benefit schemes,
- Reviewed the Salary Sacrifice Schemes,
- Finalised the Memorandum of Understanding between Nathaniel Car Sales and the Health Board (November 2020),
- Reviewed staff benefits web pages / Staff Connect App,
- Produced annual work plan/ union sponsored schemes,
- Obtained addition staff benefit schemes for Christmas from major retailers,
- Received and reviews suitability of new staff benefit schemes.

At a more local level, each **Clinical Board** also has monthly or bi-monthly Local Partnership Forums which enable the Clinical Board leadership team to engage with trade union representatives on local matters. These were suspended due to COVID-19 pressures in some areas and replaced with more informal discussions with the Lead Clinical Board Representatives but have either restarted or are due to do so in the early part of 2021/22.

6.4 Equality, Diversity and Human Rights

The Health Board is required, under the Equality Act 2010 to produce a **Strategic Equality Plan (SEP)** every four years. The purpose of a Strategic Equality Plan is to document the steps the organisation is taking to fulfil its Public Sector Equality Duty) under the Equality Act 2010. In preparing and revising its Strategic Equality Plan the Health Board is required to engage appropriately and have due regard to relevant equality information.

The current SEP Caring about Inclusion 2020-2024 has a number of key delivery objectives and is premised on the basis of embedding equality, diversity and human rights, and Welsh Language, into Health Board business process. The SEP is closely aligned to our ten year strategy 'Shaping Our Future Wellbeing', our Intermediate Medium-Term Plan as well as the Well-being of Future Generations Act 2015. This is the first year of the current four year Plan.

Cardiff and Vale University Health Board will continue to look to meet and go beyond our legal obligations, and to apply the principles that sit within the Equality Act and the Public Sector Equality Duty (PSED) to all our thinking, planning and decision making. This has included the publication of our Strategic Equality Plan (SEP) which was reviewed in light of recent events that took place in 2020 around issues of inequality. Reducing Health Inequality is a strategic aim of the organisation as set out in our 'Shaping Our Future Wellbeing' Strategy[1].

1 http://www.cardiffandvaleuhb.wales.nhs.uk/sitesplus/documents/1143/10%20-%20UHB%20Shaping%20Our%20Future%20Wellbeing%20Strategy%20Final.pdf

As an organisation we, as with the rest of NHS Wales, have faced, and continues to face challenges, both in terms of our role as an employer and as a service provider. We have come under intense pressure of demand for some of our services and there has been untold impact on our staff.

The publication of the Black, Asian and Minority Ethnic COVID-19 Socioeconomic Subgroup Report has given us an opportunity to reflect and learn whilst the organisation works on its Strategy Equality Plan - Caring about Inclusion. For example, in July 2020, our Management Executive received a presentation from the Equality Manager and the Assistant Director of Organisational Development laying out some initial first steps in "Improvement for Inclusion". It was recognised and accepted that inequality cannot be tackled half-heartedly or by sporadic, one-off, disconnected initiatives: that our actions need to be well planned, strategic, sustainable and taken seriously.

The organisation has decided that each Executive Director will sponsor and support a specific protected characteristic as this work develops. Our CEO, to demonstrate his personal commitment to this work, is taking the lead for the protected characteristic of Race.

A further review of some of our employment policies has led to the development of a new Equality, Inclusion and Human Rights Policy. The Health Board wants to build a reputation for demonstrating outstanding practice in the field of employment relations and service delivery and will work to ensure that equality, inclusion, diversity and human rights principles are owned, valued and demonstrated by everyone within the organisation - the Board, members of staff and those who provide services on behalf of the organisation.

The Health Board has a long history of strong partnership working. We will be looking to work alongside others in strengthening work to tackle inequality. For example, we are leading the work on the health Workstream of Cardiff Council's developing Race Equality Taskforce.

On a wider partnership scale, our SEP was developed with other public bodies. Our public bodies' partnership involved: Natural Resources Wales (NRW), Arts Council of Wales, National Museum Wales, Higher Education Funding Council for Wales (HEFCW), Welsh Language Commissioner, Careers Wales, Welsh Revenue Authority, Health Education Improvement Wales (HEIW), ESTYN, Sport Wales and Velindre University NHS Trust. Our aim is to ensure our Equality Objectives for 2020-2024 will address the health related challenges set out in Is Wales Fairer? 2018. These public bodies were keen to take steps to agree shared objectives and wanted to take forward a collaborative approach involving the sharing of resource, insight and expertise. This approach promotes smarter working and creates capacity for widening stakeholder and community engagement. Uniting behind shared objectives has the potential to influence further collaborative working and shared practice, promoting greater impact across the public sector and public services in Wales contributing significantly to tackling inequalities and the 'prevention agenda'. Focus was also aimed at ensuring the objectives themselves, and the long-term

aims to which they will contribute, are the right ones.

Although language is not a protected characteristic under the Equality Act 2010 - the protection of the Welsh language is taken forward under separate legislation (the Welsh Language (Wales) Measure 2011 and related Standards) - it has long been recognised that the equality and Welsh language policy agendas complement and inform each other. It is further supported through the Goal within the Wellbeing of Future Generations Act – A Wales of vibrant culture and thriving Welsh language. Our aim is to sustain and reinforce that principle through our new Strategic Equality Objectives and ensure they serve to promote and protect the Welsh language.

6.5 Welsh Language Regulations – The Welsh Language Standards Regulations 2018

Please refer to paragraph 13.3 within the Accountability Report.

6.6 Well-being of Future Generations (Wales) Act (WBFGA) 2015

The Well-being of Future Generations (WFG) Act requires named statutory bodies, including Cardiff and Vale UHB, to ensure the needs of the current population are met without compromising the ability of future generations to meet their own needs. This 'sustainable development principle' requires the organisation to routinely follow the five ways of working from the Act (prevention, long-term, collaboration, integration, involvement), and contribute to the seven national well-being goals.

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

Governance arrangements in Cardiff and Vale UHB

A Cardiff and Vale UHB WFG Steering Group, chaired by the Executive Director of Public Health, determines and implement the actions required to embed the requirements into the Health Board, and support the culture change required for the Health Board to implement routinely the sustainable development principle. In order to focus on the acute response to the pandemic, regular meetings of this group were suspended

during 2020-2021, but will be reinstated from April 2021.

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 Well-being of Future Generations Champion for the Board. We maintain a regular dialogue with the Office of the Future Generations Commissioner.

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

Our well-being objectives

Within the Health Board, our ten year strategy (Shaping our Future Well-being) objectives are the organisations' statutory well-being objectives under the WFG Act, and listed below. These objectives contribute to the seven national well-being goals. 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 well-being
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

The IMTP 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.

In response to the COVID-19 pandemic the traditional planning approach and rhythm for NHS Wales was paused. Through 20-21 organisations were asked to develop quarterly plans whilst for 2021-22 the direction given from Welsh Government was that NHS Wales should move to an annual planning cycle with the need to develop a 12-month plan. The 21-22 planning framework issued by Welsh Government placed a heavy emphasis on the ongoing planning for the COVID-19 pandemic. The planning framework also confirmed that was to be no formal approval (or not) of the 21-22 plans. As such this change in focus of the plan meant that whilst the well-being objectives were not formally reviewed by the Health Board, those agreed as part of 20-21 were considered extant and fully reflected

within the annual plan. We will resume our usual annual review of our well-being objectives during 2021-22.

Progress against our well-being objectives

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

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

Other developments

While during 2020-2021 the Health Board has been focused on its response to the pandemic, we have tried to do so in a way which aligns with the sustainable development principle, including:

- Extensive daily partnership working directly with statutory partners, in setting up and implementing the Test, Trace, Protect (TTP) programme in Cardiff and the Vale. This has been a true partnership endeavour, with teams made up of staff from across the partnership leading on strategy and surveillance through to contact tracing. Staff and budgets have been shared with fully integrated working on a daily basis
- Working closely with our black, Asian, and minority ethnic communities and community leaders to increase engagement and reduce the unequal impacts of COVID-19
- Early planning and implementation of a mass vaccination programme, to prevent future cases of COVID-19
- Enabling a large increase in remote clinical consultations
- Supporting a rapid shift to home working wherever possible for staff, and looking at how the benefits of this can be embedded long-term. This contributes to increased flexibility for staff, along with a reduction in carbon emissions from commuting
- Some of the 'mutual aid' and regional service provision we have progressed with neighbouring Health Boards not only ensured that some immediate threats to service sustainability were addressed during the pandemic, but have also proved a catalyst for accelerating the way we work with other Health Boards to find long term sustainable service solutions

Other actions during the year included:

- Having declared a climate emergency in January 2020, the Health Board has developed an ambitious Sustainability Action Plan, led by the Executive Director of Strategic Planning
- The Health Board signing the Vale Climate Charter
- The Health Board joining the Global Green and Healthy Hospitals network

- Engaging with the public on Shaping Our Clinical Services – a consideration on how clinical services could be delivered in the future across our system as the healthcare needs of our population evolves. The emphasis will be on delivery of integrated services at home or as close to home as possible, a focus on wellness and prevention and only using hospital services where necessary
- The development and submission to Welsh Government in March 2021 of a programme business case for the Shaping Our Future Hospitals programme. Ultimately a successor to the current University Hospital of Wales, which would deliver the reimagined services being developed as part of Shaping Our Clinical Services and have sustainable building principles at its heart.
- The Health Board's Refit programme in which significant energy and carbon reduction measures are identified and implemented, commenced in March 2020. Phase 1a has been delivered which included the works below. The Phase 1a program will result in an estimated annual reduction in CO2 emissions by 700 tonnes. Phases 2 and 3 of the Refit program have also been developed and subject to approval these phases will commence during 2021/22.
  - *7,000 existing lights replaced with LED*
  - *Over 100 ventilation motors replaced with high efficiency units*
  - *Half a kilometre of pipework insulation provided*
- The Health Board operates an Environmental Management system including ISO14001 certification by BSI. In 2020/21 continued certification was provided by BSI and the external audit in January 2021 concluded with no non-conformances identified.
- 3 electric vehicles have been purchased in 2020/21 for Estates and Security instead of fossil fuel vehicles. Electric vehicle charging points have been installed in Woodland House with other charging units being considered for other areas.

7. Decision making and governance

During the COVID-19 crisis, the Health Board has had to plan differently, operate differently, manage its resources differently, and govern differently to deal with the unprecedented challenges and pressures presented by the pandemic.

- **Strategic Governance** - In the context of COVID-19 the strategic governance of the organisation has been agile.
  - *We held more effective and efficient board and committee meetings;*
  - *ensured a clear focus on essential business and COVID-19 related risks and matters;*
  - *maintained openness and transparency by conducting virtual meetings online;*
  - *ensured effective engagement with the public and their partners; and*
  - *made decisions at a more rapid pace.*

- **Clinical Governance** - In March 2020, due to the COVID-19 pandemic the IMTP process was paused and Quarterly Frameworks were introduced for NHS Wales. The Health Board produced quarterly plans addressing the key priorities. This enabled the Health Board to allow all resources to be redirected to sustaining key services.
- **Financial Governance** – There are a number of requirements that need to be considered in terms of 'business as usual' as well as additional systems to record COVID19 related expenditure. The key principles of good financial governance remained, and there was regular dialogue with Welsh Government on COVID-19 expenditure
- **Human Resources Governance** - a significant focus was placed on the capacity, capability and resilience of the workforce needed to meet the challenges of COVID-19. The Health Board were able to make decisions quickly, ensuring continued safety and resilience of services, as well as maintaining records to support COVID-19 specific expenditure.
- **Information Governance** – the key information governance requirements remain, and the organisation should continue to operate within these.
- **Civil Contingencies and Emergency Planning** – the Health Board continued to deliver, safe, quality and responsive patient care during the challenging COVID-19 climate,
- **Multi-agency working** – the Health Board working in collaboration across the public, private and voluntary sectors to transform services since the start of the pandemic:
  - *From continuing to provide services under the lockdown restrictions which supported people to stay at home,*
  - *to working with the private sector to increase bed capacity across the system so that patients with the greatest need could be treated in acute settings,*
  - *the transformations that were delivered are a demonstration of an enormous national, and regional cross-sector and compassionate response to the challenges that faced the population of Cardiff and the Vale,*
  - *Voluntary organisations, community groups and private sector companies alike responded admirably to the Welsh Government's plea for greater collaboration, not least in the rapid manufacturing and deployment of vital personal protective equipment (PPE) for health and care staff which resulted in the NHS having sufficient Personal Protective Equipment (PPE).*

Further information on decision making and governance is contained in the Annual Governance Statement.

8. Sustainability Report

The Government Financial Reporting Manual (FReM) states that the sustainability report is not mandatory for 2020-21, but bodies should report on their website when metrics are available. Therefore, the information can be accessed on our website.

Signed by:  .....

Len Richards
Chief Executive & Accountable Officer

Date: *10/06/2021*

Part 2a

Accountability Report

Chapter 2a Accountability Report

Scope of the Accountability Report

The purpose of the accountability section of the annual report is to meet key accountability requirements to the Welsh Government, and it provides an overview of the governance, accountability arrangements and structures that were in place across the Health Board during 2020-2021.

It includes a:

- Corporate Governance Report
- Remuneration and Staff Report
- Parliamentary Accountability and Audit Report

9. Corporate Governance Report

9.1 Directors Report

9.1.1 The Composition of the Board

Part 2 of The Local Health Boards (Constitution, Membership and Procedures)

(Wales) Regulations 2009 sets out the required membership of the Boards of Local

Health Boards, the appointment and eligibility requirements of members, the term of office of Independent Members and Associate Members. In line with these Regulations, the Board of Cardiff and Vale University Health (the Health Board) comprises 19 voting members, with an additional 3 non-voting members, including:

- a Chair;
- a Vice-Chair;
- Officer members;
- Independent members; and
- 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. As a result of the public health risk linked to the pandemic the UK and Welsh Government (WG) stopped public gatherings of more than two people and it has therefore not been possible to allow the public to attend meetings of our Board and Committees since March 2020.

The members of the Board are collectively known as "the Board" or "Board members"; the Officer and Independent members (which includes the Chair) are referred to as Executive Directors and Independent Members respectively. All Independent Members and Executive Director Members have full voting rights.

The Health Board has 11 Independent Members (including Chair and Vice-Chair), all of whom are appointed by the Minister for Health and Social Services. There are 8 Executive Directors.

In addition, Welsh Ministers may appoint up to 3 Associate Members. Associate Members have no voting rights. There are also 2 Director posts which are the Director of

Corporate Governance, and the Chief Clinical Information Officer (CCIO) who form part of the Executive Team and the Board but have no voting rights.

Before an individual may be appointed as a member or associate member they must meet the relevant eligibility requirements, set out in Schedule 2 of The Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulation 2009, and continue to fulfil the relevant requirements throughout the time that they hold office.

The Regulations can be accessed via the following link:
http://www.wales.nhs.uk/governance-emanual/regulations-constitution-membershipand-

9.1.2 Voting Members of the Board During 2020-2021

Please refer to paragraph 12.15 within the Accountability Report.

9.1.3 Audit and Assurance Committee

The membership of the Audit and Assurance Committee during 2020-2021, providing the required expertise was as follows:

Name	Role	Dates
INDEPENDENT MEMBERS		
John Union	Committee Chair	April 2020-March 2021
Eileen Brandreth	Committee Vice Chair	April 2020-March 2021
Dawn Ward	Independent Member Trade Union	April 2020-January 2021

9.1.4 Declaration of Interests

Details of company directorships and other significant interests held by members of the Board which may conflict with their responsibilities are maintained and updated on a regular basis. A Register of Interests is available on the Health Board's website by clicking on the following link https://cavuhb.nhs.wales/about-us/our-board/register-of-interests/ or a hard copy can be obtained from the Board Secretary on request.

9.1.6 Personal Data Related Incidents

Information on personal data related incidents which have been formally reported to the Information Commissioner's office and "serious untoward incidents" involving data loss or confidentiality breaches and details of how the risks to information are managed are detailed on section 13.10 page 95 of the Annual Governance Statement.

9.1.7.Environmental, Social and Community Issues

These are included on 13.5 Environmental, Social and Community Issues page 91 of the Annual Governance Statement.

9.1.8 Statement of Public Sector Information Holders

This is contained at section 19.3 Managing Public Money (page 129) of the Parliamentary Accountability and Audit Report.

Signed by: .....

Len Richards,
Chief Executive & Accountable Officer

Date: 10th June 2021

10. Statement of Accountable Officers Responsibilities

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

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

I can confirm that:

- *To the best of my knowledge and belief, there is no relevant audit information of which Cardiff & Vale University Health Board Board's auditors are unaware, and I have taken all steps that ought to have been taken to make myself aware of any relevant audit information and established that the auditors are aware of that information.*
- *Cardiff & Vale University Health Board's annual report and accounts as a whole are fair, balanced and understandable and I take personal responsibility for the annual report and accounts and the judgements required for determining that it 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 & Accountable Officer

Date: 10th June 2021

11.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 Cardiff & Vale University Health Board and of the income and expenditure of the Cardiff & Vale University 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 applicable accounting standards have been followed, subject to any material departures disclosed and explained in the account.

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

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

By Order of the Board

Signed:

Chairman,

Charles Janczewski: .....

Dated: 10th June 2021

Chief Executive & Accountable Officer,

Len Richards: .....

Dated: 10th June 2021

Executive Director of Finance,

Catherine Phillips: .....

Dated: 10th June 2021

Part 2a

Annual Governance Statement

12. Annual Governance Statement

12.1 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.

This Annual Governance Statement details the arrangements in place during 2020-2021 to discharge my responsibilities as the Chief Executive Officer of the Health Board, and to manage and control the Health Board's resources. It also details the extent to which the organisation complies with its own governance arrangements, in place to ensure that it fulfils its overall purpose, which is that it is operating effectively and delivering quality and safe care to patients, through sound leadership, strong stewardship, clear accountability, robust scrutiny and challenge, ethical behaviours and adherence to our set values and behaviours. It will set out some of the challenges and risks we encountered and those we will continue to face going forward.

At the time of preparing this Annual Governance Statement, the Health Board and the NHS in Wales is focussing on the recovery phase after facing unprecedented and increasing pressure in planning and providing services to meet the needs of those who have been affected by COVID-19, whilst also planning to resume other activity where this was 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.

The Annual Governance Statement details the arrangements in place for discharging the Chief Executive's responsibilities to manage and control the Health Board's resources during the financial year 2020-2021 It also sets out the governance arrangements to ensure probity, that strategic and delivery plans are in place, risks are mitigated and

that we have appropriate controls to govern corporate and clinical situations.

Planning has and will remain fluid and responsive to incoming data, and the Health Board is now adjusting its planning assumptions as it enters the recovery phase and forecasts the potential demand for critical care and bed capacity over the next 12 months, the timing and scale of which is currently unknown. Any deviations from normal operating procedures are reported to the Board and the relevant Committees. Therefore, the Health Board is developing careful plans to restart normal services on a clinically prioritised basis whilst maintaining all essential services, alongside managing the ongoing demands arising from COVID-19, and understanding the impacts of suspended/ scaled back services on delivery, quality and safety, finances and performance.

12.2 Escalation and Intervention Arrangements

In October 2020 the Minister for Health and Social Services confirmed that we will be maintaining our rating of 'routine arrangements, on the advice of the Director General of Health & Social Services/Chief Executive NHS Wales which was informed by the discussions of the Tripartite Group (which comprises Welsh Government officials, Health Inspectorate Wales (HIW) and Audit Wales). The Director General of Health & Social Services/Chief Executive NHS Wales also recognised the professional and considered way in which the NHS and the UHB responded to the extraordinary circumstances of the pandemic response. During the period 2020-2021, with the exception of the impact of the COVID-19 pandemic, no serious issued were identified to affect NHS delivery, quality and Safety of care and organisational effectiveness, and the Health Board have continued to be monitored through "routine arrangements" since December 2019.[2]

12.3 Integrated Medium-Term Plans (IMTP)

The Health Board submitted its Integrated Medium Term Plan (IMTP) for 2020-2023 by the amended Welsh Government deadline of 31 January 2020. The Welsh Government identified the plan as approvable but due to COVID-19 the IMTP process was paused. The IMTP is a statutory document and marks a significant step forward. This was the first time in three years that this had been considered as approvable by Welsh Government and alongside improving our position from targeted intervention to enhanced monitoring this was a double achievement.

In March 2020, due to the COVID-19 pandemic the IMTP process was paused and Quarterly Frameworks were introduced for NHS Wales. Organisations were required to produce quarterly plans addressing the priorities set out in these frameworks. This enabled the Health Board to allow all resources to be redirected to sustaining key services.

The monitoring of its progress is embedded in our approach to performance management and governance across the Health Board.

2 *Written Statement: Escalation and Intervention Arrangements (7 October 2020) | GOV.WALES*

Our Governance Framework

12.4 Standing Orders and Scheme of Reservation and Delegation

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 Health Board and define - its 'ways of working'. These documents, together with the range of corporate policies set by the Board make up the Governance Framework. These are available from https://cavuhb.nhs.wales/about-us/policies-procedures-and-guidelines/. The Board approved the All Wales Model Standing Orders, Reservation and Delegation of Power for Standing Orders and the Standing Financial Instructions (SFI's) at the Board meeting held on 27 May 2021. 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 Health Board,
- Establishing and maintaining high levels of corporate governance and accountability including risk management and internal control,
- Ensuring delivery of the Health Board'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 Health Board and creating a strong culture of learning and development,
- Enacting effective financial stewardship by ensuring the Health Board is administered prudently and economically with resources applied appropriately and efficiently,
- Instigating effective communication between the Health Board and its community to ensure its services are planned and responsive to identified needs.

The Board, subject to any directions that may be made by the Welsh Ministers, is required to make appropriate arrangements for certain functions to be carried out on its behalf so that the day to day business of the Health Board may be carried out effectively, and in a manner that secures the

achievement of its aims and objectives.

As part of its response to COVID-19, the Board Governance Group agreed the approach in April, with the Board endorsing the arrangements in May 2020 for ensuring the appropriate level of Board oversight and scrutiny to discharge its responsibilities effectively, whilst recognising the reality of Executive focus and time constraints. Part of the response was in respect of ways of working, which had to be adapted continually during such a pandemic; however, part of the response required temporary variation from its Standing Orders (SOs) and Reservation and Delegation of Powers. To ensure that the Health Board could facilitate agile decision making and reduce unnecessary bureaucracy, without compromising strong governance, it agreed a temporary variation to parts of the Standing Orders. The Board agreed these at its meeting on the 28 May 2020.

12.5 The Board and its Committees

The Health 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.

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.

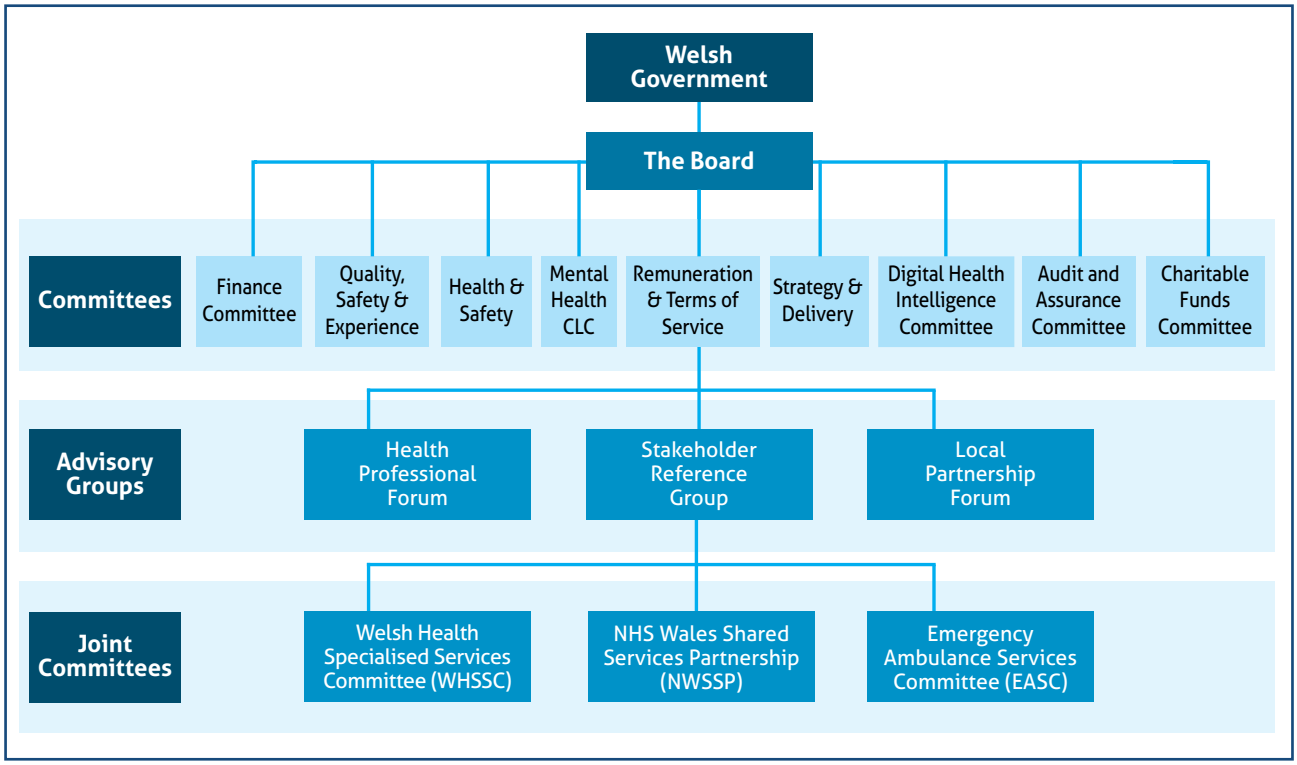
Board papers are usually published on the Health Board's website 10 days prior to each meeting, however this was reviewed and reduced to 7 days during the first wave of the COVID-19 pandemic. However, since then Board Papers have been published 10 calendar days prior to the meeting and in line with Standing Orders further information see section 12.7 Board & Committee Meetings during COVID-19 page 64.

A breach log is maintained 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 Health Board'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 2020-2021 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 Health Board has a Governance Coordinating Group, chaired by the Chair of the Health Board.

The Health Board's Board and Committee structure in place during 2020-2021, is outlined below.



12.6 Effective Governance During the COVID-19 Pandemic

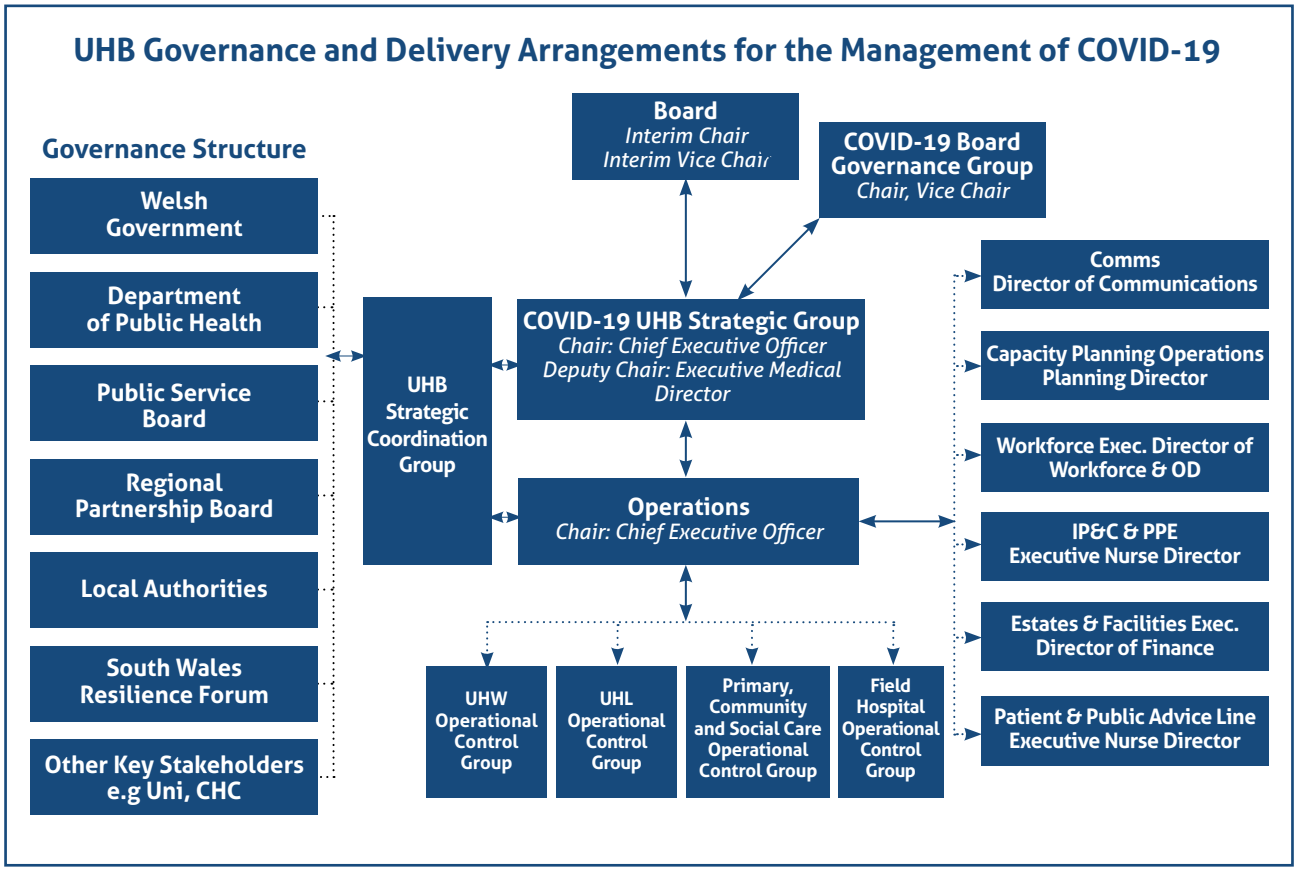
In March 2020, the Health Board focused on essential business only, and established a COVID 19 Command and Control Governance Structure to facilitate its planning and preparations for the emerging global COVID-19 pandemic. This was supported by a COVID-19 Board Governance Group and the approach was agreed by the Board on the 28 May 2020 - https://cavuhb.nhs.wales/files/board-and-committees/board-2020-21/26-05-2020-final-board-published-pdf/

The Board recognised that in a fast moving pandemic such as COVID-19, governance arrangements must be strengthened, in order to receive assurance on key issues such as:

- service preparedness and the response to the pandemic,
- clinical leadership,
- engagement and ownership of developing plans,
- health and wellbeing of staff,
- proactive, meaningful and effective communication with staff at all levels; and health and care system preparedness.

The Board considered and agreed new ways of working to ensure the appropriate level of Board oversight and scrutiny to discharge its responsibilities effectively, whilst recognising the reality of Executive focus and time constraints, and its inability to hold meetings in public due to introduction of social distancing measures and restrictions on public gatherings.

The Figure below outlines the Governance and Delivery Arrangements for the Management of COVID-19:



The COVID-19 Board Governance Group was set up in April 2020 to ensure that there was appropriate scrutiny and governance over the decision making process during the COVID-19 period and to provide assurance to the Board that this was taking place. The Board Governance Group were able to sign off Chairs actions plus other significant decisions which would normally be presented to the Board.

The COVID-19 Board Governance Group met on a weekly basis and the minutes, resultant actions and the decision log of that meeting were shared with the whole Board. The Group comprised of the Interim Chair, Interim Vice Chair, Chair of Audit Committee, CEO plus a relevant Executive Director. The Director of Corporate Governance was also in attendance to support and advise on decision making.

The COVID-19 Strategic Group met twice weekly and was Chaired by the Chief Executive with the Vice Chair role being undertaken by the Medical Director. The meeting also comprised of all Executive Directors, the Director of Transformation and Information, Director of Corporate Governance and the Director of Communications. The Group made decisions about strategic matters which were captured through minutes, and an action log. The decision log from the Strategic Group was presented to the COVID-19 Board Governance Group for decisions, which the Strategic Group did not have the authority to authorise.

The Operational Group met daily, and was Chaired by the Chief Operating Officer. It was attended by the Triumvirate from the Clinical Boards plus other Executive Directors. It reported into the Strategic Group and took decisions to the Group which required the authority of the CEO and the Executive Directors.

The Operational Structure temporarily moved away from the Clinical Board Structure, due to COVID-19, and evolved into a site based structure each led by a Local Co-ordination Centre which was open 7 days a week from 8am – 8pm. The four areas were:

- University Hospital for Wales
- University Hospital for Llandough
- Surge Hospital
- Community

Each site had a triumvirate in place which was led by the Clinical Board Director.

A number of changes to the Health Board's governance arrangements were approved by the Board Governance Group in March 2020, which were retrospectively approved by the Board in May 2020, including:

- agreeing temporary revisions to parts of the Standing Orders,
- introducing an authorisation framework setting out the delegation of revenue expenditure and capital expenditure in line with the Health Board's Scheme of Delegation, Standing Orders, and Standing Financial Instructions (excluding the Dragon's Heart field hospital); and,
- an undertaking to keep the agendas of Board and Committee meetings to a minimum,

- the swift decisions taken by the Board Governance Group and Strategic Group were presented to the Board as part of the Chair's Report for retrospective scrutiny and approval,
- No changes were made to the Health Board's Scheme of Delegation. As a result, the Health Board continued to operate on the basis that deputies would act up in the absence of Executive Leads and Committee Chairs,

In revising its governance arrangements, the Health Board did not reference the Welsh Government guidance on discharging Board Committee responsibilities during COVID-19[3] due to the fact they were not published until the end of April 2020.

The Chair established a dedicated WhatsApp Group to facilitate communication and information sharing with Independent Members during the pandemic. The Chair also ensured minutes of the Board Governance Group were shared with them in a timely manner. Board Development days were used to brief Independent Members on a range of topics relating to the pandemic.

From November 2020, the Board moved from bi-monthly public meetings to meeting formally every month to ensure the Board and the Public were fully aware of the ongoing discussions in relation to COVID-19.

3 Guidance for NHS Board's on committee responsibilities during COVID-19
https://gov.wales/guidance-nhs-boards-committee-responsibilities-during-COVID-19

12.7 Board & Committee Meetings during COVID-19

In March 2020, the Health Board focused on essential business only, and established a COVID 19 Command and Control Governance Structure, as shown above to facilitate its planning and preparations for the emerging global COVID-19 pandemic.

The following paper was presented to the Board 28 May 2020 detailing the governance principles that were designed to help focus consideration of governance matters during the COVID-19 pandemic, the revised governance Structure, the terms of reference for the COVID-19 Board Governance Group, the revised schedule of Board and Committee meetings, and the continuation of the variation to Standing Orders https://cavuhb.nhs.wales/files/board-and-committees/board-2020-21/26-05-2020-final-board-published-pdf/

To facilitate as much transparency and openness as possible, the Health Board ensured that:

- Initially the Board met on a quorum basis only, with public restrictions in place. Then all meetings moved to being held virtually to enable full Board attendance and ensure openness and transparency,
- A range of online video platforms were used to enable members of the public to observe Board meetings from July 2020 onwards, thus ensuring openness and transparency. Links and recordings were published on our website,
- The agendas for the Board and Committees were kept to a minimum and they were agreed between the

Chair and Executive Lead as per normal arrangements,

- Agendas were published within 10 days of the meeting,
- Verbal updates given at meetings were captured in the meeting minutes,
- The draft Public Board minutes were made available within 1 week of the meeting,
- Provision was made for written questions to be taken from Board Members who were unable to attend the Board meeting and a response could be provided immediately following the meeting,
- our website pages and social media accounts signposted that information had been published,
- the Board meeting page on the website (which constitutes our official notice of Board meetings) was updated to explain why the Board was not meeting in public, and that all meetings were being virtually.

As Accountable Officer, given the ongoing COVID-19 situation this approach will remain under constant review with the Chair and the Board Secretary, and further variations will be brought to the attention of the Board, as we continue to respond to COVID-19 and try to resume and maintain normal business throughout the year.

12.8 Composition of The Board

Refer to paragraph 9.1.1 within the Corporate Governance Statement.

Items Considered by the Board in 2020-2021 included:

- Approval of the Annual Accounts 2019-2020,
- Accountability and Remuneration Reports for 2019-2020,
- The Capital Plan for 2019-20,
- Monthly Corona virus reports,
- Board Assurance Framework (BAF),
- Strategic Clinical Services Plan,
- Thoracic Surgery,
- 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 Levels (Wales) Act.

In addition to responsibilities and accountabilities set out in the terms and conditions of appointment, Board members also fulfil a number of Champion roles where they act as ambassadors for these matters such as carers and older people. The Board and Committee Membership and

Champion roles during 2020-2021 is presented for information at ***Appendix 1*** to this statement.

There were some changes to the composition of the Board over the past 12 months, including the appointment of the Vice Chair to the position of Chair on a substantive basis in June 2020. The Independent Member (Legal) undertook the role of Vice Chair on an interim basis until 31 March 2020.

The Health Board said farewell to two serving members and warmly welcomed three new Independent members:

- Dawn Ward, Independent Member, Trade Union left on the 31 January 2021, and was replaced by Mike Jones, Independent Member, Trade Union who commenced duties on 1 March 2021,
- Eileen Brandreth Independent Member ICT, left on the 31 March 2021 and David Edwards, Independent Member ICT commenced duties on 1 April 2021,
- Professor Ceri Phillips commenced in the role of Vice Chair from the 1 April 2021.

The Health Board also welcomed the following to the Executive Team:

- Catherine Phillips, Executive Director of Finance from 1 March 2021,
- Rachel Gidman, Interim Executive Director of Workforce & Organisational Development (WODS) from 1 March 2021.

12.9 Committees

In line with Section 2 of the Health Board's Standing Orders which provides that "The Board may and, where directed by the Welsh Government (WG), must appoint Committees of the Health Board either to undertake specific functions on the Board's behalf or to provide advice and assurance to the Board in the exercise of its functions", the Board has an established Committee structure with each Statutory Committee chaired by an Independent Member. On behalf of the Board, they provide scrutiny, development discussions, assessment of current risks and performance monitoring in relation to a wide spectrum of the Health Board's functions and its roles and responsibilities.

Due to the pressures associated with COVID-19, the Health Board stood down some of the meetings of its Committees, with the exception of Audit and Assurance Committee, Quality, Safety & experience Committee and one Health & Safety Committee. This action was approved by the Board Governance Group described below and ratified at the Board meeting on 28 May 2020.

The following Board Committees were in place during 2020-2021:

Committee	Items Considered
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.	• Internal Audit Plans were submitted to each meeting providing details relating to outcomes, key findings and conclusions; • Audit Wales 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 2019-2020; • Losses and Special Payments.
Charitable Funds Committee The purpose of the Charitable Funds Committee is to make and monitor arrangements for the control and management of the UHB's Charitable Funds. 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.	• Charitable Funds Bids Panel Report • Finance Monitoring Report • Staff Benefits Group Report • New Charitable Funds applications • Charitable funds strategy • Health charity annual report • Arts annual report • Investment update
Digital Health Intelligence Committee **The purpose of this Committee is to provide assurance to the Board that:** • Appropriate processes and systems are in place for data, information management and governance to allow the UHB to meet its stated objectives, legislative responsibilities and any relevant requirements and standards determined for the NHS in Wales; • There is continuous improvement in relation to information governance within the UHB and that risks arising from this are being managed appropriately; • Effective communication, engagement and training is in place across the UHB for Information Governance.	• Caldicott guardian requirements; • Freedom of Information; • General Data Protection Regulation (GDPR); • Data breach reports; • Policies & procedures
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.	• IMTP; • Cost Reduction Programme; • Finance Risk Register; • Financial Monitoring Returns; • Dragon's Heart Hospital

Health & Safety Committee The purpose of the Committee is to advise and assure the Board and Accountable Officer on whether effective arrangements are in place to ensures organisational wide compliance of the UHB Health & Safety Policy, approve and monitor delivery against the Health and Safety Priority Improvement plan and ensure compliance with relevant standards for Health Services in Wales.	• Fire Enforcement; • Environmental Health Inspections; • Enforcement agencies inspections; • Waste management compliance; • Lone worker devices; • Regulatory and review body tracking report; • Risk register
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.	• 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 purpose of the Quality, Safety and Experience Committee is to provide advice to the Board with regard to the quality and safety of health services and the experience of patients, including public health, health promotion and health protection activities.	• Community Health Council (CHC) reports • Patient Stories • Patient experience framework • Annual Quality Statement 2019-2020 • HIW reports and progress • Concerns Annual report • Ombudsman Annual Letter
Remuneration & Terms of Service Committee The purpose of the Committee is to provide advice to the Board on remuneration and terms of service for the Chief Executive, Executive Directors and other senior staff within the framework set by the Welsh Government; and assurance to the Board in relation to the Health Board's arrangements for the remuneration and terms of service, including contractual arrangements, for all staff, in accordance with the requirements and standards determined for the NHS in Wales; and	• Remuneration and terms of service matters
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.	• 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.

The reports, workplan and terms of reference for the Committees are published on our website Committees and Advisory Groups - Cardiff and Vale University Health Board (nhs.wales)

The table at ***Appendix 1***, sets out details of the Chair, Chief Executive, Executive Directors and Independent Members and confirms Board and Committee membership for 2020-2021, meetings attended during the tenure of the individual and any Champion roles performed. The table on page 134 sets out Board and Committee Dates for 2020-2021.

The Chair of each Committee reports to the Board on the Committees' activities outlining key risks and highlighting areas which need to be brought to the Board's attention in order to contribute to its assessment of assurance and provide scrutiny against the delivery of objectives. The Committees, as well as reporting to the Board, also work together on behalf of the Board to ensure, where required, that cross reporting and consideration takes place and assurance and advice is provided to the Board and the wider organisation. Further, in line with Standing Orders, each Committee has produced an annual report, for 2020/2021, setting out a helpful summary of its work.

All Committees have undertaken a review of their Terms of Reference in 2020-2021 Copies of Committee papers and minutes, a summary of each Committee's responsibilities and Terms of Reference are available on the Health Board's website: https://cavuhb.nhs.wales/about-us/our-board/committees-and-advisory-groups/

Each Committee maintains and action log which is monitored at each meeting. Each of the main Committees of the Board are supported by an underpinning subcommittee structure reflecting the remit of its roles and responsibilities.

12.10 Advisory Groups & Joint Committees

In support of the Board, the Health Board is also required to have three Advisory Groups.

These Advisory Groups and Joint Committees include:

Stakeholder Reference Group (SRG)

The SRG is formed from a range of partner organisations from across the Health Board area. Its role is to provide independent advice on any aspect of Health Board business. It facilitates full engagement and active debate amongst stakeholders from across the communities served by the Health Board, with the aim of presenting a cohesive and balanced stakeholder perspective to inform Health Board planning and decision making.

This may include:

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

Significant issues upon which the SRG was engaged during 2020-2021 included:

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

Local Partnership Forum (LPF)

The Local Partnership Forum (LPF) meets six times a year and is the formal mechanism for the Health Board 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.

Healthcare Professionals' Forum (HPF)

The Health Care Professional Forum (HPF) comprises representatives from a range of clinical and healthcare professions within the Health Board 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 2020-2021. The Health Board 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. Terms of Reference and minutes of all the Advisory Groups are available via the following link: https://cavuhb.nhs.wales/about-us/governance-and-assurance/committees-and-advisory-groups/

Welsh Health Specialised Services Committee (WHSSC)

WHSSC was established in 2010 by the seven Health Boards to ensure the population has fair and equal access to the full range of specialised services. Hosted by Cwm Taf Morgannwg University Health Board, the health board is represented on the joint committee by the Chief Executive and regular reports are received by the board.

Emergency Ambulance Services Committee (EASC)

EASC is a joint committee of the seven health boards, with the three NHS trusts as associate members, and was established in April 2014. It has responsibility for the planning and commissioning of emergency ambulance services on an all-Wales basis. Hosted by Cwm Taf Morgannwg University Health Board, the health board is represented on the joint committee by the Chief Executive and regular reports are received by the board.

NHS Wales Shared Services Partnership (NWSSP) Committee

The NWSSP Committee was established in 2012 and is hosted by Velindre NHS Trust. It looks after the shared functions for NHS Wales, such as procurement, recruitment and legal services. The health board's representative is the Director of Workforce and OD and regular reports are received by the board.

12.11 Partnerships and All Wales Services

The Health Board 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 Health Board 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.

12.12 Public Appointments

On 23 March 2020 the Welsh Government suspended all Ministerial Public Appointment campaigns with immediate effect. However, this was lifted in September 2020 and we resumed the appointments process warmly welcomed three new Independent members:

- Mike Jones, Independent Member, Trade Union commenced duties on 1 March 2021,
- David Edwards, Independent Member ICT commenced duties on 1 April 2021,
- Professor Ceri Phillips to the role of Vice Chair commencing on the 1 April 2021.

12.13 Public Interest Declaration

Each Board Member has stated in writing that they have taken all the steps that they ought to have taken as a Director in order to make auditors aware of any relevant audit information. All Board Members and Senior Managers and their close family members (including Directors of all Hosted Organisations) have declared any pecuniary interests and positions of authority which may result in a conflict with their responsibilities. No material interests have been declared during 2020-2021, a full register of interests for 2020-2021 is available upon request from the Director of Corporate Governance.

12.14 Board and Committee Membership & Attendance 2020-2021

The Board has been constituted to comply with the Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009. In addition to responsibilities and accountabilities set out in terms and conditions of appointment, Board members also fulfil a number of Champion roles where they act as ambassadors for these matters. The table below outlines the Board and Committee Membership and the record of attendance for the period April 2020-March 2021.

During 2020-2021, there were three independent member vacancies for Trade Union, ICT and the Vice Chair position, all of which were filled successfully.

During 2020-2021, there were two Executive Director vacancies, which were filled as follows:

- Catherine Phillips, Executive Director of Finance from 1 March 2021,
- Rachel Gidman, Interim Executive Director of Workforce & organisational Development (WODS) from 1 March 2021

Board and Committee Membership and the record of attendance for the period April 2020-March 2021

Name	Position & Dates	Area of Expertise/ Representation Role	Board Committee Membership and Record of Attendance	Champion Roles
Charles Janczewski	**Interim Chair April 2020 – June 2020** **Chair June 2020 – Present**	**Chair**	• Board 7/8 • Board of Trustees 5/5 • Mental Health & Capacity Legislation (MHCL) 1/3 • Quality, Safety & Experience (QSE) 1/5 • Audit & Assurance Committee 2/7 • Digital Health Intelligence Committee (DHIC) 2/3 • Finance 11/12 • Remuneration & Terms of Service (RATS) 4/5 • Strategy & Delivery 3/5	**Disability protected characteristic**
Michael Imperato	**Interim Vice Chair April 2020 – March 2021**	**Legal**	• Board 7/8 • Board of Trustees 5/5 • Health & Safety 3/4 • MHCL 3/3 • QSE 5/5 • Audit 1/7 • DHIC 3/3 • RATS 4/5 • Strategy & Delivery 4/5	**Age protected characteristic**
Professor Gary Baxter	**Independent Member –** **April 2020 – Present**	**University**	• Board 5/8 • Board of Trustees 2/5 • QSE 2/5 • DHIC 1/3 • Strategy & Delivery 3/5	
Eileen Brandreth	**Independent Member April 2020 – March 2021**	**Information Communication and Technology**	• Board 6/8 • Board of Trustees 4/5 • MHCL 3/3 • Audit 7/7 • DHIC 3/3 • RATS 2/5	**Lead for Children and Young People and Maternity** **Age protected characteristic**
Councillor Susan Elsmore	**Independent Member** **April 2020 – Present**	**Local Authority**	• Board 6/8 • Board of Trustees 4/5 • Charitable Funds 2/5 • QSE 4/5 • RATS 0/5	**Transgender protected characteristic**
Akmal Hanuk	**Independent Member** **April 2020 – Present**	**Local Community**	• Board 7/8 • Board of Trustees 3/5 • Charitable Funds 4/5 • Health and Safety 3/4 • MHCL 2/3 • QSE 2/5 • RATS 1/5	**Race protected characteristic**

Name	Position & Dates	Area of Expertise/ Representation Role	Board Committee Membership and Record of Attendance	Champion Roles
Sara Mosely	**Independent Member** **April 2020 – Present**	**Third (Voluntary) Sector**	• Board 6/8 • Board of Trustees 4/5 • Charitable Funds 2/5 • MHCL 3/3 • RATS 3/5 • Strategy & Delivery 4/5	**Welsh Language Champion** **Equality and Human Rights**
Dr Rhian Thomas	**Independent Member** **April 2020 – Present**	**Capital & Estates**	• Board 7/8 • Board of Trustees 4/5 • Finance 11/12 • Health and Safety 3/4 • RATS 4/5 • Strategy & Delivery 5/5	**Religion protected characteristic**
John Union	**Independent Member** **April 2020 – Present**	**Finance**	• Board 6/8 • Board of Trustees 2/5 • Charitable Funds 2/5 • Finance 12/12 • Audit 7/7 • RATS 4/5	**Sex/Gender protected characteristic**
Geoffrey Simpson	**Associate Member** **25 March 2020 – 23 September 2020**	**Interim Chair, Stakeholder Reference Group**	• Board 0/8	
Sam Austin	**Associate Member** **24 November 2020 – March 2021**	**Interim Chair, Stakeholder Reference Group**	• Board 0/8	
Sue Bailey	**Associate Member** **April 2020 – 10 Feb 2021**	**Chair, Healthcare Professionals' Forum**	• Board 2/8	
Lance Carver	**Associate Member** **April 2020 – Present**	**Director of Social Services, Vale of Glamorgan**	• Board 2/8	
Len Richards	**Chief Executive** **April 2020 – Present**	**CEO**	• Board 7/8 • Board of Trustees 1/5 • DHIC 1/3 • RATS 4/5	**Race protected characteristic**

Name	Position & Dates	Area of Expertise/ Representation Role	Board Committee Membership and Record of Attendance	Champion Roles
Robert Chadwick	**Executive Director of Finance** **April 2020 – September 2020**	**Finance**	• Board 7/8 • Board of Trustees 5/5 • Charitable Funds 5/5 • QSE 1/5 • Audit 7/7 • DHIC 3/3	
Christopher Lewis	**Interim Executive Director of Finance** **1 September 2020 – 28 February 2021**	**Finance**	• Board 7/8 • Board of Trustees 5/5 • Charitable Funds 5/5 • QSE 1/5 • Audit 7/7 • DHIC 3/3	
Catherine Phillips	**Executive Director of Finance** **1 March 2021 – 31 March 2021**	**Finance**	• Board 1/1 • Board of Trustees • Charitable Funds 1/1 • Audit • DHIC • Finance 1/1	
Dr Stuart Walker	**Executive Medical Director** **April 2020 – Present**	**Medical / Quality & Safety**	• Board 7/8 • Board of Trustee 1/5 • QSE 4/5 • Audit 1/7 • Strategy & Delivery 5/5	
Ruth Walker	**Executive Director of Nursing** **April 2020 – Present**	**Nursing / Quality & Safety**	• Board 7/8 • Board of Trustee 3/5 • Charitable Funds 4/5 • Health and Safety 1/4 • QSE 5/5 • MHCL 3/3 • Strategy & Delivery 2/5	**Transgender protected characteristic**
Steve Curry	**Chief Operating Officer** **April 2020 – Present**	**Operations**	• Board 7/8 • Board of Trustees 2/5 • MHCL 2/3 • QSE 1/4 • Audit 1/7 • Strategy & Delivery 3/5 (Deputy for one)	**Age protected characteristic**
Abigail Harris	**Executive Director of Strategic Planning** **April 2020 – Present**	**Estates & Planning**	• Board 8/8 • Board of Trustees 5/5 • Strategy & Delivery 4/5	**Welsh Language Champion**

Name	Position & Dates	Area of Expertise/ Representation Role	Board Committee Membership and Record of Attendance	Champion Roles
Dr Fiona Jenkins	**Executive Director of Therapies and Health Sciences** *(split role 50:50 with Cwm Taf YHB from 2 Nov 2020)* **April 2020 – Present**	**Therapies and Health Sciences**	• Board 7/8 • Board of Trustees 5/5 • Charitable Funds 4/5 • QSE 2/5 • Strategy & Delivery 1/5	**Disability Characteristic**
Martin Driscoll	**Executive Director of Workforce & OD** **April 2020 – 28 Feb 2020**	**Workforce**	• Board 7/8 • Board of Trustees 5/5 • Health and Safety 1/4 • Audit 1/7 • RATS 4/5 • Strategy & Delivery 5/5	**Religion protected characteristic**
Rachel Gidman	**Interim Executive Director of Workforce & OD** **1 -31 March 2021**	**Workforce**	• Board 1/1 • Health and Safety 0/1 • Strategy & Delivery 1/1	**Religion protected characteristic**
Fiona Kinghorn	**Executive Director of Public Health** **April 2020 – Present**	**Public Health**	• Board 8/8 • Board of Trustees 4/5 • QSE 2/5 • Strategy & Delivery 5/5 • Health & Safety 1/5	**Sex/Gender protected characteristic**
Dawn Ward	**Independent Member** **April 2020 – January 2021**	**Trade Union**	• Board 6/8 • Health and Safety 2/4 • QSE 4/5 • Audit 5/8	
Mike Jones	**Independent Member** **1 March 2021- 31 March 2021**	**Trade Union**	• Board 1/1 • Health and Safety 1/1	

Name	Position & Dates	Area of Expertise/ Representation Role	Board Committee Membership and Record of Attendance	Champion Roles
Non-Voting Members				
Nicola Foreman	**Director of Corporate Governance**	**Governance**	• Board 8/8 • Board of Trustees 5/5 • Charitable Funds 4/5 • Health and Safety ¾ • MHCL 2/3 • QSE 5/5 • Audit 7/7 • DHIC 3/3 • RATS 4/5 • Strategy & Delivery 5/5	**Disability Characteristic**
Allan Wardhaugh	**Chief Clinical Information Officer**	**Digital**	• Board 5/8	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12.15 The Purpose of the System of Internal Control

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

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 March 2021 and up to the date of approval of the annual report and accounts.

12.16 Capacity to handle risk

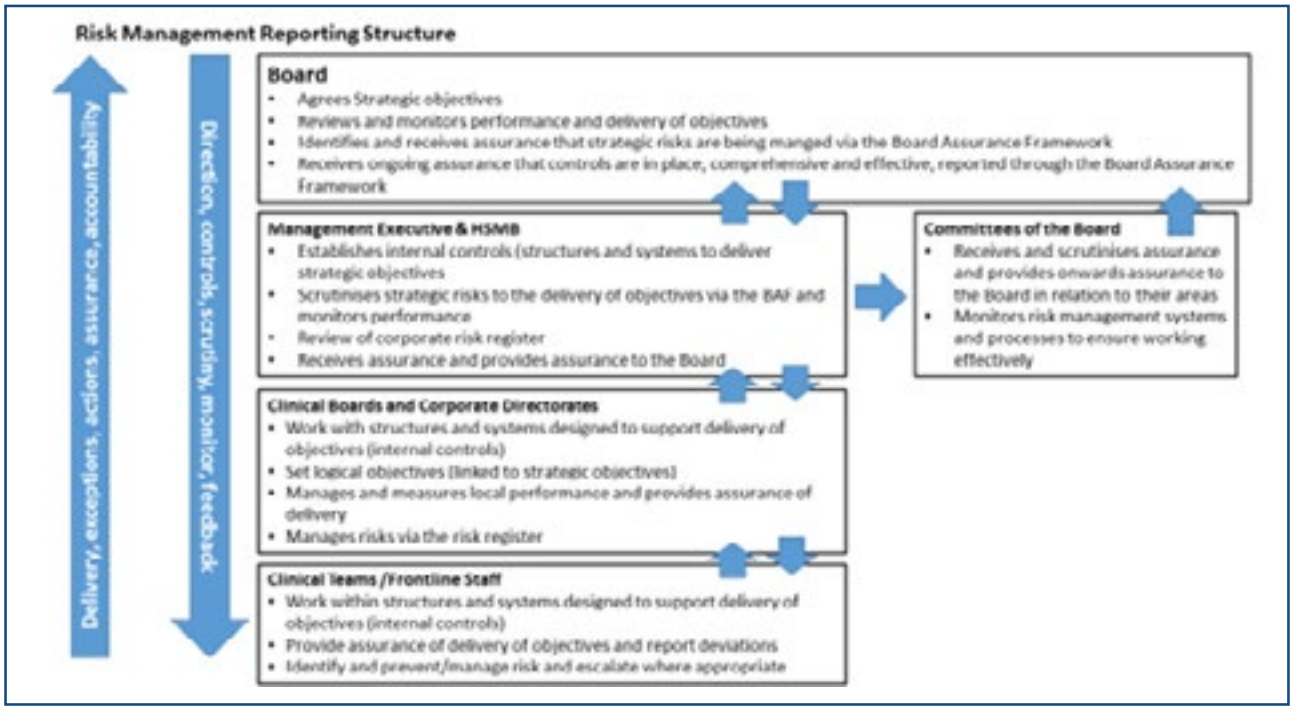
The Health Board's systems of control are designed to manage risk to a reasonable level rather than to eliminate all risks; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The Health Board's system of control is based on an ongoing process designed to identify and prioritise the risks to the achievement of its policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 March 2021 and up to the date of approval of the annual report and accounts.

The Health Board is committed to developing and implementing a Risk Management system and Board Assurance Framework (BAF) that identifies, analyses, evaluates and controls the risks that threaten the delivery of its strategic objectives. The Health Board's Assurance Framework (BAF) is used by the Board to identify, monitor and evaluate risks which impact upon Strategic Objectives and is considered alongside other key management tools, such as the Corporate Risk Register, performance and quality dashboards and financial reports, to give the Board a comprehensive picture of the organisational risk profile.

The Health Board's Risk Management and Board Assurance Framework Strategy ("the Strategy") sets out responsibilities for strategic and operational risk management for the Board and staff throughout the organisation and describes the procedures to be used in identifying, analysing, evaluating and controlling risks to the delivery of strategic objectives.

Strategic risks are significant risks that have the potential to impact upon the delivery of Strategic Objectives and are raised and monitored by the Executive Team and the Board. Operational risks are key risks that affect individual Clinical Boards and Corporate Directorates and are managed within the Clinical Boards and Corporate Directorates and if necessary, escalated through the Health Board's risk reporting structure.



The Board Assurance Framework (BAF) is an integral part of the system of internal control and defines the extreme potential risks (15 & above) which impact upon the delivery of Strategic Objectives. It also summarises the controls and assurances that are in place or plans to mitigate them. The BAF aligns principal risks, key controls and assurances on controls alongside each of the Health Boards strategic objectives.

Gaps are identified where key controls and assurances are insufficient to reduce the risk of non-delivery of objectives. This enables the development of an action plan for closing the gaps and mitigating the risks which is subsequently monitored by the Board for implementation.

The Strategy applies to those members of staff that are directly employed by Cardiff and Vale University Health Board and for whom Cardiff and Vale University Health Board has legal responsibility and is intended to cover all the potential risks that the organisation could be exposed to.

A copy of the Strategy can be found at the following link.

The objectives of Strategy are to:

- minimise impact of risks, adverse incidents, and complaints by effective risk identification, prioritisation, treatment and management;
- maintain a risk management framework, which provides assurance to the Board that strategic and operational risks are being managed effectively;
- maintain a cohesive approach to corporate governance and effectively manage risk management resources;
- ensure that risk management is an integral part of Cardiff and Vale University Health Board's culture;
- minimise avoidable financial loss, or the

cost of risk transfer through a robust financial strategy;

- ensure that Cardiff and Vale University Health Board meets its obligations in respect of Health and Safety.

At the outset of 2020/2021 the Health Board maintained a Board Assurance Framework (BAF) and, in response to the COVID-19 pandemic, a separate COVID-19 BAF document which identified the risks posing the greatest risk to the delivery of the Health Board's Strategy 'Shaping our Future Wellbeing' generally and also from a COVID-19 perspective. Following the Health Board's May 2020 Board meeting it was agreed that a single unified BAF document would be used moving forward that included risks that had transpired following the onset of COVID-19 rather than maintaining two separate documents.

As of March 2021, the following risks were identified as posing the greatest risk to the delivery of the Health Board's strategic objectives:

1. Workforce
2. Financial Sustainability
3. Sustainable Primary and Community Care
4. Patient Safety
5. Sustainable Culture
6. Capital Assets
7. Test, Trace and Protect
8. The risk of inadequate planned care capacity
9. Risk of Delivery of IMTP

Alongside the Board Assurance Framework, the Health Board also maintains a Corporate Risk Register that identifies the extreme operational risks (those scored at 15/25 or higher) that the Health Board is facing.

Following the introduction of the Corporate Risk Register in November 2019 the document underwent a significant period of development and after review and scrutiny at a number of private Board meetings the Register was formally shared with the public at the Health Board's January 2021 Board meeting.

As of March 2021, there were 25 Extreme risks detailed on the Corporate Risk Register with the following score profile:

- 7 risks rated at 15/25,
- 8 risks rated 16/25; and
- 10 risks rated 20/25.

Details of these risks and the Health Board's Corporate Risk Register Report and the Health Board's Board Assurance Framework and covering report for April 2021 can be found at the following link:

https://cavuhb.nhs.wales/files/board-and-committees/audit-and-assurance-committee-2021-22/06-04-2021-audit-and-assurance-committee-pdf/


CYMRU
DI-FWG
SMOKE-FREE
WALES
UNED ACHOSION BRYS
EMERGENCY UNIT
AMBULANCE
ACCESS

12.17 Management of Risk

Overall responsibility for the Risk Management and Board Assurance Framework Strategy lies with the Director of Corporate Governance who has delegated responsibility for managing the development and implementation of the Risk Management and Board Assurance Framework Strategy. Arrangements are in place to effectively assess and manage risks across the organisation, which includes the ongoing review and updating of the Board Assurance Framework and the Corporate Risk register so that the Board maintains a line of sight on the Health Boards key strategic and operational risks. During 2020/21 the Director of Corporate Governance established the Health Board's Risk and Regulation Team (comprised of the Head of Risk and Regulation and two Risk and Regulation Officers) to further develop and embed the Health Board's Risk Management Strategy across the Health Board.

The Director of Corporate Governance retains control of the BAF and meets with Executive Leads for BAF risks on a bi-monthly basis to ensure that the risks detailed in BAF are regularly updated to include new and emerging risks to service areas so that the entries provide an accurate and contemporaneous reflection of the risks faced by the Health Board.

The BAF is also 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 process through which the Board gains assurance in relation to the management of the BAF.

The Risk and Regulation Team monitor and maintain the Corporate Risk Register. Each Corporate Department and Clinical Board has responsibility to maintain a comprehensive risk register which forms the basis of the risks that are reflected within the Corporate Risk Register. The Risk and Regulation Team regularly meet with Clinical Board and Corporate Department risk leads to review and monitor their Clinical Board/Corporate Department and local level risk registers to ensure that they accurately record the risks that their areas are encountering and to assist those areas in considering new and emerging risks to their service. Following that exercise extreme operational risks, those scored 15/25 or higher, are recorded on the Corporate Risk Register and reported to the Board for scrutiny and approval on a bi-monthly basis (in public since January 2021). Any risks that are identified as having the potential to impact on the Health Board's Strategic Objective are added to the BAF. Each risk detailed on the Corporate Risk Register is also linked to a strategic link contained in the BAF to ensure that risks are appropriately monitored and escalated.

The key risks detailed in the BAF and Corporate Risk Register are also shared at relevant sub-committees of the Board for further scrutiny and discussion.

The Corporate Risk Register entries are referred to those Committees detailed on the Corporate Risk Register.

The Health and Safety team provide staff with training in the management of functional work place risk management processes and assessments. The management of the Health Board's Corporate Risk Management Training is managed by the Risk and Regulation team.

The Risk and Regulation Team offer training sessions to risk leads through targeted training programmes that are informed by the team's regular interactions with clinical boards and corporate departments. Alongside this the team have provided, since March 2021, a weekly virtual Risk Management online training session which is available to the all staff members. The Risk and Regulation Teams training plan is designed to embed a consistent approach to the management, scoring and recording of risk from ward to board across the Health Board.

The risks detailed in the BAF and Corporate Risk Register are considered when determining the Health Board's risk appetite. The Health Board acknowledges that the delivery of healthcare cannot be achieved unless risks are taken, as well as the subsequent consequences and mitigating actions. It also ensures that risks are not considered in isolation and are taken following consideration of all the risks flowing through the organisation.

At the Board Development session on 29 October 2020 the Board agreed to use the Good Governance Institute (GGI) Risk Appetite Matrix to set its risk appetite (current (Cautious) and 'working towards' (Open) positions).

At the Board Development session on 17 December 2020 alternate methods of describing Risk Appetite were presented by the Director of Corporate Governance and were examined by the Board and it was determined that adding sub-elements to the GGI Matrix (particularly those giving greater emphasis to patients and workforce) would enable better application of risk appetite at an operational level. Example of potential sub-elements were revealed to the Board on 17th December 2020 and a further draft of the Health Board's Risk Appetite Matrix was shared with the Management Executive team with a view to utilise the document as part of the Health Board's Risk Appetite delivery plan for 2021/22.

Communicating and consulting with internal and external stakeholders and partners, as appropriate, at each stage of the risk management process and concerning the process as a whole is important. The frequency of the communication will vary depending upon the severity of the risk and is discussed and agreed with the stakeholders and partners as necessary. This process is led by the person nominated as the lead to manage the risk and for communication with external stakeholders this will be the appointed executive director lead for the risk. As the designated lead for Risk Management the Director of Corporate Governance also attends the Health Board's Stakeholder Reference Group to brief public stakeholders on the activities of the Board including the management or risk.

Where weaknesses within the system are identified these are reviewed and discussed locally at clinical board and directorate level and, where appropriate, referred to the Risk and Regulation team for consideration and onward transmission to the Board, it's committees and the Health System Management Board for further scrutiny and action.

12.18 Risk Management during COVID-19

As a consequence of responding to the COVID-19 pandemic, the health board re-evaluated its operational approach to ensure that it was able to meet the ever changing service demands posed by the pandemic. During 2021/2021 the Health Board's Clinical Board directorates were temporarily re-organised their operational structure so that clinical activity was managed by local command centres based in the Community and at Key Hospital Sites (University Hospital of Wales, University Hospital Llandough and the Health Board's Surge Hospitals) in place of the historic clinical board command structures to allow Clinical Board's to respond at speed to the pandemic.

To support the Command Centres in their approach and to ensure that the areas remained accountable in terms of board governance, transaction execution and statutory compliance commitments Local Command Centre Risk Registers were established to feed into the Corporate Risk Register so that the Health Board remained sighted on the activities undertaken within command centres. The local command centre risk registers ran alongside Clinical Board Risk Registers and provided a second layer of assurance to the Health Board that operational risks were being managed appropriately throughout the year.

13. Mandatory Disclosures

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

13.1 Health and Care Standards

In 2017-2018 a revised set of Health and Care Standards were issued to NHS Wales. In particular, a new standard for Governance, leadership and Accountability was introduced.

The health service needs to consider the following criteria for meeting the standard:

- Health services demonstrate effective leadership by setting direction, igniting passion, pace and drive, and developing people.

- Strategy is set with a focus on outcomes, and choices based on evidence and people insight. The approach is through collaboration building on common purpose.
- Health services innovate and improve delivery, plan resource and prioritise, develop clear roles, responsibilities and delivery models, and manage performance and value for money.
- Health services foster a culture of learning and self-awareness, and personal and professional integrity.

Due to COVID-19 a more *limited* Health and Care Standards self-assessment is being undertaken this year by the specialised QSE related Groups across the organisation. This will be reported in full to the Quality, Safety Experience Committee in June 2021. This will be subject to Internal Audit oversight.

13.2 Equality, Diversity & Human Rights

The Health Board is required, under the Equality Act 2010 to produce a **Strategic Equality Plan (SEP**) every four years. The purpose of a Strategic Equality Plan is to document the steps the organisation is taking to fulfil its Public Sector Equality Duty) under the Equality Act 2010. In preparing and revising its Strategic Equality Plan the Health Board is required to engage appropriately and have due regard to relevant equality information.

The current SEP Caring about Inclusion 2020-2024 has a number of key delivery objectives and is premised on the basis of embedding equality, diversity and human rights, and Welsh Language, into Health Board business process. The SEP is closely aligned to our ten-year strategy 'Shaping Our Future Wellbeing', our Intermediate Medium-Term Plan as well as the Well-being of Future Generations Act 2015. This is the first year of the current four-year Plan.

Cardiff and Vale University Health Board will continue to look to meet and go beyond our legal obligations, and to apply the principles that sit within the Equality Act and the Public Sector Equality Duty (PSED) to all our thinking, planning and decision making. This has included the publication of our Strategic Equality Plan (SEP) which was reviewed in light of recent events that took place in 2020 around issues of inequality. Reducing Health Inequality is a strategic aim of the organisation as set out in our 'Shaping Our Future Wellbeing' Strategy[4].

As an organisation we, as with the rest of NHS Wales, have faced, and continues to face challenges, both in terms of our role as an employer and as a service provider. We have come under intense pressure of demand for some of our services and there has been untold impact on our staff.

The publication of the Welsh Government's Black, Asian, and minority ethnic COVID-19 Socioeconomic Subgroup Report has given us an opportunity to reflect, learn and do things differently whilst the organisation works on its Strategy Equality Plan - Caring about Inclusion. For example, in July 2020, our Management Executive received a presentation from the Equality Manager and the Assistant Director of Organisational Development laying out some initial first steps in "Improvement for Inclusion". It was

4 http://www.cardiffandvaleuhb.wales.nhs.uk/sitesplus/documents/1143/10%20-%20UHB%20Shaping%20Our%20Future%20Wellbeing%20Strategy%20Final.pdf

recognised and accepted that inequality cannot be tackled half-heartedly or by sporadic, one-off, disconnected initiatives: that our actions need to be well planned, strategic, sustainable and taken seriously.

The organisation has decided that each Executive Director will take responsibility for a specific protected characteristic as this work develops. Our CEO, to demonstrate his personal commitment to this work, is taking the lead for the protected characteristic of Race.

A further review of some of our employment policies has led to the development of a new Equality, Inclusion and Human Rights Policy. The Health Board wants to build a reputation for demonstrating outstanding practice in the field of employment relations and service delivery and will work to ensure that equality, inclusion, diversity and human rights principles are owned, valued and demonstrated by everyone within the organisation - the Board, members of staff and those who provide services on behalf of the organisation.

Cardiff and Vale University Heath Board has a long history of strong partnership working. We will be looking to work alongside others in strengthening work to tackle inequality. For example, we are leading the work on the health Work stream of Cardiff Council's developing Race Equality Taskforce.

On a wider partnership scale, our SEP was developed with other public bodies. Our public bodies' partnership involved: Natural Resources Wales, Arts Council of Wales, National Museum Wales, HEFCW, Welsh Language Commissioner, Careers Wales, Welsh Venue Authority, HEIW, ESTYN, Sport Wales and Velindre University NHS Trust. Our aim is to ensure our Equality Objectives for 2020-2024 will address the health related challenges set out in Is Wales Fairer? 2018. These public bodies were keen to take steps to agree shared objectives and wanted to take forward a collaborative approach involving the sharing of resource, insight and expertise. This approach promotes smarter working and creates capacity for widening stakeholder and community engagement. Uniting behind shared objectives has the potential to influence further collaborative working and shared practice, promoting greater impact across the public sector and public services in Wales contributing significantly to tackling inequalities and the 'prevention agenda'. Focus was also aimed at ensuring the objectives themselves, and the long-term aims to which they will contribute, are the right ones.

Although language is not a protected characteristic under the Equality Act 2010 - the protection of the Welsh language is taken forward under separate legislation (the Welsh Language (Wales) Measure 2011 and related Standards) - it has long been recognised that the equality and Welsh language policy agendas complement and inform each other. It is further supported through the Goal within the Wellbeing of Future Generations Act – A Wales of vibrant culture and thriving Welsh language. Our aim is to sustain and reinforce that principle through our new Strategic Equality Objectives and ensure they serve to promote and protect the Welsh language.

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

- 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 Health Board'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.
- Following the killing of George Floyd in May, the subsequent Black Lives Matter protests that took place over the summer highlighted the systemic inequality that Black, Asian and/or Minority Ethnic people face not only in the USA but also here in the UK. Also, it has been found that Black, Asian and/or Minority Ethnic groups are disproportionately affected by COVID-19, with available statistics suggesting that these groups are up to two times more likely to die from the disease than their white counterparts. In light of this, in an edition of Chief Executive Officer Connects our Chief Executive asked members of staff from Black, Asian and/ or Minority Ethnic backgrounds to share their experiences of working in the Health Board and the issues of inequality they have faced. A report into their experiences will be shared with the Board early in the next financial year,
- All our executives have taken up a leadership role across the nine protected characteristics specified in the Equality Act 2010 (age, disability, gender identity, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation), the CEO is the disability lead.
- Some of our staff are members of both the Welsh Government Race Equality Action Plan Group and the Cardiff Race Equality Task Force.
- On 30 January 2021 a Memorandum of understanding (MOU) was signed with the British Association of Physicians of Indian Origin (BAPIO). This was the first of its kind for the Health Board and BAPIO, and it demonstrates our commitment and willingness to drive forward meaningful and tangible change. Cardiff and Vale Health Board is an inclusive employer which thrives on the diversity of its staff, benefiting hugely from the multiple cultures, heritages and nationalities we have in our employment.

The Socio-economic Duty

The Welsh Government has under the Equality Act 2010 introduced the Socio-economic Duty for specified public bodies, such as this health board, which came into effect on 31 March 2021. There is no reporting requirement associated with duty.

The overall aim of the duty is to deliver better outcomes for those who experience socio-economic disadvantage. The Socio-economic Duty requires specified public bodies, when making *strategic decisions* such as 'deciding priorities and setting objectives', *to consider* how their decisions might help to reduce the *inequalities* associated with *socio-economic disadvantage*.

The Socio-economic Duty will promote:

✓ Equality of outcome.

✓ Opportunity to raise the profile and understanding of Socio-economic disadvantage and inequality.

✓ Confidence to challenge decision making in relation to inequalities.

✓ Consideration of the potential impact of decisions and potentially avert negative outcomes.

✓ Consideration of the impact of intersectionality.

✓ The need to involve people and communities when planning services and designing policy.

✓ Effective use of insight and data to make decisions for the long term, preventing problems from getting worse.

✓ A shift in organisational culture.

The Socio-economic Duty will support this through ensuring that as a public body taking strategic decisions, the health board:

- take account of evidence and potential impact
- through consultation and engagement
- understand the views and needs of those impacted by the decision, particularly those who suffer socio-economic disadvantage
- welcome challenge and scrutiny
- drive a change in the way that decisions are made and the way that decision makers operate

As a public body it is for the health board to evidence how it is meeting the statutory requirement. However, it is recommended that relevant public bodies should evidence a clear audit trail for all decisions made under the Act, using existing processes, such as impact assessment processes and systems for engagement. The health board, through its current Equality and Health Impact process, is already in a good place to begin this audit trail, but recognises that there may still be work to be done, particularly around

- taking an integrated approach to impact assessment
- taking a broader approach to engagement and involvement to include socio-economic disadvantage
- developing scrutiny frameworks to include scrutiny of impact with respect to inequality of outcome that results from socio-economic disadvantage

- taking an integrated approach to planning and reporting
- developing Integrated performance measures
- Considering prevention of inequalities of outcome caused by socio-economic disadvantage through application of the Well-being of Future Generations Act's five ways of working.

The duty applies to all decisions of the health board made after the 31 March 2021.

The Health Board 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 Health Board 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.

13.3 Welsh Language Regulations - The Welsh Language Standards (No. 7) Regulations 2018

Regulations making the Welsh language standards applicable to health boards and trusts were made by the Welsh Assembly in March 2018 (The Welsh Language Standards No.7 Regulations 2018) and they came into force at the end of June 2018. The Welsh Language Commissioner has since issued compliance notices to health boards and trusts and they started to comply with standards from 30 May. The Health Board's Welsh Language Group oversees progress and reports to the Strategy and Delivery Committee.

During 2020-2021 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.

Due to the COVID-10 pandemic the Ceredigion National Eisteddfod planned for 2020 has was postponed until 2022. However, we continued to promote our commitment towards the Welsh Language as outlined below.

The Welsh Language Standards placed on the Health Board may provide challenges at times but they also provide us with many opportunities which allow us to

develop ourselves as individuals and more importantly, as a wider team.

Meddwl Cymraeg
Think Welsh

In the past, it was often noted that many departments and individuals displayed a reluctance and weariness of the Welsh Language Standards and their intentions. In 2020/21 we launched an internal campaign to raise awareness of the language, asking staff to 'Think' how considering the Welsh language may improve the service that they provide. This encourages staff to consider how the Welsh Language can be incorporated into their everyday roles, and about the role they can play in encouraging the growth of the language within the Health Board and amongst colleagues.

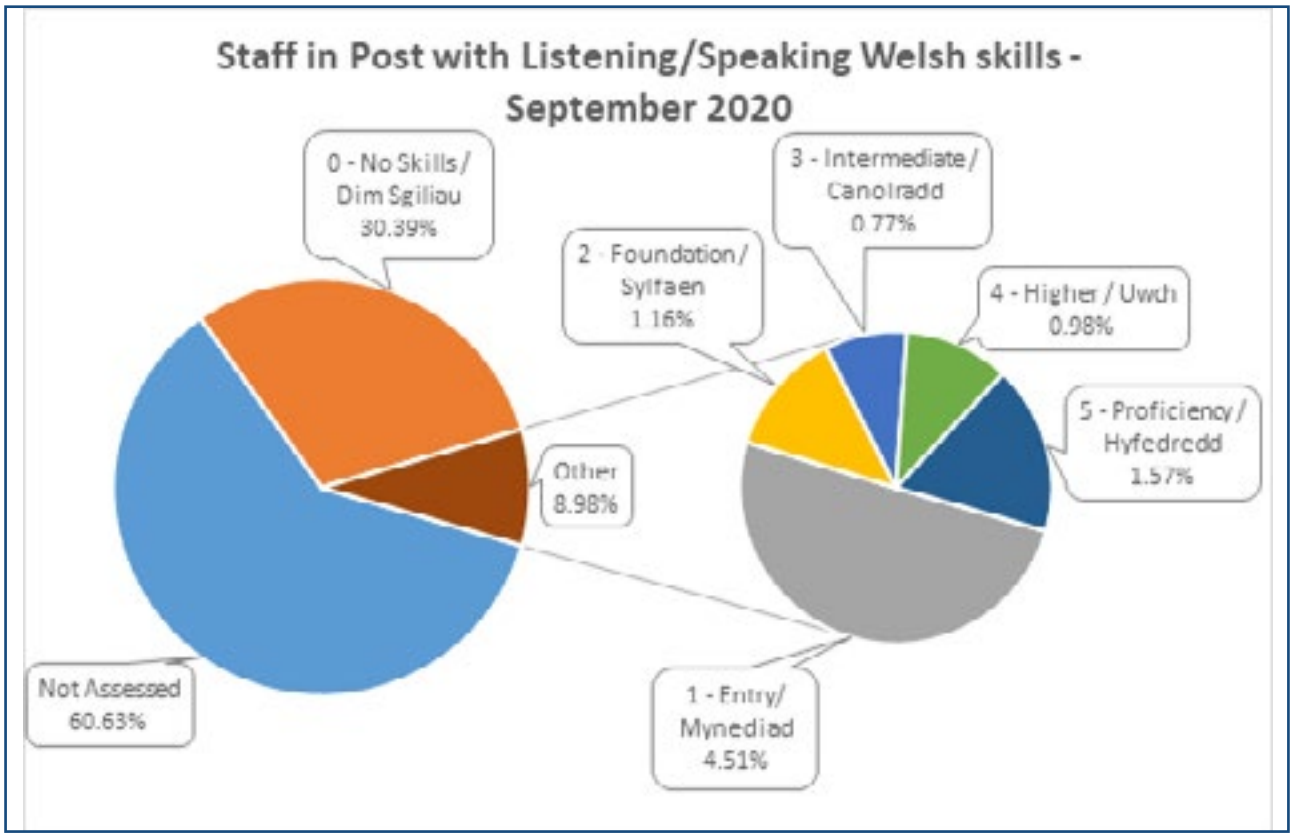
Access to the Health board's services in Welsh, while showing external stakeholders that Welsh is increasingly at the forefront of the Health Board's thinking, will ultimately improve the level of care our patients receive.

The following have been implemented in line with the ideals and aspirations of the Welsh Language Standards and the Meddwl Cymraeg – Think Welsh campaign:

- Reviewed all Standards and acquired updates from the standard owners by utilising 'Verto' project management software which monitors the implementation and progress of our actions to meet the Welsh Language Standards. The system will allow us to determine the success of both the campaign and the implementation of the standards using a RAG rating system that outlines the closed, open and progressing standards. The overall plan will be successful when the 'Closed' green standards outnumber the 'Open' and 'Progressing' standards meaning the Health Board is progressing towards full compliancy. We have now closed 68 of the 120 standards.
- Launched the Meddwl Cymraeg -Think Welsh campaign
- Re-established the Equality Strategy and Welsh Language Standards group
- Appointed two Senior Welsh Language Translators
- Health Board website translation underway by Trosol, Wales' leading translation and subtitling company and all corporate social media accounts are now run bilingually
- Health Board staff have been challenged to learning new Welsh Language skills as a New Year's Resolution, training packs provided and future virtual lessons are being arranged

- Working in partnership with Capital and Estates department to ensure that signage is bilingual across all Health Board sites
- Pilot Admissions Pack for Welsh Speaking Patients currently being implemented within Mental Health, Paediatrics and ICU with the intention of rolling out to all wards
- Collaborating with Cardiff University School of Medicine in relation to Medical students receiving training through the medium of Welsh whilst on placement
- Coordinating a collaboration on behalf of the Arts and Health Charity within the Noah's Ark Childrens Hospital for a Wales in space themed wall for patients and staff to raise awareness of the Welsh Language and culture which will allow both Welsh speaking and non-Welsh speaking patients to engage with before surgery thus helping to calm and distract the young patients

In 2020-2021 there were 6 complaints related to compliance with the Welsh Language Standards. These are all being investigated and where possible have been rectified.



13.4 Emergency Preparedness

As previously highlighted, the need to plan and respond to the COVID-19 pandemic presented a number of challenges to the Health Board. A number of new and emerging risks where identified. Whilst the organisation did have a major incident and business continuity plan in place, as required by the Civil Contingencies Act 2004, the scale and impact of the pandemic has been unprecedented. Significant action has been taken at a national and local level to prepare and respond to the likely impact on the organisation and population. This has also involved working in partnership on the multi-agency response as a key member of the Strategic Co-ordination Group. There does remain a level of uncertainty about the overall impact this will have on the immediate and longer term delivery of services by the organisation, although we are confident that all appropriate action is being taken.

The Health Board continues to work closely with a wide range of partners, including the Welsh Government as it continues with its response, and planning into the recovery phase.

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 Health Board. 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 Coordination Group (SCG).

A degree of uncertainty remains as to the overall impact on both immediate and longer term delivery of services by the Health Board. 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 the Health Board's strategic objectives.

13.5 Environmental, Social and Community Issues

Following the Health Board declaring a climate emergency in January 2020, a Sustainability Action Plan was developed and approved by our Board, overseen by a Sustainability Action Group. Across eight dimensions, actions were set to improve our carbon footprint as an organisation and plan for changes of a strategic nature. These dimensions are: energy; waste & food; water; transport; people; procurement; built environment, green infrastructure & biodiversity; clinical care.

One example of how this action plan is being put into action is our Shaping Our Clinical Future programme, which is setting out how care will be provided in the near future, with an emphasis on prevention of illness and management of conditions at home and in the community through our primary care network, which is a more sustainable model than fixing health issues once they've occurred in a hospital setting. The initial findings for this programme were taken out to engagement with our population and a

mandate to explore further was obtained. These plans will be subject to further engagement and consultation as they develop.

Considerable progress has been made on improving the energy efficiency of our estate and this will continue.

Cardiff Council in the last year released their One Planet Cardiff strategy (https://www.oneplanetcardiff.co.uk), with the aim of a net zero city by 2030. Vale of Glamorgan have also issued their Project Zero initiative (https://www.valeofglamorgan.gov.uk/Documents/Our%20Council/Achieving%20our%20vision/Consultation/Project-Zero-Draft-Plan-English.pdf) with similar net-zero aims. The Health Board are supportive of these strategies and will collaborate with our council partners to realise these aims. Areas of early collaboration are expected to include communications to our populations and our staff to accelerate behaviour change around areas such as reduced energy usage and increased recycling.

Further information on can be found in the performance report.

13.6 Carbon Reduction Delivery Plans

The Health Board 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 Health Board'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.

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

13.7 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.

Traditionally, the Annual Quality Statement (AQS) 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. As there is no mandatory requirement to produce an AQS for 2020-2021 due to the COVID-19 pandemic information concerning our Quality Governance arrangement can be viewed through the public papers for the Quality, Safety Patient Experience Committee on our website.

13.8 Ministerial Directions and Welsh Health Circular's (WHC'S)

Ministerial Directions issued by the Welsh Government during 2020-2021 have been considered and where appropriate implemented.

Ministerial Directions/Date of Compliance	Date/Year of Adoption	Action to Demonstrate implementation/response
WHC/2020/003 Value Based Health Care Programme – Data Requirements	4 March 2020	Circulated to key staff and managers and discussed at appropriate meeting.
WHC/2020/004 List of Welsh Health Circulars - 1 August 2019 – 31 January 2020	4 March 2020	
WHC/2020/005 Recording of Dementia READ codes	30 Sept 2020	
WHC/2020/006 COVID-19 Response - Continuation of Immunisation Programmes	31 March 2020	Circulated to key staff and managers and discussed at appropriate meeting.
WHC/2020/008 Guidance for Local Health Boards and NHS Trusts on the Reuse of End of Life Medicines in Hospices and Care Homes	30 April 2020	Circulated to key staff and managers and discussed at appropriate meeting.
WHC/2020/009 The National Influenza Immunisation Programme 2020-2021	21 May 2020	Circulated to key staff and managers and discussed at appropriate meeting.
WHC 2020/011 Temporary Amendments to Model Standing Orders, Reservation and Delegation of Powers – Local Health Boards, NHS Trusts, Welsh Health Specialised Services Committee, Emergency Ambulances Services Committee and Health Education and Improvement Wales	9 July 2020	Circulated to key staff and managers and discussed at appropriate meeting. Standing Orders amended and approved by Board
WHC/2020/012 Clinical Assessment of COVID-19 in the Community	4 Aug 2020	Circulated to key staff and managers and discussed at appropriate meeting.
WHC/2020/013 The National Influenza Immunisation Programme 2020-21 (2)	14 Aug 2020	Circulated to key staff and managers and discussed at appropriate meeting.
WHC/2020/014 Ear Wax Management Primary and Community Care Pathway	29 Sept 2020	Circulated to key staff and managers and discussed at appropriate meeting.
WHC/2020/015 Policy on Single-use and Reusable Laryngoscopes	14 Sept 2020	Circulated to key staff and managers and discussed at appropriate meeting.

Ministerial Directions/Date of Compliance	Date/Year of Adoption	Action to Demonstrate implementation/response
WHC/2020/016 Procedure for Performance Management, Removal or Suspension of NHS Chairs, Vice Chairs and Independent Members/Non-Executive Directors, including Associate Members	10 Dec 2020	
WHC/2020/018 Last Person Standing	1 Oct 2020	Circulated to key staff and managers and discussed at appropriate meeting.
WHC/2020/019 Expectations for NHS Health Boards and Trusts to ensure the health and wellbeing of the workforce during the Covid-19 pandemic	30 Oct 2020	Circulated to key staff and managers and discussed at appropriate meeting.
WHC/2020/022 NHS Wales Annual Planning Framework 2021-2022	14 Dec 2020	Circulated to key staff and managers and discussed at appropriate meeting.
WHC/2020/023 EU Exit – Continuity of Medicine Supply at the End of the Transition Period	22 Dec 2020	Circulated to key staff and managers and discussed at appropriate meeting.
WHC/2020/024 Clinical Assessment of COVID-19 in the Community (Updated)	22 Dec 2020	Circulated to key staff and managers and discussed at appropriate meeting.
WHC/2020/025 2021-2022 Health Board and Public Health Wales NHS Trust Allocations	22 Dec 2020	Circulated to key staff and managers and discussed at appropriate meeting.
WHC/2021/001 Guidelines for Managing Patients on the Suspected Cancer Pathway	14 Jan 2021	Circulated to key staff and managers and discussed at appropriate meeting.
WHC/2021/002 Board Champion Roles	19 Jan 2021	Circulated to key staff and managers and discussed at appropriate meeting.
WHC/2021/003 Senedd Election 2021	10 Mar 2021	Circulated to key staff and managers and discussed at appropriate meeting.
WHC/2021/004 Ordering Influenza Vaccines for the 2021-2022 Season	19 Feb 2021	Circulated to key staff and managers and discussed at appropriate meeting.
WHC/2021/006 Senedd Election 2021 – Guidance for NHS Wales	11 Mar 2021	Circulated to key staff and managers and discussed at appropriate meeting.
WHC/2021/007 The Healthy Child Wales Programme – The 6 Week Post-natal GP Physical Examination of Child Contact	11 Mar 2021	Circulated to key staff and managers and discussed at appropriate meeting.

Ministerial Directions/Date of Compliance	Date/Year of Adoption	Action to Demonstrate implementation/response
WHC/2021/008	Awaiting Publication	
WHC/2021/009 School Entry Hearing Screening Pathway	25 Mar 2021	Circulated to key staff and managers and discussed at appropriate meeting.
WHC/2021/010	Awaiting Publication	
WHC/2021/011 2021/2022 LHB, SHA & Trust Monthly Financial Monitoring Return Guidance	23 Apr 2021	Circulated to key staff and managers and discussed at appropriate meeting.

13.9 Regulatory and Inspection Reports

The Corporate Governance Directorate track all regulatory and inspection reports by means of a Legislative and Regulatory Tracker report which is presented to each meeting of the Audit Committee.

Prior to presentation to the Audit Committee the tracker is populated with information from Executive Director Leads and individuals who are accountable for regulatory compliance and after presentation to the Management Executive Team.

- The Legislative and Regulatory Tracker includes the following:
- All Regulatory Bodies who inspect Cardiff and Vale UHB
- The Regulatory Standard being inspected
- An Executive Lead for each inspection
- An assurance Committee where Regulatory reports may also be presented along with action plans for improvement where required

When the Legislative and Regulatory Tracker was last reviewed by Internal Audit it received reasonable assurance.

The Corporate Governance Directorate also track all Internal Audit Recommendations and all Audit Wales Recommendation along with management responses. Recommendations are added to the trackers for monitoring once the reports have been signed off by the Audit Committee. During the year Internal Audit have undertaken some work on the Internal Audit Tracker. This was to provide assurance to the Committee that when managers confirm something is completed on the tracker that it has been completed.

13.10 Data Security and Information Governance

CAV Digital Strategy 2020-2025

The first Digital strategy was developed and approved by the Health Board in July 2020. The strategy is key to supporting service transformation plans associated with embracing new and emerging digital technologies and adopting new ways of working.

The strategy forms the basis of the Health Board's IT and information plans for the next 5 years, informed by national strategy and developments as we all as local plans in supporting the Health Board's strategy as described in "Shaping our Future Wellbeing".

Implementation of the work programme to support the Digital Strategy will be led primarily through the Digital directorate teams working closely with the Health Board's Clinical Boards and their nominated clinical digital leads.

The Digital strategy commits the Health Board to a direction of travel informed by clinical services and the Health Board's own future plans. Delivery of the plans will require investment decisions to be made based on business cases that will describe the benefits to be derived from their implementation.

The Digital strategy is likely to continue to evolve and change as local and national initiatives become clearer and are implemented.

Risks relating to information are managed and controlled in accordance with the Health Board'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 2020-2021:

- 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 Information Commissioner's Office (ICO) audit, which took place in February 2020, the Health Board received a 'reasonable assurance' assessment rating on its assurance and compliance, and a 'reasonable assurance' assessment rating 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 Health Board 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 Board has strict responsibilities to ensure personal data and information is held securely. All information governance related incidents are investigated and reviewed by the Information Governance Group.

During the period April 2020 and March 2021 there were 5 personal data security incidents which were investigated fully and were reported to the Information Commissioners Office (ICO).

Reportable breach number 1

A staff member was alleged to have disclosed sensitive patient information to another patient in the absence of a legitimate business reason. The incident was fully investigated and the ICO have closed the report.

Reportable breach number 2

Unintentionally, the UHB disclosed a limited amount of information to a patient which allowed them to identify information that related to another patient. The service has put a procedure in place to ensure staff are extra vigilant when disclosing any information.

Reportable breach number 3

A member of the public was arrested whilst in possession of UHB property. Despite investigating the circumstances, we haven't been able to ascertain how the breach occurred. The ICO have closed the report.

Reportable breach number 4

We reported a potential unauthorised system access by a staff member.

Reportable breach number 5

A distribution list was inadvertently included into a patient email. All parties were contacted and the ICO have closed down the report. The UHB is considering a prompt on external emails.

Staff training numbers steadily increased over the year, the compliance at the end of March 2021 was 64%, a decrease from 72% over the past 12 months. This is attributed to the impact of the COVID-19 pandemic on the Health Board's workforce.

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

- Initiating the Intelligent Audit functionality on national systems,
- New procedure for disclosures to the Police for the prevention of detection of crime.
- Ongoing priority support for TTP and vaccination programmes,
- ICO audit recommendations,
- Development and on-going population of an organisational-wide Information Asset Register,
- Personal Data Breaches Procedure (to meet the requirement to report data breaches within 72 hours),
- Data Protection Impact Assessment (DPIA) Procedure (to meet the requirement to ensure a "privacy by design" approach and accountability requirements),
- Development of privacy notices,
- Contractual reviews by local procurement.

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

The Health Board 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.

13.11 UK Corporate Governance Code

Whilst there is no requirement to comply with all elements of the Corporate Governance Code for Central Government Departments, the Health Board considers that it is complying with the main principles of the Code where applicable, and follows the spirit of the Code to good effect and is conducting its business openly and in line with the Code. This has been informed by the Audit Wales "Doing it Differently, Doing it Right? Governance in the NHS during the COVID-19 crisis – Key themes, lessons and opportunities" report[5] published in January 2021 which focuses on how NHS bodies have governed during the COVID-19 crisis, with a particular focus on putting citizens first, decision making and accountability, and gaining assurance.

An assessment against the code was undertaken in July 2020, and a further assessment undertaken as part of the committee effectiveness survey in April 2021.

There were no reported/identified departures from the Corporate Governance Code during the year.

5 *Doing it Differently, Doing it Right? | Audit Wales*

13.12 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.

13.13 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.

Internal Sources	External Sources
• 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 Walk Rounds • Results of internal investigations and Serious Incident reports • Concerns and compliments • Whistleblowing and Safety Valve • Infection prevention and control reports • Information governance toolkit self-assessment • Patient experience surveys and reports • Compliance with legislation (e.g. Mental Health Act/Health and Safety, Data Protection)	• Population Health Information • Audit Wales • Welsh Risk Pool (WRP) Assessment reports • Healthcare Inspectorate Wales (HIW) 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

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 (HIW).

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.

Governance, Leadership and Accountability

13.14 Board and Committee Effectiveness

I have overall responsibility for risk management and report to the Board regarding the overall effectiveness of risk management across the Health Board. My advice to the Board is informed by reports on internal controls received from all its Committees and in particular the Audit Committee, Quality, Safety & Experience Committee the Finance Committee and the Strategy & Delivery Committee ensuring alignment and connections with the Board's business. The Quality, Safety & Risk Committee also provides assurance relating to issues of clinical governance, patient safety, patient experience and the application of the Health and Care Standards. In addition, reports submitted to the Board by the Executive Team identify risk issues for consideration.

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

Each Committee of the Board develops and Annual Report which is reviewed by each Committee before presentation to Public Board in March. The Annual Reports are signed off by each Committee Chair

and provide assurance to the Board that the Committees have met their Terms of Reference.

In addition to the above a self-effectiveness review is undertaken by Committee Members and Board Members. These reviews were undertaken just after the end of the financial year and the results are summarised below.

Overall, I consider the arrangements supporting the system of internal control at Cardiff and Vale University Health Board to be appropriate. During the year there were three significant reviews which focussed around governance and internal controls during COVID 19. These were:

- Audit Wales Structured Assessment
- Internal Audit Rapid Governance Review
- Principality Stadium Field Hospital Due Diligence – KPMG report

These reports along with management responses to recommendation were all considered by the Audit Committee in November 2020 and then the Board. The recommendations have been tracked through the Internal audit and Audit Wales trackers.

13.15 Committee Effectiveness Survey

Effective Board and Committee meetings are a key part of an effective governance structure and it is important to ensure that the Health Board's organisational governance is compliant with the provisions of its Standing Orders.

The Health Board undertook an annual review of the effectiveness of its Board and its sub-committees, in March/April 2021 using survey questions derived from best practice guides, including the NHS Handbook and using the following principles:

- the need for sub-committees to strengthen the governance arrangements of the Health Board and support the Board in the achievement of the strategic objectives,
- the requirement for a committee structure that strengthens the role of the Board in strategic decision making and supports the role of non-executive directors in challenging executive management actions,
- maximising the value of the input from non-executive directors, given their limited time commitment,
- supporting the Board in fulfilling its role, given the nature and magnitude of the Health Board's agenda.

The findings of the Annual Committee Effectiveness Survey 2020-2021 can be accessed on our website. The results and actions plans, where relevant, will be presented to each Committee and then to the Board.

The overall findings were positive providing an assurance that the governance arrangements and Committee structure in place are effective, and that the Committees are effective in supporting the Board in fulfilling its role.

13.16 Escalation and Intervention Arrangements

In October 2020 the Minister for Health and Social Services confirmed that we will be maintaining our rating of 'routine arrangements, on the advice of the Director General of Health & Social Services/Chief Executive NHS Wales which was informed by the discussions of the Tripartite Group (which comprises Welsh Government officials, Health Inspectorate Wales (HIW) and Audit Wales). The Director General of Health & Social Services/Chief Executive NHS Wales also recognised the professional and considered way in which the NHS and the UHB responded to the extraordinary circumstances of the pandemic response.

During the period 2020-2021, with the exception of the impact of the COVID-19 pandemic, no serious issued were identified to affect NHS delivery, quality and Safety of care and organisational effectiveness, and the Health Board have continued to be monitored through "routine arrangements" since December 2019[6].

6 Written Statement: Escalation and Intervention Arrangements (7 October 2020) | GOV.WALES

14. 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.

14.1 The Head of Internal Audit Opinion

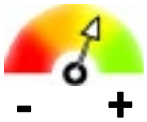
Due to the considerable impact of COVID-19 on the Health Board, the internal audit plan has needed to be agile and responsive to ensure that key developing risks are covered. As a result of this approach, and with the support of officers and independent members across the Health Board, the plan has been delivered substantially in accordance with the agreed schedule and changes required during the year, as approved by the Audit & Assurance Committee. In addition, regular audit progress reports have been submitted to

the Audit & Assurance Committee. Although changes have been made to the plan during the year, we can confirm that we have undertaken sufficient audit work during the year to be able to give an overall opinion in line with the requirements of the Public Sector Internal Audit Standards.

The Internal Audit Plan for the 2020/21 year was initially approved by the Audit & Assurance Committee in April 2020. However, as a result of the impact of the pandemic, the plan has been subject to significant adjustment to reflect the Health Board's changing risk profile and the availability of key management and staff during the pandemic. A first round of adjustments to the plan was formally approved by the Audit & Assurance Committee in July 2020 with subsequent adjustments approved at the November 2020 and February 2021 meetings. This Annual Report and Opinion is therefore primarily based on the delivery of the updated 2020/21 annual plan, reflecting all approved adjustments.

At the time of writing, the anticipated final position regarding the Internal Audits delivered as part of the 2020/21 plan was: 27 Final outputs, 2 Draft outputs and 18 audits that were either removed or deferred into the 2021-2022 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 rating for the overall assurance opinion.

The Head of Internal Audit opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management, and control is set out below.

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

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

From the reports issued during the year, seven were allocated Substantial Assurance, eighteen were allocated Reasonable Assurance and one was allocated Limited Assurance. No reports were allocated no assurance. In addition, three advisory & Non opinion reports were also issued concerning:

- **Governance during the COVID-19 Pandemic;**
- **Development of Integrated Audit Plans; and**
- **IM&T Control & Risk Assessment.**

14.2 Limited Assurance

During the year internal audit issued one internal audit report with a "Limited Assurance" relating to the Monitoring of Outpatient Clinic Cancellations within the Mental Health Clinical Board. This reflects a lack of reporting and monitoring of cancellations within the Clinical Board. There were also inconsistencies in the systems being utilised to record cancellations and a lack of detail around reasons for cancellations and the level of authorisation. Particular focus should be placed on the agreed responses to this report and the significance of the recommendations made.

There were no audited areas in which the Board received a "No assurance" assessment rating.

15. External Audit - Audit Wales

The Auditor General for Wales is the Health Board'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 Health Board's financial systems and processes, performance management, key risk areas and the Internal Audit function.

Report	Month
Audit of Financial Statements Report	June 2020
Opinion on the Financial Statements	July 2020
Audit of Accounts Report Addendum	August 2020
Structured Assessment 2020	October 2020
Effectiveness of Counter Fraud Arrangements	August 2020
Follow-up of Operating Theatres	February 2021
Audit Plan 2021	February 2021

15.1 The Annual Audit Report for 2020[7]

Audit Wales' annual programme of work at the Health Board is set out in the Audit Plan. The 2020 Audit Wales Audit Plan was approved by the Audit and Assurance Committee on 3 March 2020.

Reports produced by Audit Wales in line with the Audit Plan are presented to the Audit and Assurance Committee. A Management Response is prepared for reports which contain recommendations. All recommendations are subsequently recorded in the External Audit Recommendations Tracker. A Tracking Report is provided to each Audit and Assurance Committee to provide assurance on their implementation.

The following reports relating directly to the work of the Health Board were presented to the Audit and Assurance Committee:

7 *Cardiff and Vale University Health Board – Annual Audit Report 2020 | Audit Wales*

The Audit and Assurance Committee also reviews the outcomes of national pan-sector reviews at the earliest possible meeting following their publication.

The Annual Audit Report 2020 did not identify any material weaknesses in the Health Board's internal controls (as relevant to the audit) and concluded that:

- there had been good operational management and agile decision-making during the pandemic despite some limitations in the transparency of scrutiny, assurance, and oversight of overall governance,
- effective financial controls, monitoring and reporting were maintained throughout the pandemic, but the impact of COVID-19 had created a significant risk to the Health Board's ability to break even,
- operational plans were informed by robust data modelling and developed in a timely way, and the Health Board was seeking to more fully engage stakeholders in future planning. However, risks remained in the event of a second COVID-19 peak, and arrangements to monitor delivery of the plan needed strengthening,
- the Health Board demonstrated a commitment to counter-fraud, has suitable arrangements to support the prevention and detection of fraud and was able to respond appropriately where fraud occurs.

However, the audit report to drew attention to two disclosures in the accounts, relating to:

- the impact of COVID-19 on the valuation of the Health Board's land and buildings as at 31 March 2020; and
- the impact of a Ministerial Direction 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's accounts were properly prepared and materially accurate, except for the inventory balance as at 31 March 2020, which resulted in a qualified limitation-of-scope opinion on the accounts. This qualification was necessary as there was insufficient audit evidence to support the Health Board's material inventory balance of £16.784 million as at 31 March 2020. The qualification did not arise due to shortcomings in the Health Board's systems or actions, but because the UK's COVID-19 lockdown had prevented the audit team from undertaking their year-end inventory count, being a mandated audit procedure for a material inventory-balance. The inventory balance was not materially misstated, rather that the audit team could not establish whether it was materially true and fair. The Annual Audit Plan for 2021 was presented to the Audit and Assurance Committee on 6 April 2021. The Audit Plan sets out an initial timetable for the completion of Audit Wales' audit work. However, given the on-going uncertainties around the impact of COVID-19 on the sector, some timings may need to be

revisited. Any changes will be reported to the Audit and Assurance Committee accordingly.

15.2 Cardiff and Vale University Health Board - Structured Assessment 2020

The Audit Wales Structured Assessment for 2020[8] provides and assessment of the Health Board's corporate arrangements for ensuring that resources are used efficiently, effectively and economically.

The Structured assessment for 2020 found that:

- The Health Board quickly adapted its governance arrangements to support agile and rapid decision-making and ensure effective operational management during the pandemic,
- there has been good operational management and agile decision-making during the pandemic despite some limitations in the transparency of scrutiny, assurance, and oversight of overall governance.
- effective financial controls, monitoring and reporting have been maintained throughout the pandemic, but the impact of COVID-19 is creating a significant risk to the Health Board's ability to break even.
- operational plans have been informed by robust data modelling and developed in a timely way, and the Health Board is seeking to more fully engage stakeholders in future planning. However, risks remain in the event of a second COVID-19 peak, and arrangements to monitor delivery of the plan need strengthening.

8 Cardiff and Vale University Health Board - Structured Assessment 2020 | Audit Wales

16. Modern Slavery Act 2015 – Transparency in Supply Chains

The Welsh Government's Code of Practice: Ethical Employment in Supply Chains was published in May 2017 to highlight the need, at every stage of the supply chain, to ensure good employment practices exist for all employees, both in the UK and overseas. It is expected that all NHS Wales organisations will sign up for the Code.

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

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

The following actions are already in place which meet the Code's commitments:

- We have a Freedom to Speak Up (F2SU) process and a Raising Concerns

(Whistleblowing) Policy, which provides the workforce with a fair and transparent process, to empower and enable them to raise suspicions of any form of malpractice by either our staff or suppliers/contractors working on University Health Board premises;

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

The Health Board continues to work in partnership with relevant stakeholders and trade union partners to develop and implement actions which set out our commitment to ensure the principles of ethical employment within our supply chains are implemented and adhered to.

17. 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.

No significant internal control or governance issues have been identified or make specific reference to those significant issues which may have been identified above in this Statement.

During 2020-2021, 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 Health Board 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 Risk Management to warrant an Internal Audit assessment finding of reasonable assurance. In addition, assurance is provided by the audit of the Health Board Core Financial systems which was also given a reasonable assurance assessment rating.

There have been significant improvements to risk management, with the BAF now an integral part of the Health Board's risk management process. The Health Board had an approvable IMTP covering the years 2019-2020 to 2021-22. The IMTP planning process for 2020-2021 to 2022-2023 was paused in the March 2020 and the approval process was not completed, therefore the approval status remains extant as at that point (i.e. the Health Board has an approved IMTP). However, we have not achieved our financial duty of break even for the three years to 31 March 2021. We have operated within our capital resource for the three years to 31 March 2021, 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 on page 132.

As indicated throughout this statement and the Annual Report 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 the risks. The need to respond and recover from the pandemic will be with the organisation and wider society throughout 2020-2021 and beyond. I will ensure our Governance Framework considers and responds to this need.

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 2020-2021.

Signed by: 

Chief Executive & Accountable Officer:

Date: 10th June 2021

Part 2b

Remuneration and Staff Report

18.Remuneration and Staff Report

18.1 Staff Numbers

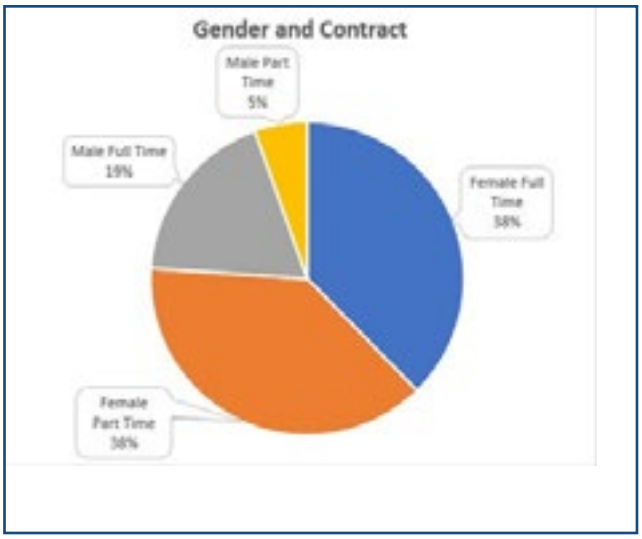
The Health Board workforce profile identifies that approximately 76% of the workforce is female. This is not representative of the local community where a little more than half the population is female. The numbers of female and male directors, managers and employees as at 31 March 2021 were as follows:

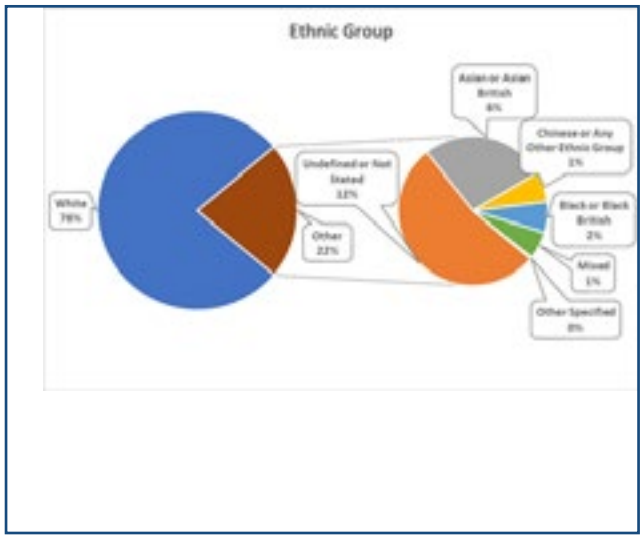
	Female	Male	Total
Director	13	10	23
Manager	135	76	211
Employee	12422	3869	16291
Total	12570	3955	16525

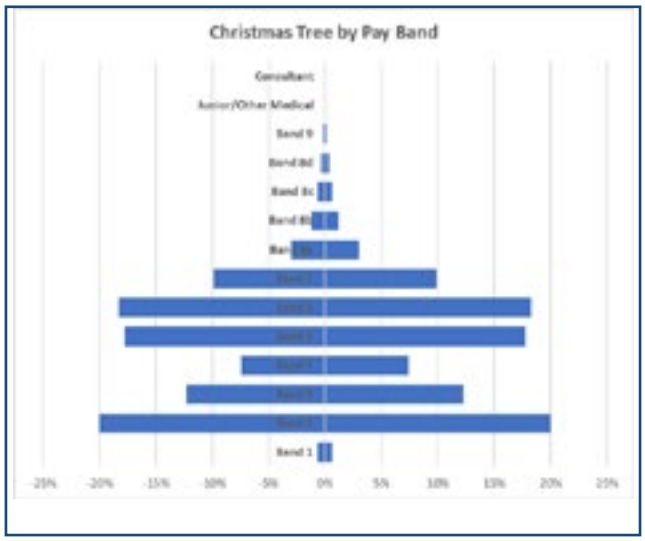
18.2 Staff Composition

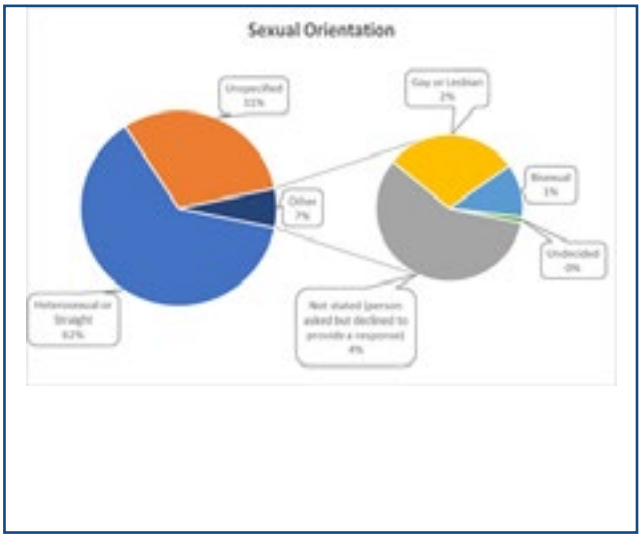
The charts below indicate the following challenges when determining optimal ways to deploy the current and future workforce and how to consider future supply against service priorities:

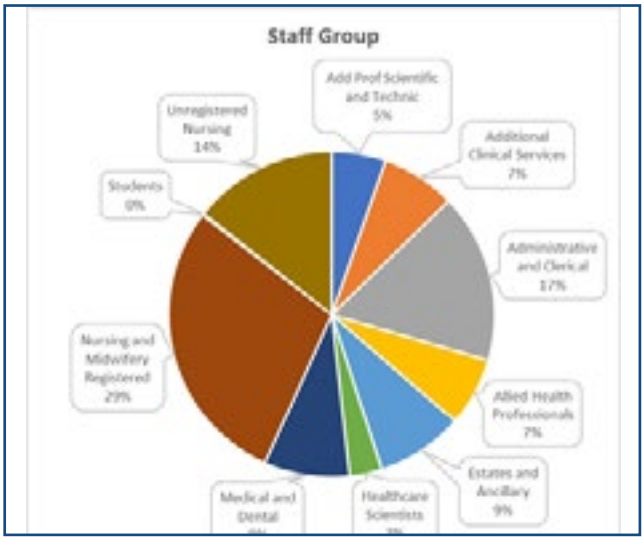
- The Health Board has an aging workforce with the largest age categories being aged 51-55 years and 31-35 years (approximately 2,130 staff in each of these categories). The impact of employees retiring from service critical areas is key in Clinical Boards undertaking local workforce planning,
- The largest grade categories are staff in Agenda for Change Bands 2, 5 and 6. 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 (38%). Use of our employment policies, such as the Adaptable Workforce Policy and Flexible Working Procedure , is crucial to retaining talent and keeping staff engaged,
- The majority of the workforce is white (78%) with 10% in Black and Minority Ethnic categories and 12% 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 unregistered nursing staff make up just over 43% of the total workforce. Given there is a recognised national shortage of registered nurses, the Health Board has made nurse sustainability a high priority on its workforce agenda.


Gender and Contract
Male Part Time 5%
Male Full Time 19%
Female Full Time 38%
Female Part Time 38%

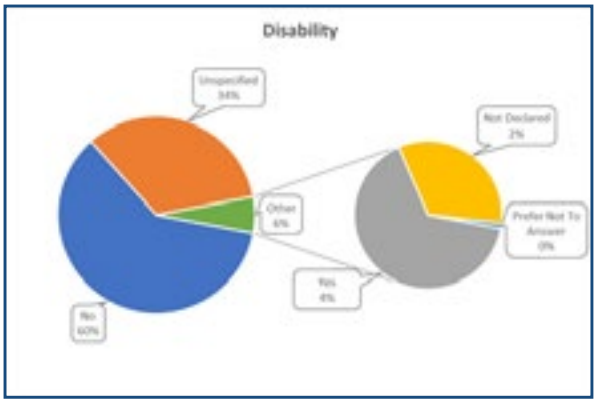

Ethnic Group
White 78%
Other 22%


Christmas Tree by Pay Band
Band 1


Sexual Orientation


Staff Group
Add Prof Scientific and Technic 5%
Unregistered Nursing 14%
Additional Clinical Services 7%
Students 0%
Administrative and Clerical 17%
Nursing and Midwifery Registered 29%
Allied Health Professionals 7%
Estates and Ancillary 9%
Medical and Dental
Healthcare Scientists

Workforce profile information collected for the Health Board in March 2021 shows that 4% of staff consider themselves to have a disability, but this information is not known for a significant number of staff (34%).



18.3 Sickness Absence Data

The health and wellbeing of Health Board staff is of upmost importance, especially at this unprecedented time and much of the work carried out in 2020-2021 has been described in the Performance Report.

The Health Board has achieved both the Gold and Platinum Corporate Health Standards and has been recognised as an exemplar organisation. In 2020-2021 we have continued to use the learning from these standards to stretch our health and wellbeing activity even further. Initially the re-assessment was scheduled for 2020 but this was postponed due to COVID-19 and we will be given a revised date in April 2021.

Sickness absence remains a priority for the Health Board. The cumulative sickness rate for the 12-month period up to and including March 2021 is 6.00% which is 1.40% above the 2020-2021 year-end target of 4.60%.

17.50% of the total sickness recorded has been attributed to COVID-19.

72% of this sickness was attributed to long-term absence and 28% to short-term absence. The Health Board top reasons recorded for absence during 2020-2021 were Anxiety/Stress and Musculoskeletal.

The following table provides information on the number of days lost due to sickness during 2019-20 and 2020-2021.

	2020-21	2019-20
	Number	Number
Days lost (long term)	213,428.31	182,907.36
Days lost (short term)	83,687.67	75,301.51
Total days lost	297,115.98	258,208.87
Total staff years	13,560.93	13,074.26
Average working days lost	13.68	12.33
Total staff employed in period (headcount)	15,580	14,658
Total staff employed in period with no absence (headcount)	7,602	6,144
Percentage staff with no sick leave	47.49%	39.81%

The Health Board is passionate about caring for the wellbeing of its staff members. In 2020-2021, 111 Wellbeing Champions were trained. Quarterly meetings are held with the wellbeing champions to offer them support, share ideas and update them on any new wellbeing initiatives. There is also a team's group where they can keep in contact.

Each month we focus on a theme relating to mental wellbeing e.g. stress awareness and a newsletter is developed with information about relevant workshops and how to access support.

Training continues to be delivered by the Employee Wellbeing Service, though this is currently through online platforms. Sessions available include Assertiveness, Compassion and Self-Care, and Stress Risk Assessment for line managers. In addition to the rolling programme of training events, a group session based around the theme for that month is also held (e.g. stress awareness Q&A).

18.4 Staff Policies

At Cardiff and Vale UHB we have 6 local Health Board employment Policies:

- 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 & responsibilities, and any entitlements or obligations. This means there is less duplication, more transparency and information which is easier to understand. These are in addition to the ALL-WALES Policies which 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 Health Board intranet for a period of at least 28 days and consideration at the Employment Policies Sub Group of the Local Partnership Forum.

In January 2021 the Health Board published its revised **Equality, Inclusivity and Human Rights Policy**. This Policy replaces the previous Equality, Diversity and Human Rights Policy. The language has been updated throughout and it takes account of:

- the new Socio-Economic Duty
- the Welsh Language Standards
- the new Strategic Equality Plan- Caring About Inclusion 2020-2024

Having an Equality, Inclusion and Human Rights Policy shows that as an employer we are committed to providing meaningful equality of opportunity and inclusion for all employees, regardless of their protected characteristics (i.e. gender identity, marital status, race, ethnic origin, maternity status, nationality, national origin, sex, disability, sexual orientation, religion or age). Its remit goes beyond strict compliance with the law and acts as a reference point in the event of any subsequent disputes.

In light of recent events, such as the differential impacts of the pandemic on different population groups, the Black Lives

Matter movement and case law decisions, the updated Policy has taken account of language change and a move from equality to inclusivity. The updated policy means that everyone is treated fairly throughout the recruitment and employment process; it is about addressing the balance so everyone feels equal and included within the workplace. It recognises that all employees should be treated as individuals and no judgements should be made based on stereotypes. Instead, all employees should feel understood, appreciated and valued for their own set of skills. The Policy sets out what we will do to achieve this.

The Health Board 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 time, eliminating discrimination and promoting good relations between all. The **Recruitment and Selection Policy** 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 Health Board 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 Health Board 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 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, manage their absence and help facilitate their timely return to work, but it is about more than that - it is also designed to help you know your staff and focus on their health and wellbeing to keep them well and in work.

The Managing Attendance at Work Policy includes a number of toolkits. One of these deals with reasonable/tailored adjustments – it reminds managers of our legal duty to make reasonable adjustments to ensure workers with **disabilities, or physical or mental health impairments**, are not disadvantaged when doing their jobs or during the recruitment process. The Policy states that not all illnesses are disabilities, however, if an employee is asking for support with a health and wellbeing condition, it is best to provide the support accordingly, assuming it is proportionate to do so. There are many benefits to this including supporting the employee back into work and helping them remain in work.

We reviewed our **Redeployment Procedure** in 2020. This sets out the process by which suitable alternative employment is sought for employees who are unfit or no longer able to carry out the duties of their current post, either on a temporary or permanent basis. . This can be for a number of reasons, including health. It is important that staff and managers are clear about their responsibilities and the process to be followed to ensure that everyone is treated fairly and equitably. Although the process of finding a redeployment opportunity is coordinated by Human Resources, the responsibility and ownership for actions taken is shared with the individual concerned and their substantive line manager, who are both expected to take all possible steps to find and pursue suitable opportunities. The Procedure aims to ensure that clear advice, support and guidance is provided to managers and employees regarding their role(s) in managing situations where employees need to be transferred into suitable alternative posts.

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 their workplaces. We have worked with organisations such as Access to Work to support our disabled employees.

The Health Board has undertaken the opportunity to develop a partnership approach with DFN Project Search. DFN Project Search is a one year, employment preparation programme that takes place entirely in the workplace. This will help to deliver the best employment outcomes for young adults from SEN education providers with learning disabilities and/or autism across the Cardiff and the Vale who are under-represented in the workforce. This will assist achieving part of the widening access into employment agenda.

Due to the current economic landscape as a result of Covid19, many people are out of work. A high proportion of these individuals are young people. The government has launched an innovative new KICKSTART scheme, giving 16-24 year olds who are in receipt of Universal Credit a future of opportunity by creating high-quality, government-subsidised jobs across the UK. Cardiff and Vale successfully became a direct employer since January 2020.

The Kickstart placements will last for six months, during this period the individual will gain extra employability skills and mentoring to help them become successful in gaining long term employment. Cardiff and Vale have currently received 75 applications in the initial few weeks.

The Health Board has successfully achieved platinum status of corporate health standards since 2014, which highlights a commitment to our corporate responsibility. The Cardiff Commitment pledge was also signed in collaboration with Cardiff local authority supporting the vision of working in partnership to assist young people find opportunities of work.

18.5 Salary and Pension Entitlements of Senior Managers 2020-21

Full details of senior managers' remunerations for 2020-21 are provided in the audited tables that follow:

CARDIFF AND VALE UNIVERSITY LOCAL HEALTH BOARD REMUNERATION REPORT 2020-21

Salaries of Senior Managers

Name and title	01-Mar-2021 Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Bonus Payments (bands of £5,000) £000	Benefits in kind (Rounded to the nearest £00) £00	Pension Benefits (Rounded to the nearest £000) £000	Total (bands of £5,000) £000
Cardiff and Vale University Local Health Board						
Senior Members						
Leonard Richards, Chief Executive	210-215	0	0		54	265-270
Ruth Walker, Executive Nurse Director	140-145	0	0		0	140-145
Steve Curry, Chief Operating Officer	140-145	0	0		30	180-185
Abigail Harris, Executive Director of Strategic Planning	130-135	0	0		38	170-175
Robert Chadwick, Executive Director of Finance (1)	85-90	0	0		0	85-90
Christopher Lewis, Interim Executive Director of Finance (1)	70-75	0	0		0	70-75
Catherine Phillips, Executive Director of Finance (1)	10-15	0	0		5	15-20
Martin Driscoll, Executive Director of Workforce & Organisational Development (2)	140-145	0	0		32	170-175
Rachel Gidman, Interim Executive Director of Workforce & Organisational Development (2)	10-15				1	10-15
Dr Fiona Jenkins, Executive Director of Therapies & Health Science (3)	90-95	0	0		89	180-185
Dr Stuart Walker, Executive Medical Director (4)	225-230	0			85	310-315
Fiona Kinghorn, Executive Director of Public Health	120-125	0	0		33	155-160
Other Directors						
Nicola Foreman, Director of Corporate Governance	105-110	0	0		28	135-140
Jonathon Gay, Director of Transformation & Informatics (5) (was Interim)	35-40	0	0		4	40-45
Allan Wardhaugh, Chief Clinical Information Officer (5)	95-100	0	0		7	105-110
Independent Members (IM)						
Charles Janczewski, Chair (6)	65-70	0	0	0	0	65-70
Michael Imperato, IM - Interim Vice Chair (7)	55-60	0	0	0	0	55-60
John Union - Finance	15-20	0	0	0	0	15-20
Eileen Brandreth, IM - Information Communication & Technology (8)	15-20	0	0	0	0	15-20
Professor Gary Baxter, IM - University	0	0	0	0	0	0
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
Akmal Hanuk, IM - Local Community	15-20	0	0	0	0	15-20
Rhian Thomas, IM - Capital & Estates	15-20	0	0	0	0	15-20
Dawn Ward, IM - Trade Union (9)	0	35-40	0	0	0	35-40
Mike Jones, IM - Trade Union (9)	0	0-5	0	0	0	0-5
Associate Members						
Richard Thomas, Chair, Stakeholder Reference Group (10)	0	0	0	0	0	0
Geoffrey Simpson, Interim Chair, Stakeholder Reference Group (10)	0	0	0	0	0	0
Sam Austin, Chair, Stakeholder Reference Group (10)	0	0	0	0	0	0
Susan Bailey, Chair, Health Professionals' Forum (11)	0	75-80	0	0	0	75-80
Lance Carver, Associate Member - Local Authority	0	0	0	0	0	0

The pension benefit is not an amount which has been paid to an individual by the UHB during the year, it is a calculation which uses information from the pension benefit table. These figures can be influenced by many factors e.g. changes in a persons salary, whether or not they choose to make additional contributions to the pension scheme from their pay and other valuation factors affecting the pension scheme as a whole.

The NHS and social care financial recognition scheme bonus of £735 payment to reward eligible staff has not been included in the NHS Remuneration report calculations. This bonus payment is not a contractual payment, but a one off payment to reward eligible staff for their commitment and tireless efforts in the most challenging circumstances.

CARDIFF AND VALE UNIVERSITY LOCAL HEALTH BOARD REMUNERATION REPORT 2020 21

Salaries of Senior Managers

Name and title	31-Mar-2020 Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Bonus Payments (bands of £5,000) £000	Benefits in kind (rounded to the nearest £100) £00	Pension Benefits (rounded to the nearest £000) £000	Total (bands of £5,000) £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	130-135	0	0	0	0	130-135
Steve Curry, Chief Operating Officer	140-145	0	0	0	30	170-175
Abigail Harris, Executive Director of Planning	130-135	0	0	0	29	160-165
Robert Chadwick, Executive Director of Finance	170-175	0	0	0	0	170-175
Martin Driscoll, Executive Director of Workforce & Organisational Development	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	5-10	0	0-5	0	0	10-15
Dr Peter Dunning, Interim Executive Medical Director	40-45	0	5-10	0	0	50-55
Dr Stuart Walker, Executive Medical Director	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
Jonathon Gray, Director of Transformation & Informatics (see footnote)	50-55	0	0	0	0	50-55
Dr Sharon Hopkins, Director of Transformation & Informatics	25-30	0	0	0	0	25-30
Independent Members (IM)						
Maria Battle, Chair	25-30	0	0	0	0	25-30
Charles Janczewski, Interim Chair	45-50	0	0	13	0	45-50
Charles Janczewski, Vice Chair	15-20	0	0	0	0	15-20
Michael Imperato, IM - Interim Vice Chair	25-30	0	0	0	0	25-30
Michael Imperato, IM - Legal	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 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
Akmal Hanuk, IM - Local Community	15-20	0	0	0	0	15-20
John Antoniazzi, IM - Estates	5-10	0	0	0	0	5-10
Rhian Thomas, IM - Capital & Estates	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

The pension benefit is not an amount which has been paid to an individual by the UHB during the year, it is a calculation which uses information from the pension benefit table. These figures can be influenced by many factors e.g. changes in a persons salary, whether or not they choose to make additional contributions to the pension scheme from their pay and other valuation factors affecting the pension scheme as a whole.

No Pension benefit figures have been shown for J Gray as his membership in the NHS Pension scheme was frozen in 2010 and only reactivated upon joining Cardiff and Vale 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.

CARDIFF AND VALE UNIVERSITY LOCAL HEALTH BOARD REMUNERATION REPORT 2020 21

Salary and Pension entitlements of Senior Managers

Neither Dawn Ward, Mike Jones or Susan Bailey are remunerated as Members of the Board, however they are employees of the Health Board and their salary costs are shown in the Other Remuneration column.

Martin Driscoll was a member of the NHS Wales Lease Car Salary benefit scheme during the financial year, which is open to all UHB employees. An element of an employee's salary is 'swapped' for the use of a new car. In the Remuneration table for 2020-21 the amount of £7,595 swapped for the use of the car has been included in the Salary column.

Changes to Board Membership in 2020 21

(1) **Robert Chadwick** ended on the 30th September 2020. **Christopher Lewis** was Interim Director of Finance from the 1st of September to 28th February 2021 and the remuneration shown in the table is for this period only. **Catherine Phillips** started 1st of March 2021.
(2) **Martin Driscoll** ended 28th February 2021. **Rachel Gidman** started as Interim Director of Workforce & OD 1st March 2021.
(3) **Fiona Jenkins** has been working as Interim Executive Director of Therapies & Health Science for Cwm Taf Morgannwg Health Board since 2nd November 2020. Her time is split 50:50 between both Health Boards.
(4) **Stuart Walker** started as Deputy Chief Executive 1st of March 2021.
(5) **Jonathon Gray** ended 30th June 2020. **Allan Wardhaugh** started 15th July 2020.
(6) **Charles Janczewski** was Interim Chair until 23/6/20 when he was appointed as Chair.
(7) **Michael Imperato** ended 31st March 2021
(8) **Eileen Brandreth** ended 31st March 2021.
(9) **Dawn Ward** ended 31st January 2021. **Mike Jones** started 1st March 2021
(10) **Richard Thomas** ended 24th March 2020. **Geoffrey Simpson** was Interim Chair of the Stakeholder reference group from 25th March until 23rd September 2020. **Sam Austin** started 24th November 2020.
(11) **Susan Bailey** ended 10th February 2021.

Remuneration Relationship

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

CARDIFF AND VALE UNIVERSITY LOCAL HEALTH BOARD REMUNERATION REPORT 2020-21

Pension Benefits

Name and title	Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31/03/21 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31/03/2021 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2021	Cash Equivalent Transfer Value at 31 March 2020	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	2.5-5	0-2.5	50-55	145-150	1,209	1,192	57	
Steve Curry - Chief Operating Officer	2.5-5	0-2.5	60-65	150-155	1,364	1,270	52	
Abigail Harris - Executive Director of Planning	2.5-5	0-2.5	45-50	90-95	833	767	34	
Martin Driscoll - Executive Director of Workforce & Organisational Development & Deputy Chief Executive	2.5-5	0	5-10	0	121	83	16	
Rachel Gidman - Interim Executive Director of Workforce & Organisational Development	0-2.5	0-2.5	25-30	55-60	449	411	1	
Catherine Phillips - Executive Director of Finance	0-2.5	0-2.5	60-65	145-150	1,247	1,077	11	
Dr Fiona Jenkins, Executive Director of Therapies & Health Science (Note 2)	5-7.5	15-17.5	60-65	180-185	-	-	-	
Fiona Kinghorn - Executive Director of Public Health	2.5-5	0-2.5	45-50	100-105	928	861	35	
Stuart Walker - Executive Medicine Director	5-7.5	2.5-5	75-80	180-185	1,505	1,364	65	
Nicola Foreman - Director of Governance	2.5-5	0	20-25	0	277	243	1	
Jonathon Gray - Director of Transformation & Informatics	0-2.5	0	45-50	130-135	1,075	1,004	6	
Allan Wardhaugh - Chief Clinical Information Officer	0-2.5	(2.5)-0	45-50	95-100	936	888	9	

Note 1 - Robert Chadwick and Christopher Lewis chose not to be covered by the NHS Pension arrangements for 2020/21 and 2019/2020 and hence are not included in the table above.

Note 2 - Fiona Jenkins is over the Normal Retirement Age for the NHS Pension scheme and therefore no CETV is reported in 2020/21 or 2019/20. Whilst her time has been split 50/50 between Cardiff and Vale Health Board and Cwm Taf Health Board since 02/11/20, please note that the above table reflects her full pension benefits and has not been pro-rata.

Note 3 - Ruth Walker, Executive Nurse Director retired & returned during 2019/20 and therefore no pension figures are reported.

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

Cash Equivalent Transfer Values

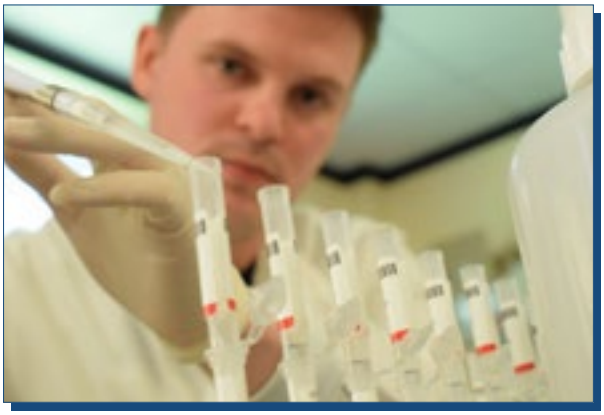
A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made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

Real Increase in CETV

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

18.6 Consultancy Expenditure

As disclosed in note 3.3 of its annual accounts, the Health Board spent £5.562m on consultancy services during 2020-21 compared to £2.475m in 2019-20. The majority of this expenditure going towards projects aimed at delivering better clinical outcomes and efficiencies.



18.7 Tax Assurance for Off-payroll Appointees

For all off-payroll engagements as of 31 March 2021, for more than £245 per day.

No. of existing engagements as of 31 March 2021	17
Of which:	
No. that have existed for less than one year at time of reporting	17
No. that have existed for between one and two years at time of reporting	0
No. that have existed for between two and three years at time of reporting	0
No. that have existed for between three and four years at time of reporting	0
No. that have existed for four or more years at time of reporting	0

While the UHB is not responsible for deducting tax and national insurance in respect of Agency staff, 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.

Part 2b

Parliamentary Accountability & Audit Report

19.Parliamentary Accountability and Audit Report

19.1 Regularity of Expenditure

The Health Board has a financial duty to break even over a three year period. As a result of pressures on public spending where the Health Board had to meet considerable cost pressures and increased demand for high quality patient services, within a period of restricted growth in funding, £9.724m has been incurred in excess of the three year resource limit. This is therefore deemed to be irregular.

The process for approval of the 2020/2023 3 year plan was paused in the spring and was not completed, so the approval/non-approval status of all organisations remain extant as at that point (i.e. the previous January 2019 submission).

The Minister for Health and Social Services has issued directions for NHS organisations to develop and submit an annual plan for 2021-2022. The annual plans for 2021-2022 will not be formally approved by the Minister, however, an assessment process will be conducted and feedback provided to the NHS.

19.1.1 Long Term Expenditure Plans 2016-2021

Performance against the Revenue Resource Limit

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Net operating costs for the year	936,816	919,484	964,633	1,043,916	1,220,369
Less general ophthalmic services expenditure and other non-cash limited expenditure	(21,567)	(19,396)	(18,186)	(17,276)	(13,386)
Less revenue consequences of bringing PFI schemes onto SoFP	(1,028)	(1,028)	(1,028)	(1,028)	(1,028)
Total operating expenses	914,221	899,060	945,419	1,025,612	1,205,955
Revenue Resource Allocation	884,978	872,207	935,547	1,025,670	1,206,045
Under/(over) spend against Allocation	(29,243)	(26,853)	(9,872)	58	90

The LHB has not met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2018-19 to 2020-2021.

The Health Board did not receive any repayable cash support in 2020-2021.

Performance against the Capital Resource Limit

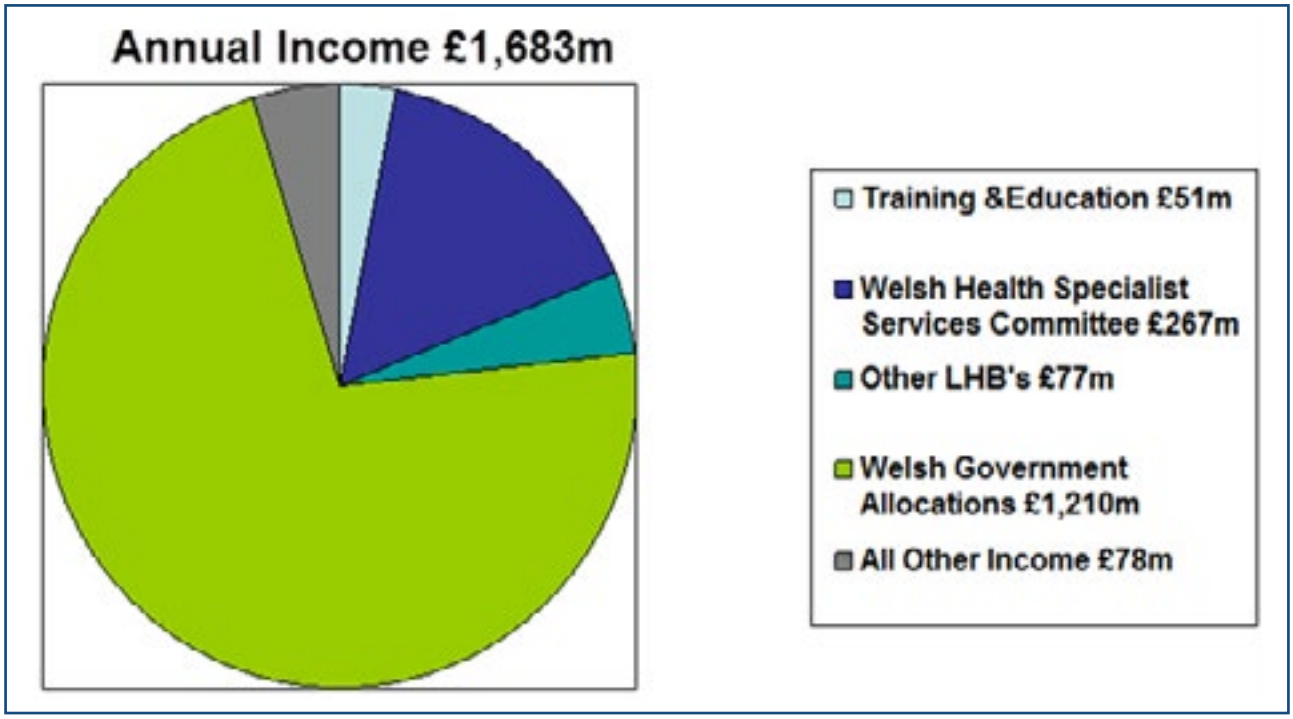
	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Gross capital expenditure	44,061	55,996	49,349	61,333	103,182
Add: Losses on disposal of donated assets	9	0	4	13	14
Less NBV of property, plant and equipment and intangible assets disposed	(621)	(2,297)	(310)	(2,167)	(7,020)
Less capital grants received	0	0	0	0	(536)
Less donations received	(1,423)	(6,666)	(630)	(1,109)	(297)
Charge against Capital Resource Allocation	42,026	47,033	48,413	58,070	95,343
Capital Resource Allocation	42,104	47,121	48,487	58,159	95,447
(Over) / Underspend against Capital Resource Allocation	78	88	74	89	104

The LHB has met its financial duty to break-even against its Capital Resource Limit over the 3 years 2018-2019 to 2020-2021.

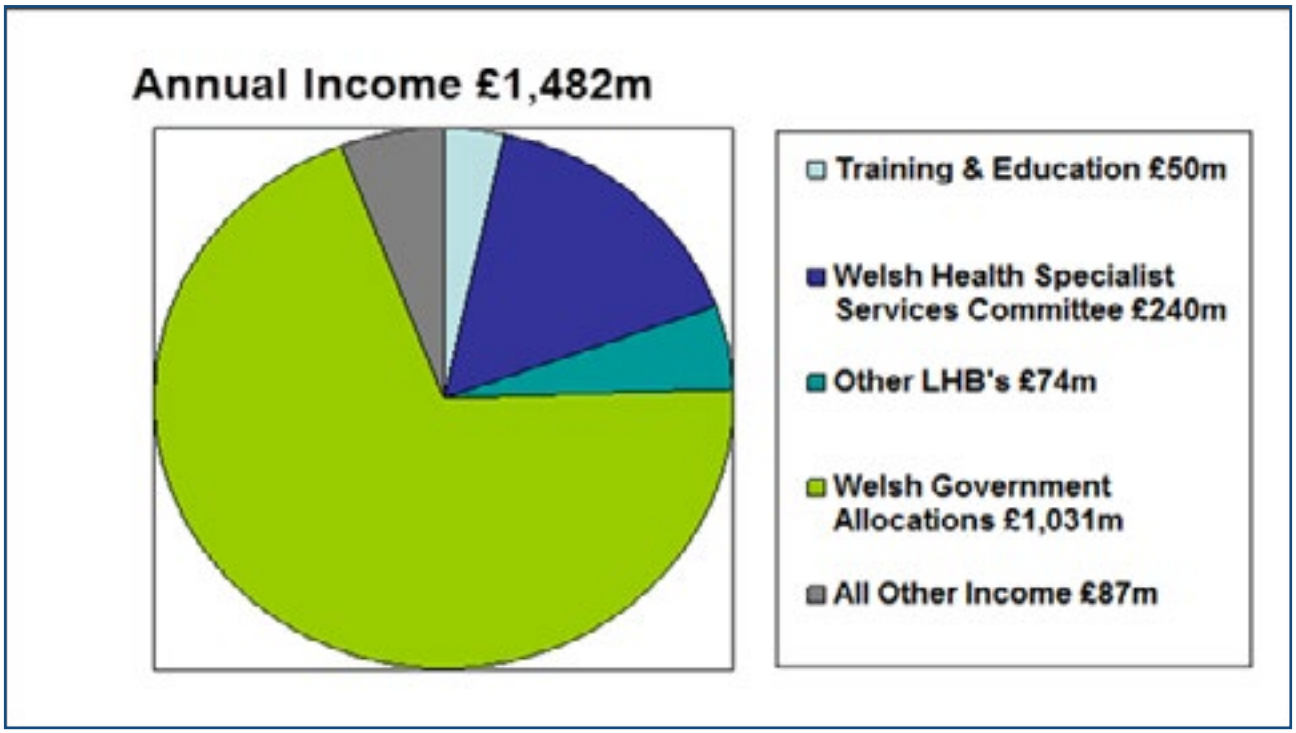
How the UHB Has received its Revenue Funding

INCOME GRAPHS: 2016-2017 to 2020-2021

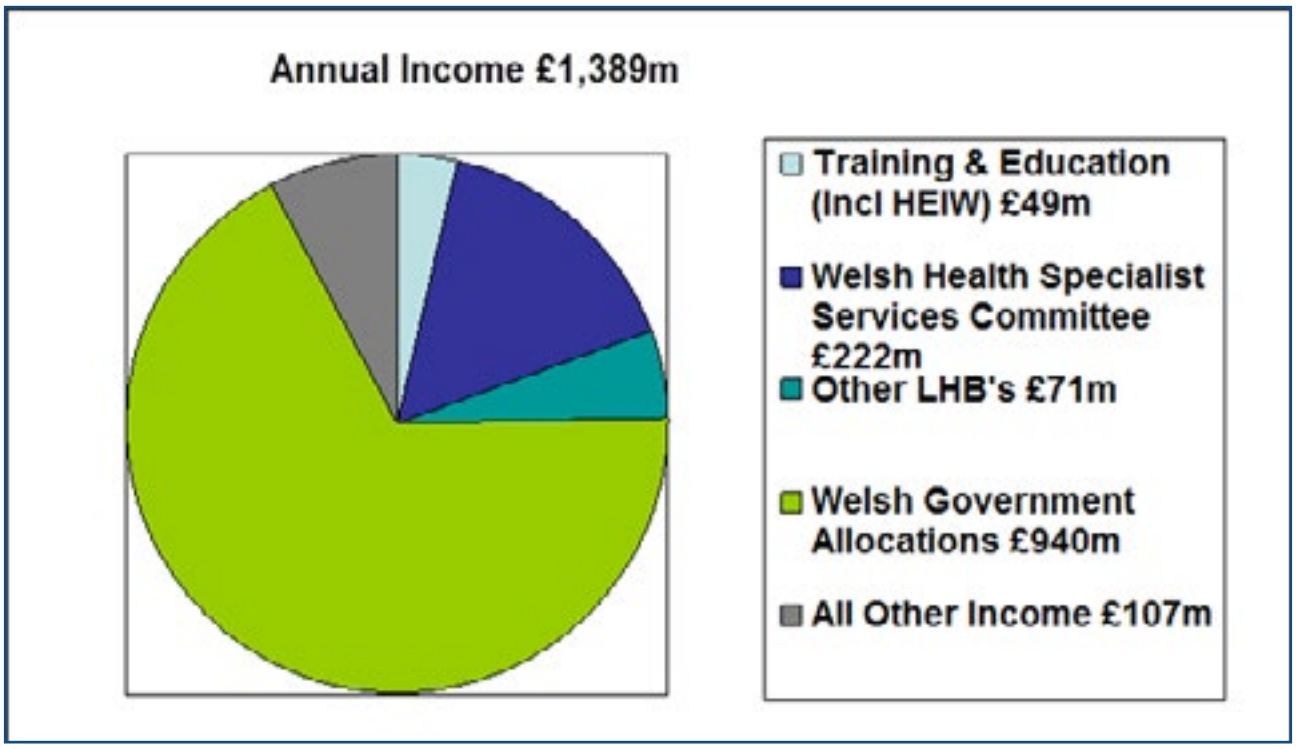
2020-2021



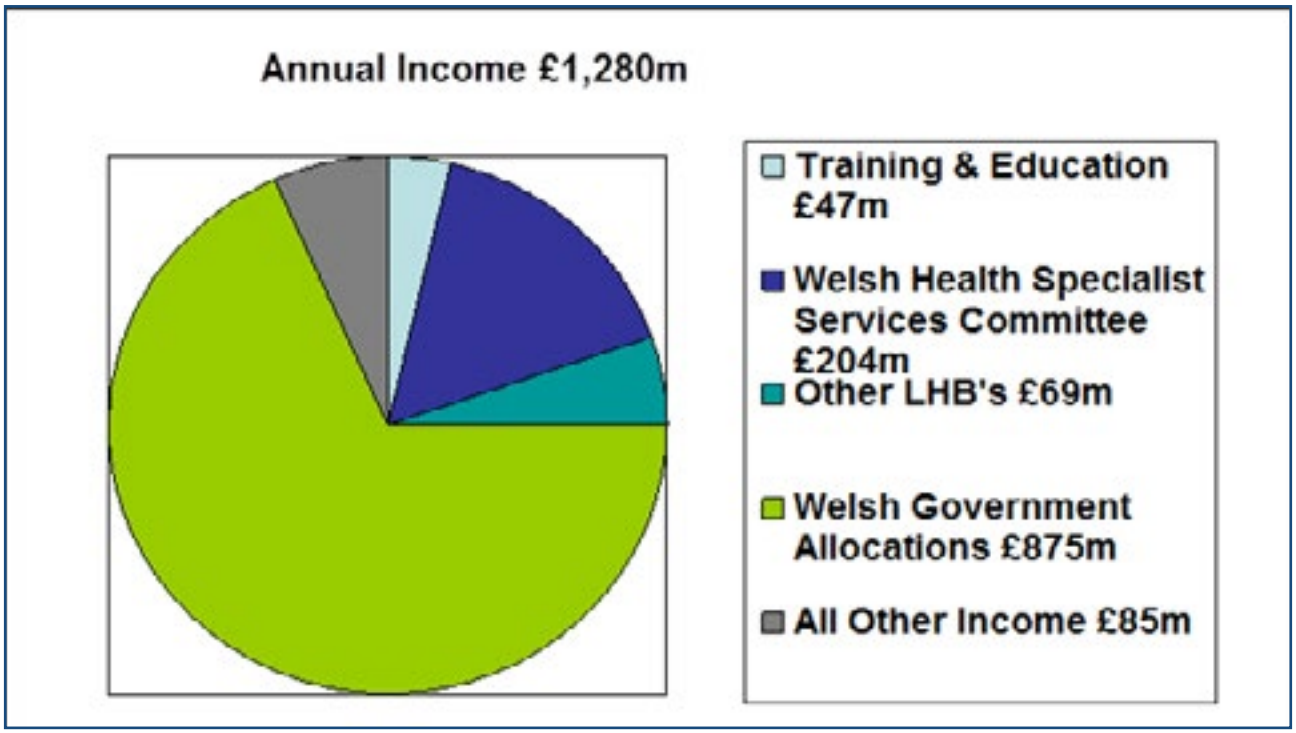
2019-2020



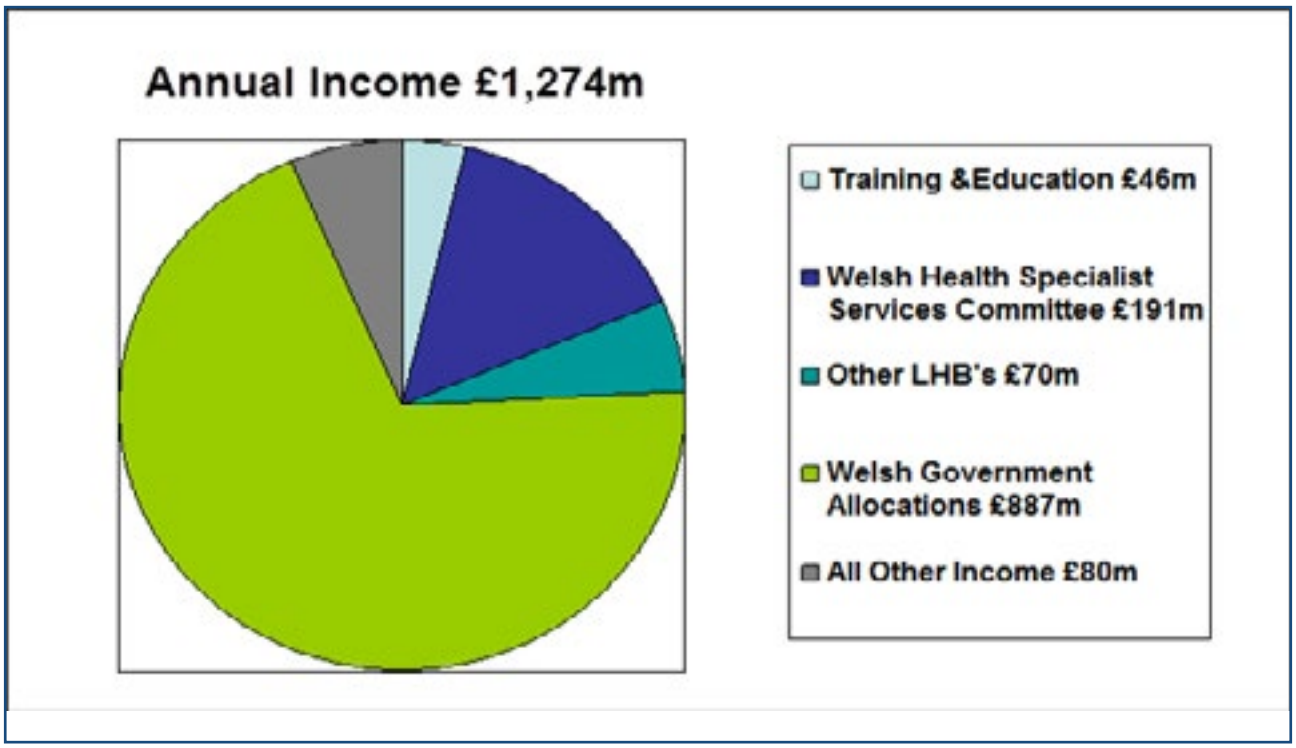
2018-2019



2017-2018



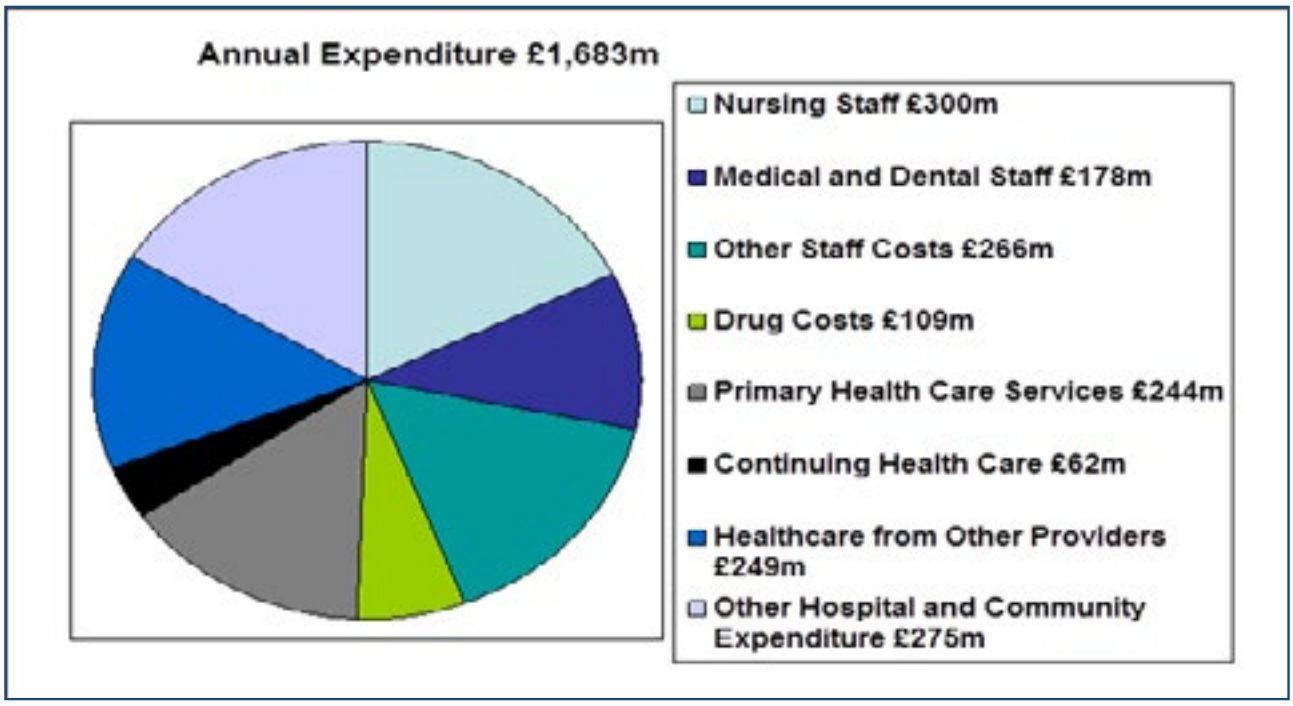
2016-2017



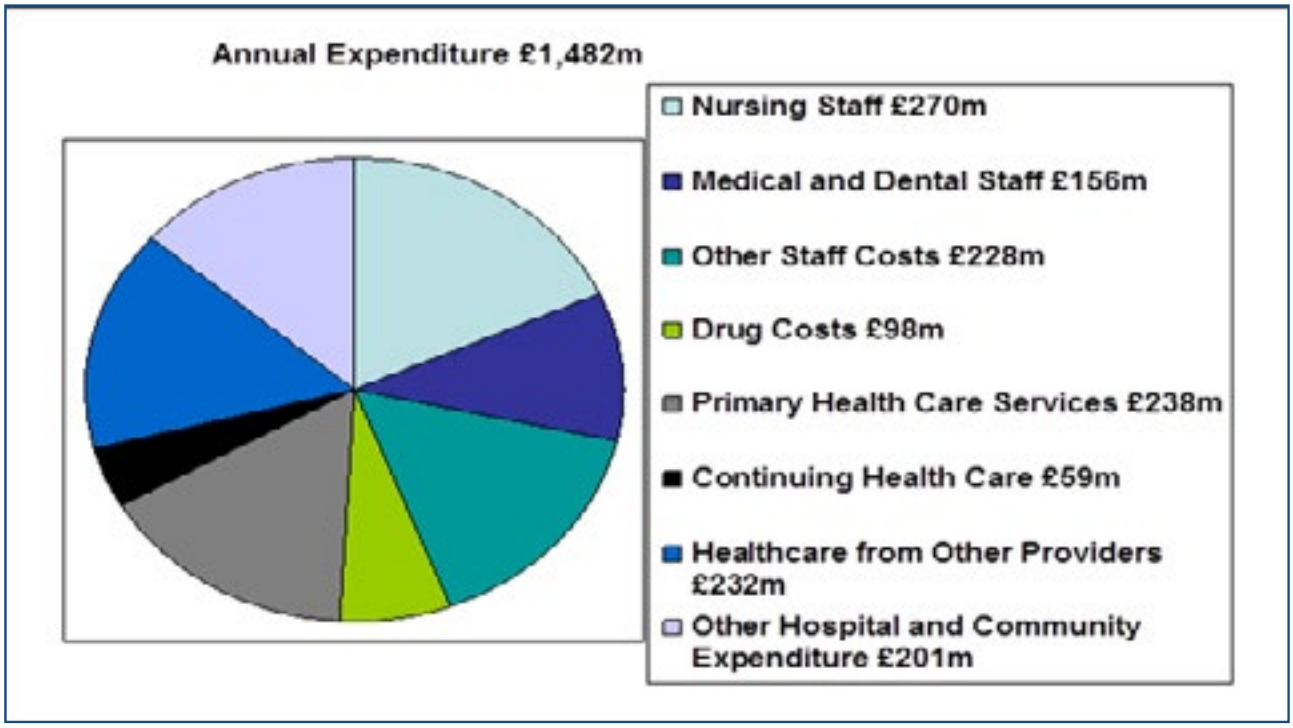
As disclosed in the performance against break even duty table above, the Health Board is permitted to remove certain elements of expenditure (which it incurs but over which it doesn't have managerial control) when comparing its expenditure to its annual revenue resource limit. For the purposes of a meaningful 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

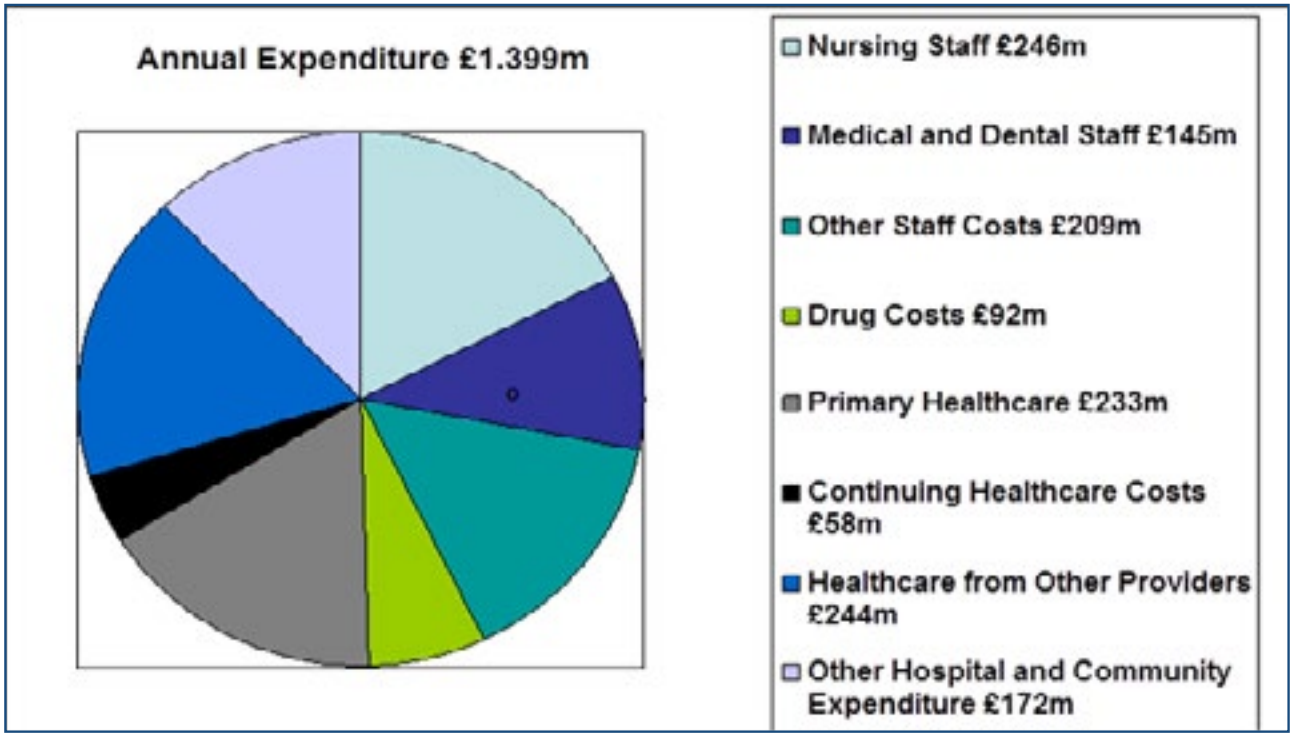
2020-2021



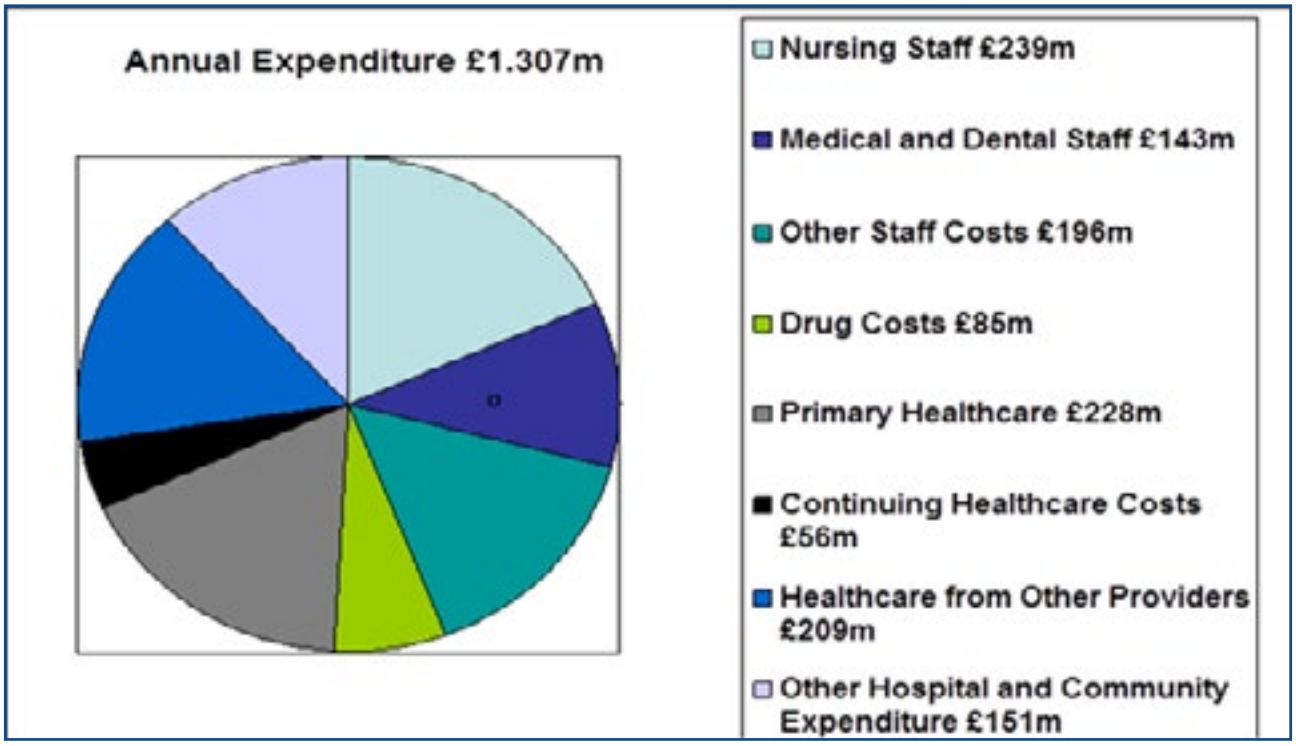
2019-2020



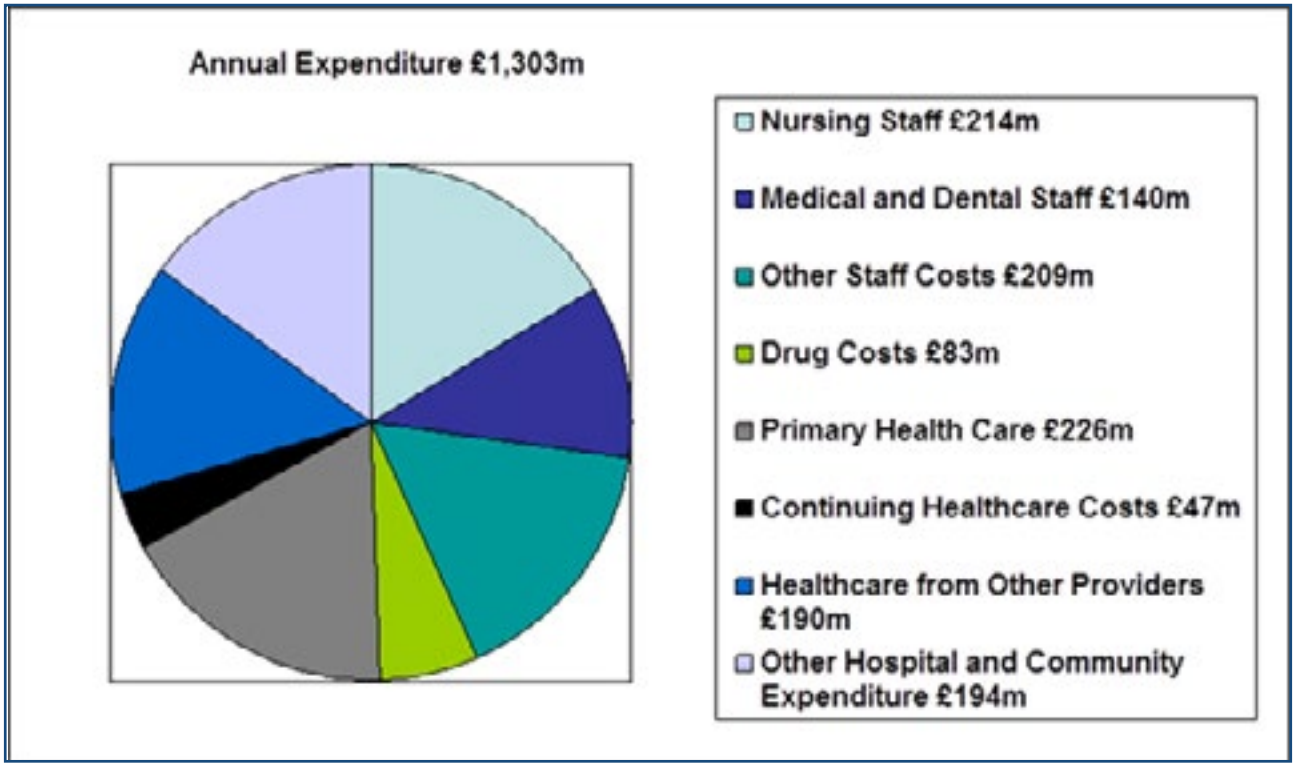
2018-2019



2017-2018



2016-2017



19.2 Fees and Charges

The Health Board levies charges or fees on its patients in a number of areas. Where the Health Board 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 Health Board, however details of some of the larger items (Dental Fees, Private and Overseas Patient income) are disclosed within Note 4 of the Annual Accounts.

19.3 Managing Public Money

This is the required Statement for Public Sector Information Holders as referenced at 9.1.8 (page 54) of The Directors' Report. In line with other Welsh NHS bodies, the Health Board has developed Standing Financial Instructions which enforce the principles outlined in HM Treasury on Managing Public Money. As a result, the Health Board should have complied with the cost allocation and charging requirements of this guidance and the Health Board has not been made aware of any instances where this has not been done.

19.4 Material Remote Contingent Liabilities

As disclosed in note 21.2 of its annual accounts, the Health Board had net remote contingent liabilities as at March 31 2021 of £0.025m. This relates to Clinical Negligence & Personal Injury claims against the Health Board, where our legal advisors inform us that the claimants' chance of success is remote.

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

Opinion on financial statements

I certify that I have audited the financial statements of Cardiff and Vale University Health Board for the year ended 31 March 2021 under Section 61 of the Public Audit (Wales) Act 2004. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Cash Flow Statement and Statement of Changes in Taxpayers' Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.

In my opinion the financial statements:

- **give a true and fair view of the state of affairs of Cardiff and Vale University Health Board as at 31 March 2021 and of its net operating costs for the year then ended;**
- **have been properly prepared in accordance with international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual; and**
- **have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.**

Basis for Qualified Opinion on Regularity

Cardiff and Vale University Local Health Board has breached its revenue resource limit by spending £9.724 million over the £3,167 million that it was authorised to spend in the three-year period 2018-19 to 2020-21. This spend constitutes irregular expenditure. Further detail is set out in my Report at page 135.

Qualified Opinion on Regularity

In my opinion, except for the irregular expenditure of £9.724 million explained in the paragraph above, 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 of opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my 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 opinions.

Emphasis of Matter

I draw attention to Note 21.1 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. My opinion is not modified in respect of this matter. Further detail is set out in my attached Report.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other Information

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

form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.
I have nothing to report in this regard.

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;*
- *the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Performance Report 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 Performance Report and Accountability Report.

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

- *adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;*
- *the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records and returns;*
- *information specified by HM Treasury or Welsh Ministers regarding remuneration and other transactions is not disclosed; or*
- *I have not received all the information and explanations I require for my audit.*

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- *Enquiring of management, the head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Cardiff and Vale University Health Board policies and procedures concerned with:*
  - *identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;*
  - *detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and*
  - *the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.*
- *Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals and (add as appropriate to the audit); and*
- *Obtaining an understanding of Cardiff and Vale University Health Board's framework of authority as well as other legal and regulatory frameworks that Cardiff and Vale University Health Board operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Cardiff and Vale University Health Board.*

In addition to the above, my procedures to respond to identified risks included the following:

- *reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;*
- *enquiring of management, the Audit and Risk Committee and legal advisors about actual and potential litigation and claims;*
- *reading minutes of meetings of those charged with governance and the Board; and*
- *in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.*

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Cardiff and Vale University Health Board's controls, and the nature, timing and extent of the audit procedures performed.

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

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.

Report

Please see my Report on pages 135 to 136, in respect of my qualified opinion on regularity and the Ministerial Direction issued on 18 December 2019 to the Permanent Secretary of the Welsh Government.

Adrian Crompton
Auditor General for Wales
24 Cathedral Road, Cardiff, CF11 9LJ

15th June 2021

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.

19.6 Report of the Auditor General to the Senedd

Introduction

Under the Public Audit Wales Act 2004, I am responsible for auditing, certifying and reporting on Cardiff and Vale University Health Board's (the LHB's) financial statements. I am reporting on these financial statements for the year ended 31 March 2021 to draw attention to two key matters for my audit. These are the failure against the first financial duty and consequential qualification of my 'regularity' opinion, and the implications of the ministerial direction on senior clinicians' pensions. I have not qualified my 'true and fair' opinion in respect of any of these matters.

Failure of the first financial duty

The first financial duty gives additional flexibility to LHBs by allowing them to balance their income with their expenditure over a three-year rolling period. The three-year period being measured under this duty this year is 2018-19 to 2020-21.

As shown in Note 2.1 to the Financial Statements, the LHB did not manage its revenue expenditure within its resource allocation over this three-year period, exceeding its cumulative revenue resource limit of £3,167 million by £9.724 million.

Where an LHB does not balance its books over a rolling three-year period, any expenditure over the resource allocation (i.e. spending limit) for those three years exceeds the LHB's authority to spend and is therefore 'irregular'. In such circumstances, I am required to qualify my 'regularity opinion' irrespective of the value of the excess spend.

Ministerial direction on senior clinicians' pensions

NHS Pension scheme and pension tax legislation is not devolved to Wales. HM Treasury's changes to the tax arrangements on pension contributions in recent years included the reduction in the annual allowance limit from over £200,000 in 2011-12 to £40,000 in 2018-19. As a result, in cases where an individual's pension contributions exceed certain annual and / or lifetime pension contribution allowance limits, then they are taxed at a higher rate on all their contributions, creating a sharp increase in tax liability.

In a Written Statement on 13 November 2019, the Minister for Health and Social Services had noted that NHS Wales bodies were: 'regularly reporting that senior clinical staff are unwilling to take on additional work and sessions due to the potentially punitive tax liability'. In certain circumstances this could lead to additional tax charges in excess of any additional income earned.

On 18 December 2019, the First Minister (mirroring earlier action by the Secretary of State for Health and Social Care for England) issued a Ministerial Direction to the Permanent Secretary to proceed with plans to commit to making payments to clinical staff to restore the value of their pension benefits packages. If NHS clinicians opted to use the 'Scheme Pays' facility to settle annual allowance tax charges arising from their 2019-20 NHS pension savings (i.e. settling the charge by way of reduced annual pension, rather than by making an immediate one-off payment), then their NHS employers would meet the impact of those tax charges on their pension when they retire.

The Ministerial Direction was required because this solution could be viewed by HMRC to constitute tax planning and potentially tax avoidance, hence making the expenditure irregular. Managing Welsh Public Money (which mirrors its English equivalent) specifically states that 'public sector organisations should not engage in tax evasion, tax avoidance or tax planning'.

A Ministerial Direction does not make regular what would otherwise be irregular, but it does move the accountability for such decisions from the Accounting Officer to the Minister issuing the direction.

The solution applies only to annual allowance tax charges arising from an increase in the benefits accrued in the NHS Pension Scheme during the tax year ended 5 April 2020. For the tax year ended 5 April 2021, the Chancellor increased the thresholds for the tapered annual allowance and, as a result, it is anticipated that the risk to the supply of clinical staff has been mitigated.

The LHB currently has insufficient information to calculate and recognise an estimate of the potential costs of compensating senior clinical staff for pension benefits that they would otherwise have lost, by using the 'Scheme Pays' arrangement. As a result no expenditure is recognised in the financial statements but as required the LHB has disclosed a contingent liability in note 21 of its financial statements.

All NHS bodies will be held harmless for the impact of the Ministerial Direction, however in my opinion any transactions included in the LHB's financial statements to recognise this liability would be irregular and material by their nature. This is because the payments are contrary to paragraph 5.6.1 of Managing Public Money and constitute a form of tax planning which will leave the Exchequer as a whole worse off. The Minister's direction alone does not regularise the scheme. Furthermore, the arrangements are novel and contentious and potentially precedent setting.

I have not modified my regularity opinion in this respect this year because as set out above, no expenditure has been recognised in the year ended 31 March 2021. I have however placed an Emphasis of Matter paragraph in my audit report to highlight this issue and, have prepared this report to bring the arrangement to the attention of the Senedd.

Adrian Crompton
Auditor General for Wales
24 Cathedral Road, Cardiff, CF11 9LJ

15th June 2021

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.

Part 3

Audited Financial Statements (Annual Accounts)

20. 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 Heath 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 2020-21. The annual financial duty has been revoked and the statutory breakeven duty has reverted to a three year duty, with the first assessment of this duty in 2016-17.

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

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

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

CARDIFF & VALE UNIVERSITY HEALTH BOARD ANNUAL ACCOUNTS 2020-21			
Statement of Comprehensive Net Expenditure for the year ended 31 March 2021			
		2020-21	2019-20
	Note	**£'000**	£'000
Expenditure on Primary Healthcare Services	3.1	**244,160**	238,456
Expenditure on healthcare from other providers	3.2	**311,607**	290,895
Expenditure on Hospital and Community Health Services	3.3	**1,125,784**	953,236
		1,681,551	1,482,587
Less: Miscellaneous Income	4	**(462,450)**	(437,774)
LHB net operating costs before interest and other gains and losses		**1,219,101**	1,044,813
Investment Revenue	5	**0**	0
Other (Gains) / Losses	6	**68**	(2,175)
Finance costs	7	**1,200**	1,278
Net operating costs for the financial year		**1,220,369**	**1,043,916**
See note 2 on page 164 for details of performance against Revenue and Capital allocations.			
The notes on pages 145 to 215 form part of these accounts			

CARDIFF & VALE UNIVERSITY HEALTH BOARD ANNUAL ACCOUNTS 2020-21		
Other Comprehensive Net Expenditure		
	2020 21	2019-20
	£'000	£000
Net (gain) / loss on revaluation of property, plant and equipment	(693)	(1,134)
Net (gain) / loss on revaluation of intangibles	0	0
(Gain) / loss on other reserves	0	0
Net (gain)/ loss on revaluation of PPE & Intangible assets held for sale	0	0
Net (gain)/loss on revaluation of financial assets held for sale	0	0
Impairment and reversals	0	0
Transfers between reserves	0	0
Transfers to / (from) other bodies within the Resource Accounting Boundary	0	99
Reclassification adjustment on disposal of available for sale financial assets	0	0
Other comprehensive net expenditure for the year	(693)	(1,035)
Total comprehensive net expenditure for the year	1,219,676	1,042,881
The notes on pages 145 to to 215 form part of these accounts.		

CARDIFF & VALE UNIVERSITY HEALTH BOARD ANNUAL ACCOUNTS 2020-21

Statement of Financial Position as at 31 March 2021

	Notes	31 March 2021 £'000	31 March 2020 £000
Non-current assets			
Property, plant and equipment	11	742,355	687,650
Intangible assets	12	2,238	2,133
Trade and other receivables	15	6,649	17,779
Other financial assets	16	0	0
Total non-current assets		751,242	707,562
Current assets			
Inventories	14	16,684	16,784
Trade and other receivables	15	190,014	161,605
Other financial assets	16	0	0
Cash and cash equivalents	17	3,637	1,410
		210,335	179,799
Non-current assets classified as "Held for Sale"	11	0	0
Total current assets		210,335	179,799
Total assets		961,577	887,361
Current liabilities			
Trade and other payables	18	(219,106)	(182,792)
Other financial liabilities	19	0	0
Provisions	20	(133,674)	(113,580)
Total current liabilities		(352,780)	(296,372)
Net current assets/ (liabilities)		(142,445)	(116,573)
Non-current liabilities			
Trade and other payables	18	(8,126)	(8,489)
Other financial liabilities	19	0	0
Provisions	20	(10,514)	(19,327)
Total non-current liabilities		(18,640)	(27,816)
Total assets employed		590,157	563,173
Financed by :			
Taxpayers' equity			
General Fund		479,113	450,666
Revaluation reserve		111,044	112,507
Total taxpayers' equity		590,157	563,173

The financial statements on pages 139 to 144 were approved by the Board on 10th June 2021 and signed on its behalf by:

Chief Executive and Accountable Officer ..... Date:

Leonard Richards 10th June 2021

The notes on pages 145 to 215 form part of these accounts

CARDIFF & VALE UNIVERSITY HEALTH BOARD ANNUAL ACCOUNTS 2020 21

Statement of Changes in Taxpayers' Equity
For the year ended 31 March 2021

	General Fund	Revaluation Reserve	Total Reserves
	£000s	£000s	£000s
Changes in taxpayers' equity for 2020-21			
Balance at 1 April 2020	450,666	112,507	563,173
Net operating cost for the year	(1,220,369)		(1,220,369)
Net gain/(loss) on revaluation of property, plant and equipment	0	693	693
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	2,156	(2,156)	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	0	0	0
Total recognised income and expense for 2020-21	(1,218,213)	(1,463)	(1,219,676)
Net Welsh Government funding	1,217,043		1,217,043
Notional Welsh Government Funding	29,617		29,617
Balance at 31 March 2021	479,113	111,044	590,157
Included in Net Welsh Government Funding:			
Welsh Government Covid 19 Capital Funding	53,179		53,179
Welsh Government Covid 19 Revenue Funding	176,120		176,120

The notes on pages 145 to 215 form part of these accounts

CARDIFF & VALE UNIVERSITY HEALTH BOARD ANNUAL ACCOUNTS 2020-21

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

	General Fund	Revaluation Reserve	Total 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 145 to 215 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.

CARDIFF & VALE UNIVERSITY HEALTH BOARD ANNUAL ACCOUNTS 2020-21			
Statement of Cash Flows for year ended 31 March 2021			
		2020-21	2019-20
		£'000	£'000
Cash Flows from operating activities	Notes		
Net operating cost for the financial year		(1,220,369)	(1,043,916)
Movements in Working Capital	27	21,229	21,891
Other cash flow adjustments	28	93,096	84,166
Provisions utilised	20	(17,054)	(30,300)
Net cash outflow from operating activities		(1,123,098)	(968,159)
Cash Flows from investing activities			
Purchase of property, plant and equipment		(96,388)	(54,657)
Proceeds from disposal of property, plant and equipment		6,927	4,341
Purchase of intangible assets		(897)	(238)
Proceeds from disposal of intangible assets		24	0
Payment for other financial assets		0	0
Proceeds from disposal of other financial assets		0	0
Payment for other assets		0	0
Proceeds from disposal of other assets		0	0
Net cash inflow/(outflow) from investing activities		(90,334)	(50,554)
Net cash inflow/(outflow) before financing		(1,214,232)	(1,018,713)
Cash Flows from financing activities			
Welsh Government funding (including capital)		1,217,043	1,019,429
Capital receipts surrendered		0	0
Capital grants received		0	0
Capital element of payments in respect of finance leases and on-SoFP PFI Schemes		(584)	(525)
Cash transferred (to)/ from other NHS bodies		0	0
Net financing		1,216,459	1,018,904
Net increase/(decrease) in cash and cash equivalents		2,227	191
Cash and cash equivalents (and bank overdrafts) at 1 April 2020		1,410	1,219
Cash and cash equivalents (and bank overdrafts) at 31 March 2021		3,637	1,410
The notes on pages 145 to 215 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 2020-21 Manual for Accounts. The accounting policies contained in that manual follow the 2020-21 Financial Reporting Manual (FReM) in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, except for IFRS 16 Leases, which is deferred until 1 April 2022; 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 from 2019-20 where employers in the Scheme would continue to pay 14.38% employer contributions under their normal monthly payment process, in Wales the additional 6.3% being funded by Welsh Government directly to the Pension Scheme administrator, the NHS Business Services Authority (BSA the NHS Pensions Agency).

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

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

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

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

1.4.3. NEST Pension Scheme

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

1.5. Other expenses

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

1.6. Property, plant and equipment

1.6.1. Recognition

Property, plant and equipment is capitalised if:

- *it is held for use in delivering services or for administrative purposes;*
- *it is probable that future economic benefits will flow to, or service potential will be supplied to, the NHS Wales organisation;*
- *it is expected to be used for more than one financial year;*
- *the cost of the item can be measured reliably; and*
- *the item has cost of at least £5,000; or*
- *Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or*
- *Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.*

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

1.6.2. Valuation

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

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

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

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

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

In 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 both 2020-21 and 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 2020-21 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 2020-21 the UHB received funding from Cardiff Council which had been allocated from the 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 Act 2014, a pooled budget arrangement has been agreed between ourselves and the Cardiff and Vale Local Authorities. This came into effect from April 1st 2018.

Details of the operational and accounting arrangements in place around each of the above can be found in Note 32 of these accounts.

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

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

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

The solicitor will estimate the case value including defence fees, using professional judgement and from obtaining counsel advice. Valuations are then discounted for the future loss elements using individual life expectancies and the Government Actuary's Department actuarial tables (Ogden tables) and Personal Injury Discount Rate of minus 0.25%.

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

1.24.3. Other Critical Estimates & Major Judgements

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 £7.852m re non NHS organisations and a credit note provision of £0.831m 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 2021. Based on a sample the LHB has accrued £6.967m re untaken annual leave. This is based on a sample of the leave records of 94% of all LHB staff and represents an increase of £6.053m in year. The LHB has a policy of only allowing annual leave to be carried forward into future years under exceptional circumstances or

when this has been necessary to help the LHB achieve service performance targets. The increase therefore recognises the exceptional circumstances faced by NHS staff in 2020/21 as a result of the pandemic and hence the greater than usual need to carry annual leave forward.

iii) On March 17th 2021 The Welsh Government announced that it would fund a bonus payment for NHS and social care staff to recognise their extraordinary contribution during the Covid-19 pandemic. This one-off payment is equivalent to £735, to cover the basic rate of tax and national contributions incurred. After deductions most staff will receive £500. The UHB has used ESR (its payroll information system) to identify the numbers of staff entitled to the bonus and have applied this to the £735 (plus additional employer's costs). In this way the UHB has calculated a liability of £17.285m which is accrued within Note 18 of the 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 20 different wards has now been counted. This represents 462 beds out of a possible 1,827 across the LHB. In this way a figure of £0.691m 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 £2.189m

> GMS Schemes & Frameworks £2.176m

> Prescribing £13.474m

> Pharmacy £3.866m

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 2021. 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 £60,591.

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

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

IFRS 16 Leases is to be effective from 1st April 2022.

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 2020-21 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

1.30. Charities

Following Treasury's agreement to apply IAS 27 to NHS Charities from 1 April 2013, the NHS Wales organisation has established that as it is the corporate trustee of the Cardiff and Vale University LHB NHS Charitable Fund, it is considered for accounting standards compliance to have control of the Cardiff & Vale University LHB NHS Charitable Fund as a subsidiary and therefore is required to consolidate the results of the Cardiff & Vale University LHB NHS Charitable Fund within the statutory accounts of the NHS Wales organisation.

The determination of control is an accounting standard test of control and there has been no change to the operation of the Cardiff & Vale University LHB NHS Charitable Fund or its independence in its management of charitable funds.

However, the NHS Wales organisation has with the agreement of the Welsh Government adopted the IAS 27 (10) exemption to consolidate. Welsh Government as the ultimate parent of the Local Health Boards will disclose the Charitable Accounts of Local Health Boards

in the Welsh Government Consolidated Accounts. Details of the transactions with the charity are included in the related parties' notes.

CARDIFF & VALE UNIVERSITY HEALTHBOARD ANNUAL ACCOUNTS 2020-21

2. Financial Duties Performance

The National Health Service Finance (Wales) Act 2014 came into effect from 1 April 2014. The Act amended the financial duties of Local Health Boards under section 175 of the National Health Service (Wales) Act 2006. From 1 April 2014 section 175 of the National Health Service (Wales) Act places two financial duties on Local Health Boards:

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

The first assessment of performance against the 3 year statutory duty under section 175 (1) was at the end of 2016-17, being the first 3 year period of assessment.

Welsh Health Circular WHC/2016/054 "Statutory and Financial Duties of Local Health Boards and NHS Trusts" clarifies the statutory financial duties of NHS Wales bodies effective from 2016-17.

2.1 Revenue Resource Performance

	Annual financial performance			
	2018 19	2019 20	2020 21	Total
	£'000	£'000	£'000	£'000
Net operating costs for the year	964,633	1,043,916	1,220,369	3,228,918
Less general ophthalmic services expenditure and other non-cash limited expenditure	(18,188)	(17,276)	(13,366)	(48,848)
Less revenue consequences of bringing PFI schemes onto SoFP	(1,026)	(1,028)	(1,028)	(3,084)
Total operating expenses	945,419	1,025,612	1,205,955	3,176,986
Revenue Resource Allocation	935,547	1,025,670	1,206,045	3,167,262
Under /(over) spend against Allocation	(9,872)	58	90	(9,724)

Cardiff & Vale University LHB has not met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2018-19 to 2020-21

The Health Board did not receive any repayable cash support in 2020-21

2.2 Capital Resource Performance

	2018-19	2019-20	2020-21	Total
	£'000	£'000	£'000	£'000
Gross capital expenditure	49,349	61,333	103,182	213,864
Add: Losses on disposal of donated assets	4	13	14	31
Less NBV of property, plant and equipment and intangible assets disposed	(310)	(2,167)	(7,020)	(9,497)
Less capital grants received	0	0	(536)	(536)
Less donations received	(530)	(1,109)	(297)	(2,036)
Charge against Capital Resource Allocation	48,413	58,070	95,343	201,826
Capital Resource Allocation	48,487	58,159	95,447	202,093
(Over) / Underspend against Capital Resource Allocation	74	89	104	267

Cardiff and Vale University LHB has met its financial duty to break-even against its Capital Resource Limit over the 3 years 2018-19 to 2020-21.

CARDIFF & VALE UNIVERSITY HEALTH BOARD ANNUAL ACCOUNTS 2020-21

2.3 Duty to prepare a 3 year integrated plan

Due to the pandemic, the process for the 2020-23 integrated plan was paused in spring 2020 and a temporary quarterly planning arrangement put in place for 2020-21.

As a result the extant planning duty for 2020-21 remains the requirement to submit and have approved a 2019-22 integrated plan, as set out in the NHS Wales Planning Framework 2019-22.

The LHB submitted a 2019-22 integrated plan in accordance with the planning framework.

The Minister for Health and Social Services extant approval

Status	Approved
Date	26/03/2019

The LHB has therefore met its statutory duty to have an approved financial plan.

2.4 Creditor payment

The LHB is required to pay 95% of the number of non-NHS bills within 30 days of receipt of goods or a valid invoice (whichever is the later). The LHB has achieved the following results:

	2020-21	2019-20
Total number of non-NHS bills paid	286,413	305,232
Total number of non-NHS bills paid within target	276,422	292,518
Percentage of non-NHS bills paid within target	96.2%	95.8%
The LHB has met the target.		

CARDIFF & VALE UNIVERSITY HEALTH BOARD ANNUAL ACCOUNTS 2020-21

3. Analysis of gross operating costs

3.1 Expenditure on Primary Healthcare Services

	Cash limited	Non cash limited	2020 21 Total	2019 20
	£'000	£'000	£'000	£'000
General Medical Services	80,455		80,455	76,550
Pharmaceutical Services	21,536	8,071	29,607	32,507
General Dental Services	20,142		20,142	30,730
General Ophthalmic Services	1,936	5,315	7,251	7,147
Other Primary Health Care expenditure	16,343		16,343	12,057
Prescribed drugs and appliances	81,362		81,362	76,466
Total	230,774	13,386	244,160	235,456

The total expenditure above includes £17,786m in respect of staff costs (£16.469m in 2019 20).

3.2 Expenditure on healthcare from other providers

	2020-21 £'000	2019-20 £'000
Goods and services from other NHS Wales Health Boards	24,001	24,048
Goods and services from other NHS Wales Trusts	33,133	30,938
Goods and services from Health Education and Improvement Wales (HEIW)	0	0
Goods and services from other non Welsh NHS bodies	1,262	2,147
Goods and services from WHSSC / EASC	137,844	128,702
Local Authorities	22,648	16,462
Voluntary organisations	9,406	7,200
NHS Funded Nursing Care	10,954	9,093
Continuing Care	62,120	59,128
Private providers	10,339	14,097
Specific projects funded by the Welsh Government	0	0
Other	0	0
Total	311,607	290,895

Expenditure with Local Authorities includes Intermediate Care Fund and Transformation funding which is received from Welsh Government for specific projects. In addition for 2020/21 expenditure relating to COVID 19 Test, Trace and Protect projects is included.

CARDIFF & VALE UNIVERSITY HEALTH BOARD ANNUAL ACCOUNTS 2020-21		
3.3 Expenditure on Hospital and Community Health Services		
	2020-21	2019-20
	£'000	£'000
		Reclassified
Directors' costs	**2,583**	2,373
Operational Staff costs	**733,193**	651,637
Single lead employer Staff Trainee Cost	**7,648**	0
Collaborative Bank Staff Cost	**0**	0
Supplies and services - clinical	**204,020**	189,458
Supplies and services - general	**17,793**	8,837
Consultancy Services	**5,562**	2,475
Establishment	**12,441**	11,330
Transport	**781**	707
Premises	**91,728**	30,138
External Contractors	**0**	0
Depreciation	**30,525**	29,962
Amortisation	**814**	855
Fixed asset impairments and reversals (Property, plant & equipment)	**10,707**	19,963
Fixed asset impairments and reversals (Intangible assets)	**0**	0
Impairments & reversals of financial assets	**0**	0
Impairments & reversals of non-current assets held for sale	**0**	350
Audit fees	**396**	381
Other auditors' remuneration	**0**	0
Losses, special payments and irrecoverable debts	**2,098**	3,379
Research and Development	**0**	0
Other operating expenses	**5,495**	1,391
Total	**1,125,784**	953,236

3.4 Losses, special payments and irrecoverable debts: charges to operating expenses		
	2020-21	2019 20
Increase/(decrease) in provision for future payments:	£'000	£'000
Clinical negligence:		
Secondary care	24,999	7,696
Primary care	0	0
Redress Secondary Care	218	406
Redress Primary Care	0	0
Personal injury	368	2,226
All other losses and special payments	479	1,240
Defence legal fees and other administrative costs	772	729
Gross increase/(decrease) in provision for future payments	26,836	12,297
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	150	(160)
Less: income received/due from Welsh Risk Pool	(24,888)	(8,750)
Total	2,098	3,379
	2020 21	2019-20
	£	£
Permanent injury included within personal injury £:	230,996	162,530

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4. Miscellaneous income

		2020-21	2019-20
		£'000	£'000
Local Health Boards		76,516	74,369
Welsh Health Specialised Services Committee (WHSSC)/Emergency Ambulance Services Committee (EASC)		267,140	240,256
NHS Wales trusts		6,562	6,188
Health Education and Improvement Wales (HEIW)		21,585	20,686
Foundation Trusts		0	196
Other NHS England bodies		4,421	5,282
Other NHS Bodies			0
Local authorities		11,368	9,094
Welsh Government		4,293	5,121
Welsh Government Hosted bodies		0	0
Non NHS:			
Prescription charge income		104	0
Dental fee income		1,405	6,871
Private patient income		191	1,247
Overseas patients (non-reciprocal)		92	144
Injury Costs Recovery (ICR) Scheme		2,151	2,694
Other income from activities		1,996	2,144
Patient transport services		1	0
Education, training and research		28,920	28,847
Charitable and other contributions to expenditure		2,367	3,226
Receipt of NWSSP Covid centrally purchased assets		6,864	0
Receipt of Covid centrally purchased assets from other organisations		0	0
Receipt of donated assets		297	1,107
Receipt of Government granted assets		591	0
Non-patient care income generation schemes		3,430	3,542
NHS Wales Shared Services Partnership (NWSSP)		101	0
Deferred income released to revenue		308	750
Contingent rental income from finance leases			0
Rental income from operating leases		0	0
Other income:			
	Provision of laundry, pathology, payroll services	8,822	7,613
	Accommodation and catering charges	2,906	4,117
	Mortuary fees	487	509
	Staff payments for use of cars	0	0
	Business Unit	0	0
	Other	9,532	14,783
Total		462,450	437,774
Other income includes:			
Non Staff SLAs with Cardiff University		3,963	4,605
Creche Fees		629	708
Compensation Payments received		2	60
Pharmacy sales		0	0
Equipment Evaluation Income		241	232
NHS Non Patient Care Income		1,342	2,071
Non Patient Related Staff Recharges		1,133	666
Other		2,222	6,646
Total		9,532	14,107
Welsh Government Covid 19 income included in total above..		0	

Injury Costs Recovery (ICR) Scheme income is subject to a provision for impairment of 51.79% re personal injury claims and 17.07% re RTA claims to reflect expected rates of collection based on the UHB's past recoverability performance.

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5. Investment Revenue

	2020-21	2019-20
	£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

	2020-21	2019-20
	£000	£000
Gain/(loss) on disposal of property, plant and equipment	(63)	105
Gain/(loss) on disposal of intangible assets	(5)	0
Gain/(loss) on disposal of assets held for sale	0	2,070
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	(68)	2,175

7. Finance costs

	2020-21	2019-20
	£000	£000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	3	5
Interest on obligations under PFI contracts		
main finance cost	1,222	1,256
contingent finance cost	0	0
Interest on late payment of commercial debt	0	2
Other interest expense	0	0
Total interest expense	1,225	1,263
Provisions unwinding of discount	(25)	15
Other finance costs	0	0
Total	1,200	1,278

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8. Operating leases

LHB as lessee

As at 31st March 2021 the LHB had 23 operating leases agreements in place for the leases of premises, 2 arrangement in respect of equipment and 31 in respect of vehicles, with 2 premises, 1 equipment and 26 vehicle leases having expired in year.

Payments recognised as an expense	2020-21	2019-20
	£000	£000
Minimum lease payments	2,332	2,326
Contingent rents	0	0
Sub-lease payments	0	0
Total	2,332	2,326

Total future minimum lease payments		
Payable	£000	£000
Not later than one year	1,603	2,260
Between one and five years	5,085	5,696
After 5 years	1,490	2,439
Total	8,258	10,395

Number of operating leases expiring	Land & Buildings	Vehicles	Equipment	Total
Not later than one year	4	20	1	25
Between one and five years	11	11	1	23
After 5 years	8	0	0	8
Total	23	31	2	56
Charged to the income statement	1,439	93	238	1,770

There are no future sublease payments expected to be received

LHB as lessor

Rental revenue	£000	£000
Rent	0	0
Contingent rents	0	0
Total revenue rental	0	0

Total future minimum lease payments		
Receivable	£000	£000
Not later than one year	0	0
Between one and five years	0	0
After 5 years	0	0
Total	0	0

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9. Employee benefits and staff numbers

9.1 Employee costs

	Permanent Staff	Staff on inward secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank staff	Other	Total	2019-20
	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	577,660	1,041	14,223	7,648	0	8,291	609,053	529,666
Social security costs	55,906	0	0	0	0	0	55,906	51,082
Employer contributions to NHS Pension Scheme	96,339	0	0	0	0	0	96,339	88,856
Other pension costs	677	0	0	0	0	0	677	480
Other employment benefits	0	0	0	0	0	0	0	0
Termination benefits	165	0	0	0	0	0	165	147
Total	730,937	1,041	14,223	7,648	0	8,291	**762,140**	670,212
Charged to capital							1,187	1,002
Charged to revenue							760,953	669,210
							762,140	670,212
Net movement in accrued employee benefits (untaken staff leave accrual included above)							6,053	174
Covid 19 Net movement in accrued employee benefits (untaken staff leave accrual included in above)							6,053	0

Other staff column - these are temporary staff and contract staff who are engaged in delivering the objectives of the UHB.
The following categories of staff are included within the 'other heading':
1) Medics/Staff-flow contracted medical staff
2) IR35 applicable staff
3) Cardiff University staff

The employer contributions to the NHS Pension Scheme disclosed above includes £29.556m of NHS Pension contributions paid by Welsh Government for the twelve month period, calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions. This expenditure is accounted for by the health board as notional expenditure paid to NHSSA by Welsh Government: this has been covered off by notional funding provided to the health board. There is therefore no impact to the UHB's Revenue Resource Performance as a result of the inclusion of these notional transactions. A further £0.281m for notional expenditure in regard of NHS pension contributions is included within the SLE payroll costs. The total funding received for the 6.3% pension contributions therefore is £29.837m and further information is disclosed in Note 34.1.

9.2 Average number of employees

	Permanent Staff	Staff on inward secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank staff	Other	Total	2019-20
	Number	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	2,183	3	37	0	0	10	2,233	2,106
Medical and dental	1,338	5	2	235	0	45	1,625	1,403
Nursing, midwifery registered	4,019	0	133	0	0	1	4,153	3,989
Professional, Scientific, and technical staff	648	1	0	0	0	7	656	622
Additional Clinical Services	2,606	0	10	0	0	1	2,619	2,506
Allied Health Professions	909	5	5	0	0	24	943	872
Healthcare Scientists	475	0	0	0	0	0	475	466
Estates and Ancillary	1,090	0	32	0	0	0	1,122	1,074
Students	70	0	0	0	0	0	70	20
Total	13,348	14	219	235	0	88	13,904	13,048

9.3. Retirements due to ill-health

	2020-21	2019-20
Number	22	14
Estimated additional pension costs £	865,420	466,806

The estimated additional pension costs of these ill-health retirements have been calculated on an average basis and are borne by the NHS Pension Scheme.

9.4 Employee benefits

The UHB does not have an employee benefit scheme.

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9.5 Reporting of other compensation schemes - exit packages

	2020-21	2020-21	2020-21	2020-21	2019-20
Exit packages cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures	Total number of exit packages	Number of departures where special payments have been made	Total number of exit packages
	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	2	2	2	1
£50,000 to £100,000	0	1	1	1	0
£100,000 to £150,000	0	0	0	0	1
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	3	3	3	2

	2020-21	2020-21	2020-21	2020-21	2019-20
Exit packages cost band (including any special payment element)	Cost of compulsory redundancies	Cost of other departures	Total cost of exit packages	Cost of special element included in exit packages	Total cost of exit packages
	£'s	£'s	£'s	£'s	£'s
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	88,198	88,198	88,198	38,519
£50,000 to £100,000	0	76,863	76,863	76,863	0
£100,000 to £150,000	0	0	0	0	109,519
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	165,061	165,061	165,061	147,038

Exit costs paid in year of departure	Total paid in year 2020-21 £'s	Total paid in year 2019-20 £'s
Exit costs paid in year	165,061	329,514
Total	165,061	329,514

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS). Where the LHB has agreed early retirements, the additional costs are met by the LHB and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

All special payments are severance payments. the highest payment was £76,863. the lowest payment was £44,503 and the median payment was £53,696

9.6 Remuneration Relationship

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director /employee 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 2020-21 was £225,000 to £230,000 (2019-20, £220,000 - £225,000. This was 7.39 times (2019-20, 7.31 times) the median remuneration of the workforce, which was £30,950 (2019-20, £30,442). In both 2020-21 and 2019-20 the highest paid director was the Medical Director.

	2020-21	2019-20
Band of Chief Executive Remuneration	210-215	215-220
Median Total Remuneration £	30,950	30,442
Ratio	6.87	7.14
Band of Highest Paid Director Remuneration	225-230	220-225
Median Total Remuneration £	30,950	30,442
Ratio	7.39	7.31

In 2020-21, 1 (2019-20, 4) employee(s) received remuneration in excess of the highest-paid director. Remuneration for all staff ranged from £235,000 to £240,000 (2019-20, £230,000 to £285,000).All employees are Medical Consultants and remuneration for the highest paid staff includes payments for additional seasons 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 UHB 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 1.67% 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 2.8% 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 cost

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 2021, is based on valuation data as 31 March 2020, updated to 31 March 2021 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% of pensionable pay. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government

objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

c) National Employment Savings Trust (NEST)

NEST is a workplace pension scheme, which was set up by legislation and is treated as a trust-based scheme. The Trustee responsible for running the scheme is NEST Corporation. It's a non-departmental public body (NDPB) that operates at arm's length from government and is accountable to Parliament through the Department for Work and Pensions (DWP).

NEST Corporation has agreed a loan with the Department for Work and Pensions (DWP). This has paid for the scheme to be set up and will cover expected shortfalls in scheme costs during the earlier years while membership is growing.

NEST Corporation aims for the scheme to become self-financing while providing consistently low charges to members.

Using qualifying earnings to calculate contributions, currently the legal minimum level of contributions is 8% of a jobholder's qualifying earnings, for employers whose legal duties have started. The employer must pay at least 3% of this.

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £6,240 and £50,000 for the 2020-2021 tax year (2019-2020 £6,136 and £50,000).

Restrictions on the annual contribution limits were removed on 1st April 2017.

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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 2020-21 and 2019-20 exclude both the number and value of non-NHS bills paid to primary care services and contractor services.

	2020 21	2020 21	2019 20	2019 20
NHS	**Number**	**£000**	Number	£000
Total bills paid	7,488	275,720	8,216	230,009
Total bills paid within target	6,169	265,247	6,401	222,077
Percentage of bills paid within target	82.4%	96.2%	77.9%	95.0%
Non NHS				
Total bills paid	286,413	786,048	305,232	646,369
Total bills paid within target	275,422	758,016	292,518	621,255
Percentage of bills paid within target	96.2%	96.4%	95.8%	96.1%
Total				
Total bills paid	293,901	1,061,768	313,448	876,378
Total bills paid within target	281,591	1,023,263	298,919	843,332
Percentage of bills paid within target	95.8%	96.4%	95.4%	95.8%

10.2 The Late Payment of Commercial Debts (Interest) Act 1998

	2020 21	2019 20
	£	£
Amounts included within finance costs (note 7) from claims made under this legislation	162.79	2,508
Compensation paid to cover debt recovery costs under this legislation	0	0
Total	162.79	2508

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11.1 Property, plant and equipment

	Land	Buildings, excluding dwellings	Dwellings	Assets under construction & payments on account	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2020	105,317	541,222	4,210	26,881	131,659	1,143	21,560	116	834,108
Indexation	(2,065)	3,127	123	0	0	0	0	0	1,185
Additions									
- purchased	7,015	12,172	0	61,750	15,812	57	4,754	0	101,480
- donated	0	0	0	9	220	11	57	0	297
- government granted	0	0	0	0	536	0	0	0	536
Transfer from/to other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	57,360	0	(57,360)	0	0	0	0	0
Revaluations	0	(194)	0	0	0	0	0	0	(194)
Reversal of impairments	0	12,817	0	0	0	0	0	0	12,817
Impairments	(29)	(25,967)	0	0	0	0	0	0	(25,996)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	(6,974)	0	0	0	(4,229)	(157)	(139)	0	(11,354)
At 31 March 2021	103,373	601,237	4,333	32,680	143,799	1,054	26,276	116	912,868
Depreciation at 1 April 2020	0	45,395	318	0	84,466	625	15,538	116	146,458
Indexation	0	482	9	0	0	0	0	0	491
Transfer from/to other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	(194)	0	0	0	0	0	0	(194)
Reversal of impairments	0	(669)	0	0	0	0	0	0	(669)
Impairments	0	(1,703)	0	0	0	0	0	0	(1,703)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(4,112)	(157)	(139)	0	(4,404)
Provided during the year	0	16,959	109	0	10,983	11	2,463	0	30,525
At 31 March 2021	0	60,270	456	0	91,337	479	17,866	116	170,523
Net book value at 1 April 2020	105,317	495,827	3,892	26,881	47,193	518	6,022	0	687,650
Net book value at 31 March 2021	103,373	540,968	3,897	32,680	52,462	575	8,410	0	742,355
Net book value at 31 March 2021 comprises :									
Purchased	103,373	534,501	3,897	32,646	50,420	564	8,316	0	729,682
Donated	0	16,597	0	34	1,549	11	95	0	18,286
Government Granted	0	0	0	0	487	0	0	0	487
At 31 March 2021	103,373	540,968	3,897	32,680	52,462	575	8,410	0	742,355
Asset financing :									
Owned	102,799	522,203	2,874	32,680	52,462	575	8,410	0	722,003
Held on finance lease	0	1,264	0	0	0	0	0	0	1,264
On SoFP PFI contracts	574	17,491	1,023	0	0	0	0	0	19,088
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2021	103,373	540,958	3,897	32,680	52,462	575	8,410	0	742,355

The net book value of land, buildings and dwellings at 31 March 2021 comprises :

	£000
Freehold	627,870
Long Leasehold	10,755
Short Leasehold	1,597
	640,220

Values 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account. 0

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation has been prepared in accordance with the terms of the Royal Institute of Chartered Surveyors Valuation Standards, 6th Edition. LHBs are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

Of the totals at 31st March 2021, £0 related to land valued at open market value and £0 related to buildings, installations and fittings valued at open market value.

Figures for freehold land and buildings are shown gross with separate accumulated depreciation.

The LHB had to charge accelerated depreciation on the following: (1) Rookwood Hospital which has been earmarked for closure, £0.480m. (2) One building at the UHW site that had previously been earmarked for closure is now back in use as part of the LHBs response to the Covid Pandemic, the LHB has therefore reversed the accelerated depreciation charged on Denbigh House in prior years, (£1.154m). (3) CRI Links building which has been earmarked for closure, £0.503m. (4) Llanedeyrn Health centre has been earmarked for closure as the LHB is building a new Health and Wellbeing centre in Llanedeyrn, £0.084m.

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11.1 Property, plant and equipment

	Land	Buildings excluding dwellings	Dwellings	Assets under construction & payments on account	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2019	106,340	511,383	4,128	37,904	121,279	855	16,634	190	800,733
Indexation	(1,013)	2,267	82	0	0	0	0	0	1,356
Additions									
- purchased	0	6,086	0	33,240	15,172	504	2,975	0	57,977
- donated	0	171	0	783	109	0	32	0	1,095
- government granted	0	0	0	0	0	0	0	0	0
Transfer from/(to) other NHS bodies	0	0	0	0	(109)	(170)	(35)	0	(714)
Reclassifications	0	43,076	0	(43,076)	0	0	0	0	0
Revaluations	0	233	0	0	0	0	0	0	233
Reversal of impairments	(10)	7,275	0	0	0	0	0	0	7,265
Impairments	0	(31,298)	0	0	0	0	0	0	(31,298)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(4,392)	(40)	(40)	(64)	(4,548)
At 31 March 2020	105,317	541,222	4,210	28,851	131,059	1,149	21,566	116	834,108
Depreciation at 1 April 2019	0	31,171	208	0	78,639	829	13,832	180	124,829
Indexation	0	218	4	0	0	0	0	0	222
Transfer from/(to) other NHS bodies	0	0	0	0	(421)	(164)	(29)	0	(614)
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	233	0	0	0	0	0	0	233
Reversal of impairments	0	(864)	0	0	0	0	0	0	(864)
Impairments	0	(3,206)	0	0	0	0	0	0	(3,206)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(3,947)	(48)	(48)	(64)	(4,103)
Provided during the year	0	17,943	108	0	10,197	6	1,810	0	28,962
At 31 March 2020	0	45,395	316	0	84,466	625	15,538	116	146,455
Net book value at 1 April 2019	106,340	480,212	3,920	37,904	42,640	26	4,802	0	675,904
Net book value at 31 March 2020	105,317	495,827	3,892	28,851	47,193	518	6,028	0	687,650
Net book value at 31 March 2020 comprises:									
Purchased	105,317	479,486	3,892	28,606	45,080	518	5,950	0	668,108
Donated	0	16,392	0	25	2,113	0	72	0	18,542
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2020	105,317	495,827	3,892	28,851	47,193	518	6,022	0	687,650
Asset financing:									
Owned	104,732	476,915	2,868	28,851	47,101	518	6,022	0	667,006
Held on finance lease	0	1,330	0	0	92	0	0	0	1,422
On-SoFP PFI contracts	585	17,582	1,024	0	0	0	0	0	19,191
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2020	105,317	495,827	3,892	28,851	47,193	518	6,022	0	687,650

The net book value of land, buildings and dwellings at 31 March 2020 comprises:

	£000
Freehold	584,513
Long Leasehold	18,912
Short Leasehold	1,811
	605,236

Values "material uncertainty", in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account. 65,076

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation has been prepared in accordance with the terms of the Royal Institute of Chartered Surveyors Valuation Standards, 6th Edition. UHB is are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

Of the total at 31st March 2020, £0 related to land valued at open market value and £0 related to buildings, installations and fittings valued at open market value.

Figures for freehold land and buildings are showing gross with separate accumulated depreciation.

The UHB has during 2020-21 charged accelerated depreciation on the following: (1) Rookwood Hospital which has been earmarked for closure, £0.024m. (2) Two buildings at the UHW site which have been earmarked for closure, Breckenock House £1.031m and Denbigh House £0.330m.

Disclosures

i) Donated Assets

Of the donated additions shown in Note 11.1, the Noah's Ark Charity funded £0.044m of equipment for the Children's Hospital. The LHB's Charitable Fund contributed £0.244m towards the purchase of equipment during the year. Other donors funded asset under construction costs worth £0.009m.

ii) Valuations

The LHBs land and Buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation has been prepared in accordance with the terms of the Royal Institute of Chartered Surveyors' Valuation Standards, 6th edition.

The LHB is required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in operation.

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 10 such revaluations, the total effect of which were:

Impairments written off via the Statement of Comprehensive Net Expenditure (SoCNE) were (£24.164m), reversal of Impairments of £1.680m were credited to the SoCNE.

The significant schemes brought into use were:

UHW Lakeside Wing (Covid 19 Surge facility) scheme (£10.606m) was written off the carrying value via the SoCNE.

UHW High Consequence Infectious Diseases Unit scheme (£4.277m) was written off the carrying value via the SoCNE.

In addition 8 minor schemes were brought into use and Impairments of (£9.281m) were written off the carrying value via the SoCNE, whilst a reversal of impairment of £1.680m was credited to the SoCNE.

iii) The useful economic life of LHB buildings has been determined on an asset by asset basis by the District Valuer. These lives are reviewed by the LHB on an annual basis to ascertain their appropriateness and are reviewed every five years by the District Valuer. Major new construction projects are allocated useful economic lives by the District Valuer when they are first brought into use, smaller alterations to existing structures are initially allocated a useful life of 30 years and alterations to mechanical and engineering assets are allocated 15 year lives. Equipment assets are allocated lives on an individual basis based on the professional judgement and past experience of clinicians, finance staff and other LHB professionals. Again the appropriateness of these lives is reviewed on an annual basis.

iv) During the year the LHB has received Non Cash Allocation from the Welsh Government for impairment to assets charged to the SoCNE and this Allocation is included in our Revenue Resource Limit.

v) As per Welsh Government guidance the LHB has applied an Indexation factor to its Land and Buildings for 2020/21. For a handful of sites this has resulted in a reversal of a prior period Impairment charge and therefore £11.797m has been credited to the SoCNE, a handful of sites were impaired as a result of the application of the indices and therefore (£0.020m) has been debited to the SoCNE.

vi) Government Granted asset additions 2020/21 - as part of the UK response to the Covid Pandemic the Department of Health was purchasing and distributing equipment to NHS Bodies across the UK. The items distributed to the UHB have now been formally transferred to our ownership and £0.536m equipment is shown on the Government granted additions line on the note.

vii) Transfers of Assets within NHS Wales. On the 25th of March 2021 the LHB transferred Land to Velindre NHS Trust. The Value of this land was £6.874m. On the same date a separate piece of Land was transferred to us by Velindre NHS Trust at a value of £7.005m As Velindre is outside of the whole of government boundary these transactions are shown within the additions/disposals figures in Note 11.1.

viii) There has been no compensation received from third parties for assets impaired, lost or given up, that is included in the income statement.

ix) The LHB does not hold any property where the value is materially different from its open market value.

x) All fully depreciated assets still in use are being carried at nil net book value.

CARDIFF & VALE UNIVERSITY HEALTH BOARD ANNUAL ACCOUNTS 2020-21

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 2020	0	0	0	0	0	0
Plus assets classified as held for sale in the year	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Less assets sold in the year	0	0	0	0	0	0
Add reversal of impairment of assets held for sale	0	0	0	0	0	0
Less impairment of assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0
Balance carried forward 31 March 2021	0	0	0	0	0	0
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

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12. Intangible non-current assets 2020-21

	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 2020	7,186	0	112	0	500	30	7,828
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	949	0	0	0	0	0	949
Additions- internally generated	0	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	(30)	(30)
Gross cost at 31 March 2021	8,135	0	112	0	500	0	8,747
Amortisation at 1 April 2020	5,490	0	112	0	93	0	5,695
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	689	0	0	0	125	0	814
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 2021	6,179	0	112	0	218	0	6,509
Net book value at 1 April 2020	1,696	0	0	0	407	30	2,133
Net book value at 31 March 2021	1,956	0	0	0	282	0	2,238
At 31 March 2021							
Purchased	1,938	0	0	0	0	0	1,938
Donated	18	0	0	0	0	0	18
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	282	0	282
Total at 31 March 2021	1,956	0	0	0	282	0	2,238

CARDIFF & VALE UNIVERSITY HEALTH BOARD ANNUAL ACCOUNTS 2020-21

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	230	0	0	0	0	0	230
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	(166)	(166)
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	762	0	0	0	93	0	855
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	93	0	5,695
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	1,647	0	0	0	0	30	1,677
Donated	49	0	0	0	0	0	49
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	407	0	407
Total at 31 March 2020	1,696	0	0	0	407	30	2,133

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.

CARDIFF & VALE UNIVERSITY HEALTH BOARD ANNUAL ACCOUNTS 2020-21

13. Impairments

	2020-21		2019-20	
	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)	24,184	0	28,442	0
Reversal of Impairments	(13,477)	0	(8,129)	0
Total of all impairments	10,707	0	20,313	0
Analysis of impairments charged to reserves in year:				
Charged to the Statement of Comprehensive Net Expenditure	10,707	0	20,313	0
Charged to Revaluation Reserve	0	0	0	0
	10,707	0	20,313	0

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 10 such revaluations, the total effect of which were:
Impairments written off via the Statement of Comprehensive Net Expenditure (SoCNE) were (£24.164m), reversal of impairments of £1.680m were credited to the SoCNE.

The significant schemes brought into use were:
UHW Lakeside Wing (Covid 19 Surge facility) scheme (£10.606m) was written off the carrying value via the SoCNE.
UHW High Consequence Infectious Diseases Unit scheme (£4.277m) was written off the carrying value via the SoCNE.

In addition 8 minor schemes were brought into use and Impairments of (£9.281m) were written off the carrying value via the SoCNE, whilst a reversal of impairment of £1.680m was credited to the SoCNE.

As per Welsh Government guidance the LHB has applied an Indexation factor to its Land and Buildings for 2020/21. For a handful of sites this has resulted in a reversal of a prior period Impairment charge and therefore £11.797m has been credited to the SoCNE, a handful of sites were impaired as a result of the application of the indices and therefore (£0.020m) has been debited to the SoCNE.

CARDIFF & VALE UNIVERSITY HEALTH BOARD ANNUAL ACCOUNTS 2020-21

14.1 Inventories

	31 March 2021	31 March 2020
	£000	£000
Drugs	5,362	5,477
Consumables	11,253	11,273
Energy	69	34
Work in progress	0	0
Other	0	0
Total	16,684	16,784
Of which held at realisable value	0	0

14.2 Inventories recognised in expenses

	31 March 2021	31 March 2020
	£000	£000
Inventories recognised as an expense in the period	2,606	2,845
Write down of inventories (including losses)	47	43
Reversal of write-downs that reduced the expense	0	0
Total	2,653	2,888

Covid 19 Disclosure

Due to restrictions created by the Covid 19 pandemic it was not possible to count all inventory items held at the end of March 2021. 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 £60,591 (2019/20 £2,195,814).

Inventories Recognised as Expense

During the production of the 2020/21 accounts it came to light that provisions for the SPA Rat University Hospital Llandough had been omitted from the Inventories Recognised as Expense figures in 2019/20. This would have increased the value of inventories recognised as expense by £347,716 in 2019/20

CARDIFF & VALE UNIVERSITY HEALTH BOARD ANNUAL ACCOUNTS 2020-21

15. Trade and other Receivables

Current	31 March 2021 £000	31 March 2020 £000
Welsh Government	1,520	1,608
WHSSC / EASC	3,323	4,163
Welsh Health Boards	7,480	4,008
Welsh NHS Trusts	2,927	2,008
Health Education and Improvement Wales (HEIW)	220	195
Non - Welsh Trusts	2,134	2,814
Other NHS	188	145
2019-20 Scheme Pays - Welsh Government Reimbursement	0	0
Welsh Risk Pool Claim reimbursement		
NHS Wales Secondary Health Sector	149,246	125,515
NHS Wales Primary Sector FLS Reimbursement	0	0
NHS Wales Redress	495	466
Other	0	0
Local Authorities	3,374	2,956
Capital debtors - Tangible	0	0
Capital debtors - Intangible	0	0
Other debtors	21,786	19,566
Provision for irrecoverable debts	(7,702)	(7,409)
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	5,023	5,490
Other accrued income	0	0
Sub total	190,014	161,605
Non-current		
Welsh Government	0	0
WHSSC / 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
2019-20 Scheme Pays - Welsh Government Reimbursement	0	0
Welsh Risk Pool Claim reimbursement;		
NHS Wales Secondary Health Sector	4,398	14,311
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	2,872	3,535
Provision for irrecoverable debts	(981)	(1,172)
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	360	1,105
Other accrued income	0	0
Sub total	6,649	17,779
Total	196,663	179,384

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15. Trade and other Receivables (continued)

Receivables past their due date but not impaired

	31 March 2021 £000	31 March 2020 £000
By up to three months	21,367	17,849
By three to six months	805	899
By more than six months	4,345	4,386
	26,517	23,134

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 has included 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.

Expected Credit Losses (ECL) / Provision for impairment of receivables

Balance at 1 April 2020	(8,581)	(9,082)
Transfer to other NHS Wales body	0	0
Amount written off during the year	49	341
Amount recovered during the year	0	0
(Increase) / decrease in receivables impaired	(151)	160
Bad debts recovered during year	0	0
Balance at 31 March 2021	(8,683)	(8,581)

In determining whether a debt is impaired consideration is given to the age of the debt and the results of actions taken to recover the debt, including reference to credit agencies

Receivables VAT

Trade receivables	0	0
Other	2,706	2,135
Total	2,706	2,135

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16. Other Financial Assets

	Current		Non-current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Financial assets				
Shares and equity type investments				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
Deposits	0	0	0	0
Loans	0	0	0	0
Derivatives	0	0	0	0
Other (Specify)				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
Total	0	0	0	0

17. Cash and cash equivalents

	2020 21	2019 20
	£000	£000
Balance at 1 April 2020	1,410	1,219
Net change in cash and cash equivalent balances	2,227	191
Balance at 31 March 2021	3,637	1,410
Made up of:		
Cash held at GBS	3,557	1,304
Commercial banks	0	0
Cash in hand	80	106
Cash and cash equivalents as in Statement of Financial Position	3,637	1,410
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in Statement of Cash Flows	3,637	1,410

In response to the IAS 7 requirement for additional disclosure, the changes in liabilities arising for financing activities are;

Lease Liabilities reduced by £301k
PFI liabilities reduced by £283k

The movement relates to cash, no comparative information is required by IAS 7 in 2020 21.

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18. Trade and other payables

Current	31 March 2021	31 March 2020
	£000	£000
Welsh Government	12	10
WHSSC / EASC	4,441	1,203
Welsh Health Boards	2,081	5,564
Welsh NHS Trusts	6,653	7,723
Health Education and Improvement Wales (HEIW)	0	7
Other NHS	16,828	16,280
Taxation and social security payable / refunds	6,870	5,684
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	0	0
NI contributions payable to HMRC	8,337	7,684
Non NHS payables - Revenue	31,005	39,477
Local Authorities	8,026	14,315
Capital payables- Tangible	22,085	17,073
Capital payables- Intangible	52	0
Overdraft	0	0
Rentals due under operating leases	0	0
Obligations under finance leases, HP contracts	0	301
Imputed finance lease element of on SoFP PFI contracts	349	283
Pensions: staff	0	0
Non NHS Accruals	38,602	52,160
Deferred Income :		
Deferred Income brought forward	1,377	1,664
Deferred Income Additions	236	463
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	(208)	(750)
Other creditors	11,460	12,581
PFI assets -deferred credits	18	22
Payments on account	982	1,048
Sub Total	219,106	192,792
Non-current		
Welsh Government	0	0
WHSSC / EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Health Education and Improvement Wales (HEIW)	0	0
Other NHS	0	0
Taxation and social security payable / refunds	0	0
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	0	0
NI contributions payable to HMRC	0	0
Non NHS payables - Revenue	0	0
Local Authorities	0	0
Capital payables- Tangible	0	0
Capital payables- Intangible	0	0
Overdraft	0	0
Rentals due under operating leases	0	0
Obligations under finance leases, HP contracts	0	0
Imputed finance lease element of on SoFP PFI contracts	8,076	8,425
Pensions: staff	0	0
Non NHS Accruals	0	0
Deferred Income :		
Deferred Income brought forward	0	0
Deferred Income Additions	0	0
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	0	0
Other creditors	0	0
PFI assets -deferred credits	50	64
Payments on account	0	0
Sub Total	8,126	8,489
Total	227,232	191,281

During the preparation of the 2020/21 Annual Accounts it was discovered that £7,094m disclosed in 2019/20 as Non NHS payables (current) should have been recorded as other creditors. No adjustment has been made in respect of this.

It is intended to pay all invoices within the 30 day period directed by the Welsh Government.

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18. Trade and other payables (continued).

Amounts falling due more than one year are expected to be settled as follows	31 March 2021 £000	31 March 2020 £000
Between one and two years	443	413
Between two and five years	1,888	1,552
In five years or more	5,795	6,524
Sub-total	8,126	8,489

19. Other financial liabilities

	Current		Non-current	
Financial liabilities	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £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

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20 Provisions

Current	At 1 April 2020	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2021
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Clinical negligence:									
Secondary care	102,630	(6,732)	(826)	13,678	27,768	(16,618)	(1,394)	0	120,607
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	278	0	(76)	0	328	(124)	(108)	0	292
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	2,106	0	0	(3)	408	(462)	(40)	(18)	2,011
All other losses and special payments	0	0	0	0	227	(227)	0	0	0
Defence legal fees and other administration	1,826	0	0	260	1,009	(991)	(349)		2,066
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	182			109	81	(102)	0	(8)	186
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	6,663		(660)	66	2,764	(660)	(701)		8,831
Total	113,680	(6,732)	(1,260)	14,001	33,623	(17,831)	(2,692)	(26)	133,674
Non Current									
Clinical negligence:									
Secondary care	13,616	0	0	(13,678)	4,367	0	0	0	4,306
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	5,822	0	0	2	0	0	0	0	5,824
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	284	0	0	(260)	111	(23)	0		122
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	986			(109)	0	0	0	0	876
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	811		0	(66)	743	0	0		1,488
Total	19,527	0	0	(14,001)	5,211	(23)	0	0	10,614
TOTAL									
Clinical negligence:									
Secondary care	116,146	(6,732)	(826)	0	32,136	(16,618)	(1,394)	0	126,601
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	278	0	(76)	0	328	(124)	(108)	0	292
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	8,728	0	0	0	408	(462)	(40)	(18)	8,836
All other losses and special payments	0	0	0	0	227	(227)	0	0	0
Defence legal fees and other administration	2,110	0	0	0	1,120	(991)	(349)		2,190
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	1,177			0	81	(102)	0	(8)	1,048
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	7,474		(660)	0	4,497	(660)	(701)		10,650
Total	132,907	(6,732)	(1,260)	0	38,794	(17,864)	(2,692)	(26)	144,188
Expected timing of cash flows:									
						In year	Between	Thereafter	Total
						to 31 March 2022	1 April 2022		
							31 March 2026		£000
Clinical negligence:									
Secondary care						120,607	4,994	0	126,601
Primary care						0	0	0	0
Redress Secondary care						292	0	0	292
Redress Primary care						0	0	0	0
Personal injury						2,011	818	2,806	5,836
All other losses and special payments						0	0	0	0
Defence legal fees and other administration						2,066	122	0	2,190
Pensions relating to former directors						0	0	0	0
Pensions relating to other staff						186	668	217	1,048
2019-20 Scheme Pays - Reimbursement						0	0	0	0
Restructuring						0	0	0	0
Other						8,831	1,157	342	10,650
Total						133,674	7,149	3,366	144,188

Note 20. 2020/2021 (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 UHB. 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 UHB 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 £154.139m has been shown within note 15 (Trade and Other receivables) in respect of such expected reimbursements.

Other Provisions include:

Continuing Healthcare IRP & Ombudsman claims £0.071m

Potential Payments to staff in respect of time off in lieu £0.323m

Employment Tribunal Litigation Cases £0.746m

Holiday Pay on Voluntary Overtime £1.345m

Other provisions considered commercially sensitive £7.545m

Continuing Healthcare Cost uncertainties

Liabilities for continuing healthcare costs continue to be a significant financial issue for the UHB. 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 £0.069m provision made for probable continuing care costs relating to 6 claims received;

Note 21.1 sets out the £0.183m contingent liability for possible continuing care costs relating to 6 claims received;

The UHB is providing £0.018m in respect of 1 Phase 7 (18/19) claim received between 1st April 2018 and 31st March 2019.

The UHB is providing £0.051m in respect of 5 Phase 7 (19/20) claims received between 1st April2019 and 31st March 2020.

For Phase 7 (20/21) 12 claims were received between 1st April 2020 and 31st March 2021, however, due to no claims having yet been completed, the UHB does not currently have sufficient information available regarding the likelihood of claim success to calculate a provision for this Phase.

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20. Provisions (continued)

	At 1 April 2019	structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2020
Current	£000	£000	£000	£000	£000	£000	£000	£000	£000
Clinical negligence:									
Secondary care	116,016	(22,741)	101	2,600	36,822	(24,972)	(3,196)	0	102,530
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	78	0	0	0	402	(211)	(40)	0	273
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	580	0	0	55	2,512	(766)	(285)	11	2,106
All other losses and special payments	0	0	0	0	293	(293)	0	0	0
Defence legal fees and other administration	1,856	0	0	254	1,163	(930)	(517)		1,826
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	180			100	70	(184)	0	4	182
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	11,371		(287)	(13)	1,604	(2,332)	(3,660)		6,683
Total	129,087	(22,741)	(186)	2,902	41,916	(29,688)	(7,725)	15	113,580
Non Current									
Clinical negligence:									
Secondary care	18,894	0	0	(2,600)	689	(690)	(2,778)	0	13,615
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	3,677	0	0	(55)	0	0	0	0	3,622
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	477	0	0	(254)	88	(22)	(5)		284
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	1,101			(100)	0	0	0	0	985
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	713		0	13	85	0	0		811
Total	24,862	0	0	(2,902)	762	(812)	(2,783)	0	19,327
TOTAL									
Clinical negligence:									
Secondary care	133,910	(22,741)	101	0	36,411	(25,662)	(5,974)	0	116,145
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	78	0	0	0	402	(211)	(40)	0	273
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	4,257	0	0	0	2,512	(766)	(285)	11	5,729
All other losses and special payments	0	0	0	0	293	(293)	0	0	0
Defence legal fees and other administration	2,333	0	0	0	1,251	(952)	(522)		2,110
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	1,287			0	70	(184)	0	4	1,177
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	12,084		(287)	0	1,689	(2,332)	(3,660)		7,474
Total	153,949	(22,741)	(186)	0	42,678	(30,300)	(10,508)	15	132,907

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

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 April2018 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.

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21. Contingencies

21.1 Contingent liabilities

	2020-21	2019-20
Provisions have not been made in these accounts for the following amounts :	£'000	£'000
Legal claims for alleged medical or employer negligence:-		
Secondary care	237,556	192,191
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	1,452	1,160
Continuing Health Care costs	183	1,674
Other	0	0
Total value of disputed claims	239,191	195,025
Amounts (recovered) in the event of claims being successful	(236,254)	(190,533)
Net contingent liability	2,937	4,492

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 £2.090m re clinical negligence and £0.664m re personal injury.

Continuing Healthcare Cost uncertainties

Liabilities for continuing healthcare costs continue to be a significant financial issue for the UHB. 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 £0.069m provision made for probable continuing care costs relating to 6 claims received;*
- *Note 21.1 sets out the £0.183m contingent liability for possible continuing care costs relating to 6 claims received.*

The UHB is providing £0.018m in respect of 1 Phase 7 (18/19) claim received between 1st April 2018 and 31st March 2019.

The UHB is providing £0.051m in respect of 5 Phase 7 (19/20) claims received between 1st April 2019 and 31st March 2020.

For Phase 7 (20/21) 12 claims were received between 1st April 2020 and 31st March 2021, however, due to no claims having yet been completed, the UHB does not currently have sufficient information available regarding the likelihood of claim success to calculate a provision for this Phase.

Scheme Pays

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.*

Welsh Government, on behalf of Cardiff & Vale UHB, will pay the members who opt for reimbursement of their pension, a corresponding amount on retirement, ensuring that they are fully compensated for the effect of the deduction.

This scheme will be funded directly by the Welsh Government to the NHS Business Services Authority Pension Division, the administrators on behalf of the Welsh claimants.

Clinical staff have until 31 March 2022 to opt for this scheme and the ability to make changes up to 31 July 2026.

At the date of approval of these accounts, there was insufficient data of take-up of the scheme by the Welsh clinical staff 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 2021, the existence of an unquantified contingent liability is instead disclosed.

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21.2 Remote Contingent liabilities

	2020-21	2019-20
	£'000	£'000
Please disclose the values of the following categories of remote contingent liabilities :		
Guarantees	0	0
Indemnities	25	50
Letters of Comfort	0	0
Total	25	50

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

	2020 21	2019 20
	£'000	£'000
	0	0
	0	0
	0	0
Total	0	0

22. Capital commitments

Contracted capital commitments at 31 March	2020-21	2019-20
	£'000	£'000
Property, plant and equipment	3,540	15,537
Intangible assets	0	0
Total	3,540	15,537

The in year decrease in commitments disclosed is largely due to the progress made in respect of the construction of our major capital schemes.

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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 2021	
	Number	£
Clinical negligence	112	15,841,908
Personal injury	49	442,010
All other losses and special payments	281	1,132,175
Total	442	17,216,093

Analysis of cases which exceed £300,000 and all other cases:

Cases where cumulative amount exceeds £300,000	Number	Case type	Amounts paid out in year £	Cumulative amount £
16RWMMN0056	1	Clinical Negligence	500,000	530,000
15RWMMN0113	1	Clinical Negligence	373,653	768,653
20RWMMN0093	1	Clinical Negligence	810,000	810,000
17RWMMN0052	1	Clinical Negligence	1,700,000	2,175,000
15RWMMN0024	1	Clinical Negligence	2,210,000	2,370,000
14RWMMN0045	1	Clinical Negligence	2,952,000	3,202,000
18RWMMN0016	1	Clinical Negligence	309,250	364,250
15RWMMN0122	1	Clinical Negligence	377,000	377,000
16RWMMN0134	1	Clinical Negligence	58,500	553,500
17RWMMN0170	1	Clinical Negligence	893,000	893,000
17RWMMN0166	1	Clinical Negligence	30,000	1,172,238
13RWMMN0047	1	Clinical Negligence	96,000	1,232,629
16RWMMN0006	1	Clinical Negligence	1,187,000	1,273,000
15RWMMN0010	1	Clinical Negligence	47,500	1,541,000
16RWMMN0007	1	Clinical Negligence	130,000	1,825,000
00RWMMN0008	1	Clinical Negligence	205,000	4,186,000
14RWMMN0019	1	Clinical Negligence	62,500	4,603,487
09RWMMN0026	1	Clinical Negligence	0	1,520,000
17RWMMN0118	1	Clinical Negligence	0	2,485,000
20RWMDP0012	1	Damage to Property	87,638	2,016,694
			0	0
			0	0
			0	0
			0	0
			0	0
			0	0
			0	0
			0	0
			0	0
			0	0
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			0	0
			0	0
			0	0
			0	0
			0	0
			0	0
			0	0
Sub-total	20		12,028,941	33,900,351
All other cases	424		5,188,052	10,615,031
Total cases	444		17,216,093	44,515,382

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24. Finance leases

24.1 Finance lease obligations (as lessee)

During 2020/21 the LHB had one finance lease agreement in place for the lease of a building. The initial term of this lease agreement expired during the year. The LHB also had one finance lease agreement in place for the lease of equipment. The initial term of this agreement also concluded prior to the end of the Financial Year.

Amounts payable under finance leases

Land	31 March 2021 £000	31 March 2020 £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

CARDIFF & VALE UNIVERSITY HEALTH BOARD ANNUAL ACCOUNTS 2020-21		
24.1 Finance leases obligations (as lessee) continued		
Amounts payable under finance leases:		
Buildings	**31 March 2021**	31 March 2020
Minimum lease payments	**£000**	£000
Within one year	0	210
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	(2)
Minimum lease payments	0	208
Included in:		
Current borrowings	0	208
Non-current borrowings	0	0
	0	208
Present value of minimum lease payments		
Within one year	0	206
Between one and five years	0	0
After five years	0	0
Present value of minimum lease payments	0	206
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	0	0
Other	**31 March 2021**	31 March 2020
Minimum lease payments	**£000**	£000
Within one year	0	94
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	(1)
Minimum lease payments	0	93
Included in:		
Current borrowings	0	93
Non-current borrowings	0	0
	0	93
Present value of minimum lease payments		
Within one year	0	92
Between one and five years	0	0
After five years	0	0
Present value of minimum lease payments	0	92
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	0	0

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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 2021	31 March 2020
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

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25. Private Finance Initiative contracts

25.1 PFI schemes off-statement of Financial Position

The LHB has no PFI Schemes off statement of financial position.

Commitments under off-SoFP PFI contracts	Off-SoFP PFI contracts	Off-SoFP PFI contracts
	31 March 2021	31 March 2020
	£000	£000
Total payments due within one year	0	0
Total payments due between 1 and 5 years	0	0
Total payments due thereafter	0	0
Total future payments in relation to PFI contracts	0	0
Total estimated capital value of off-SoFP PFI contracts	0	0

25.2 PFI schemes on-Statement of Financial Position

Capital value of scheme included in Fixed Assets Note 11	£000
	17,431
Contract start date:	31/03/2000
Contract end date:	31/03/2031

On 31st March 2000, a 31 year Private Finance Initiative (PFI) Contract was signed between the former Cardiff & Vale Trust and IMC (Impregilo/Macob consortium) for the provision of a new hospital to be built on the former St. David's site. The hospital, which opened on 1st March 2002 provides a range of services but primarily services linked to the care for older people. The estimated capital value of the scheme at the time of construction was £13.847m and the annual payments to be made for the provision of the site and for a range of facilities management services is £3.842m.

Total obligations for on-statement of Financial Position PFI contracts due:

	On SoFP PFI Capital element	On SoFP PFI Imputed interest	On SoFP PFI Service charges
	31 March 2021	31 March 2021	31 March 2021
	£000	£000	£000
Total payments due within one year	345	1,100	2,368
Total payments due between 1 and 5 years	2,281	4,077	9,230
Total payments due thereafter	5,795	2,422	15,165
Total future payments in relation to PFI contracts	8,425	7,679	26,763

	On SoFP PFI Capital element	On SoFP PFI Imputed interest	On SoFP PFI Service charges
	31 March 2020	31 March 2020	31 March 2020
	£000	£000	£000
Total payments due within one year	283	1,222	2,347
Total payments due between 1 and 5 years	1,901	4,360	9,147
Total payments due thereafter	6,524	3,319	13,269
Total future payments in relation to PFI contracts	8,708	8,901	24,763

	31 March 2021
	£000
Total present value of obligations for on-SoFP PFI contracts	20,204

IT & VALE UNIVERSITY HEALTH BOARD ANNUAL ACCOUNTS 2020-21		
25.3 Charges to expenditure	**2020-21**	2019-20
	£000	£000
Service charges for On Statement of Financial Position PFI contracts (excl interest costs)	2,337	2,279
Total expense for Off Statement of Financial Position PFI contracts	0	0
The total charged in the year to expenditure in respect of PFI contracts	2,337	2,279
The LHB is committed to the following annual charges		
	31 March 2021	31 March 2020
PFI scheme expiry date.	£000	£000
Not later than one year	2,368	2,347
Later than one year, not later than five years	9,230	9,147
Later than five years	15,165	13,289
Total	26,763	24,783
The estimated annual payments in future years will vary from those which the LHB is committed to make during the next year by the impact of movement in the Retail Prices Index.		
25.4 Number of PFI contracts		
	Number of on SoFP PFI contracts	**Number of off SoFP PFI contracts**
Number of PFI contracts	1	0
Number of PFI contracts which individually have a total commitment > £500m	0	0
PFI Contract	**On / Off-statement of financial position**	
Number of PFI contracts which individually have a total commitment > £500m	0	
PFI Contract		
	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) Scheme during 2020/21 as set out below:		
Llandough Hospital Staff Accommodation		
On 28th October 1999, the former University Hospital and Llandough NHS Trust entered into an agreement with Charter Housing for the design, construction, fitout and the subsequent operation of its staff accommodation at Llandough Hospital. The contract period is 25 years; however during 2020-21 Charter Housing had all its assets, liabilities and contractual obligations transferred into a new company Pobl Homes and Communities Limited.		

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 £1.023m and the land at £0.574m on the LHB's statement of financial position (note 11).

On initial recognition of the asset a deferred income creditor balance was recognised in the LHB's accounts at a value of £0.454m. In line with Department of Health Guidance this creditor is being released to the SoCNE annually over the 25 year life of the contract. The amount that has been credited to operating expenses in 2020/21 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.

CARDIFF & VALE UNIVERSITY HEALTH BOARD ANNUAL ACCOUNTS 2020-21		
27. Movements in working capital		
	2020-21	2019-20
	£000	£000
(Increase)/decrease in inventories	**100**	142
(Increase)/decrease in trade and other receivables - non-current	**11,130**	3,653
(Increase)/decrease in trade and other receivables - current	**(28,409)**	15,382
Increase/(decrease) in trade and other payables - non-current	**(349)**	(584)
Increase/(decrease) in trade and other payables - current	**36,318**	8,103
Total	**18,790**	26,696
Adjustment for accrual movements in fixed assets - creditors	**(5,064)**	(5,329)
Adjustment for accrual movements in fixed assets - debtors	**0**	0
Other adjustments	**7,503**	524
	21,229	21,891
28. Other cash flow adjustments		
	2020-21	2019-20
	£000	£000
Depreciation	**30,525**	29,962
Amortisation	**814**	855
(Gains)/Loss on Disposal	**68**	(2,175)
Impairments and reversals	**10,707**	20,313
Release of PFI deferred credits	**(18)**	(18)
NWSSP Covid assets issued debited to expenditure but non-cash	**(6,064)**	0
Covid assets received credited to revenue but non-cash	**0**	0
Donated assets received credited to revenue but non cash	**(297)**	(1,107)
Government Grant assets received credited to revenue but non-cash	**(591)**	0
Non-cash movements in provisions	**29,135**	9,258
Other movements	**29,617**	27,078
Total	**93,096**	84,166
Other movements relate to Staff Employer Pensions Contributions - Notional Element (Note 34.1)		

29. Events after the Reporting Period

The LHB has not experienced any events having a material effect on the accounts, between the date of the statement of financial position and the date on which these accounts were approved by its Board.

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on 10th June 2021 and are expected to be certified by the Auditor General for Wales on 15th June 2021.

30. Related Party Transactions

The Welsh Government is regarded as a related party. During the year the LHB 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	Expenditure to related party	Income from related party	Amounts owed to related party	Amounts due from related party
	£000	£000	£000	£000
Welsh Government	12	1,243,445	12	1,520
Swansea Bay University Health Board	5,790	8,821	611	666
Aneurin Bevan University Health Board	3,441	34,203	746	1,566
Betsi Cadwaladar University Health Board	243	861	141	1,566
Cwm Taf Morgannwg University Health Board	16,491	31,885	392	1,716
Hywel Dda University Health Board	462	6,317	70	1,470
Powys Teaching Health Board	39	2,078	124	489
Wales Ambulance NHS Trust	4,678	62	389	3
Velindre NHS Trust	48,082	5,026	5,127	1,710
Welsh Health Specialised Services Committee	137,992	267,201	4,441	3,322
Public Health Wales Trust	6,846	6,110	1,138	1,214
Health Education and Improvement Wales		21,680		220
	224,102	1,624,759	13,191	15,471

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

Charles Janczewski is Chair of the Cardiff and Vale Health Board. He is also Chair of Governance Board for Health & Wellbeing Academy at **Swansea University**.

Mrs Eileen Brandeth was an Independent Member of Cardiff and Vale University Health Board up to the 31/03/2021. She is also Chief Information Officer at **Cardiff University**.

Len Richards is Chief Executive of the Cardiff and Vale University Health Board. He was also advisor to the Life Sciences Hub Wales Board (**Welsh Government**). Until December 2020 and from January 2021 he is a Non-Executive Director of the Life Sciences Hub Wales Board (**Welsh Government**). He is also a Council Member of **Cardiff University**.

Prof Gary Baxter is an Independent Member of Cardiff and Vale University Health Board. He is Professor of Pharmacology at **Cardiff University** and a member of Life Sciences Hub Wales Board (**Welsh Government**).

Stuart Walker is the Executive Medical Director and Deputy Chief Executive (from 01/03/2021) of Cardiff and Vale University Health Board. His sister is Head of Regulatory Affairs/ Senior Pharmacist at **Gilead Sciences Ltd.**

Mrs Abigail Harris is the Executive Director of Strategic Planning for Cardiff & Vale University Health Board. Her Uncle is a **Trustee of Teenage Cancer Trust.** She is also an Independent Board Member of **Social Care Wales.**

Christopher Lewis was Interim Executive Director of Finance from 1.09.20 to 28.2.21. He is President of Wales Branch of the **Healthcare Financial Management Association (HFMA).** His wife is Assistant/Deputy Director of Finance **Swansea Bay University Health Board.**

Lance Carver is an Associate Member of Cardiff and Vale University Health Board and the Director of Social Services in the **Vale of Glamorgan Council.**

CARDIFF & VALE UNIVERSITY HEALTH BOARD ANNUAL ACCOUNTS 2020-21

Fiona Jenkins is the Executive Director Therapies and Health Science of Cardiff and Vale University Health Board. She is also Interim Executive Director Therapies and Health Sciences at **Cwm Taf Morgannwg University Health Board.** This is a dual role.

Sara Moseley is an Independent Member of Cardiff and Vale University Health Board. She is also the Executive Director of **Mind Cymru.**

Fiona Kinghorn is Executive Director of Public Health for Cardiff and Vale University Health Board. Her Husband is Group Director for Community and Childrens Services **Rhondda Cynon Taf Council.**

Susan Elsmore is an Independent Member of Cardiff and Vale University Health Board and Cabinet Member for Social Care Health & Wellbeing for **Cardiff Council.**

Hanuk Akmal 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 Internship and Business Valleys Taskforce **Welsh Government**. He is also a part-time Business Tutor at **Cardiff Metropolitan University.**

Jonathon Gray is Director of Improvement and Innovation for Cardiff and Vale University Health Board. He is also Clinical Director for the Life Sciences Hub (**Welsh Government**). His Brother-in-law is a Director at **Ernst & Young**

Rhian Thomas is an Independent Member of Cardiff and Vale University Health Board. She is also a member of Glas Cymru Holdings (**Welsh Water**) She is also a Senior Lecturer at the **University of South Wales**

CARDIFF & VALE UNIVERSITY HEALTH BOARD ANNUAL ACCOUNTS 2020-21

30. Related Party Transactions (Continued)

The material transactions involving the related parties were as follows unless shown in the table re Welsh Government Bodies on page 208

	Expenditure to related party	Income from related party	Amounts owed to related party	Amounts due from related party
	£'000	£'000	£'000	£'000
Cardiff and Vale Health Board Charity		953		66
Health Finance Management Association			3	
Mind Cymru	13		25	
Cardiff Mind	462		128	
Mind	384		11	
University of South Wales			41	
Ernst & Young	123		57	
Rhondda Cynon Taff Council	104	40		30
Gilead Sciences				-14
Cardiff University	7,772	6,728	2,280	2,787
Teenage Cancer Trust		107		59
Swansea University	266	132	51	80
Cardiff Metropolitan University	110	54	52	3
Social Care Wales		7		
Welsh Water		15	213	
Vale of Glamorgan Council	9,996	1,767	1,792	555
Cardiff Council	29,021	10,573	6,227	2,749
Total £'000s	48,251	20,356	10,880	6,315

We bring to your attention that during 2020/21 a total of £0.99 was written off for one invoice to Cardiff Council, £0.02 for two invoices relating to Cardiff University and £0.01 relating to one invoice for Swansea University.

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, Personal Injury and other qualifying claims. During 2020/21 the LHB has received settlements of £12.991m in respect of claims made. In addition as at March 31st the LHB had a debtor balance of £154.139m 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.

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 £220,611 cash at bank and in hand at 31 March 2021 (31 March 2020, £192,291) 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 2020-21 or 2019-20.

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 31 March 2021 amounted to £8,621,894 (£11,080,726 as at 31st March 2020).

32. Pooled Budgets

The Health Board has entered into a pooled budget arrangement with Cardiff and Vale of Glamorgan Local Authorities, as permissible under section 33 of the NHS (Wales) Act 2006 for the operation of a Joint Equipment Store (JES).The purpose of the JES is the provision and delivery of common equipment and consumables to patients who are resident in the localities of the partners to the pooled budget. The pooled budget arrangement became operational from 1st January 2012.

The pool is hosted by Cardiff Council, who are the lead body and act as principal for this scheme. The financial operation of the pool is governed by a pooled budget agreement between Cardiff Council, Vale of Glamorgan Council and the Health Board. Currently the Health Board will make payments to Cardiff Council on receipt of an invoice in line with the agreed contributions to the pooled budget as set out in the agreement. Expenditure incurred will be subject to regular review by the partners to the agreement. Any expenditure incurred by Cardiff Council above the agreed contributions in respect of NHS equipment and consumables will be invoiced separately. As the funding for the UHB's contribution to the pooled budget has not yet been top sliced and is being provided via invoicing, then no adjustment in respect of the income and expenditure arising from the activities of the pooled budget is required in these accounts. In addition as the UHB's proportion of the assets and liabilities held by the pool are not material in relation to the UHB, they have therefore not been consolidated within these financial statements.

The JES service had an agreed budget for the 2020-21 of £1.969m of which Cardiff & Vale UHB's contribution was £1.276m. In addition Cardiff and Vale made an agreed contribution of £0.041m towards the cost of two drivers/installers.

Overall the Pooled Budget was underspent by £0.008m in the year. The Health element of the underspend was £0.011m and Cardiff & Vale has accounted for this in its annual accounts for the year ended 31/3/21.

The UHB received £3.191m 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.

Also during 2020-21 Welsh Government passed funding for Integrated Family Support Services directly to Cardiff Council. From this allocation, £92,274 was passed to Cardiff & Vale UHB. This allocation has funded 2 Band 7 integrated Support workers with a Nursing background for the period 01/04/20 to 31/03/21, 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 2020/21 were £25,117,770.

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 2020/21 these accounts contain income of £3.568m and expenditure of £2.938m in respect of WEQAS. The U HB does not consider the amounts involved to be sufficiently material to be reported as a separate segment.

34. Other Information

34.1. 6.3% Staff Employer Pension Contributions - Notional Element

The value of notional transactions is based on estimated costs for the twelve month period 1 April 2020 to 31 March 2021.

This has been calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions between April 2020 and February 2021 alongside Health Board/Trust/SHA data for March 2021.

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:

	2020-21	2019-20
Statement of Comprehensive Net Expenditure for the year ended 31 March 2021	£000	£000
Expenditure on Primary Healthcare Services	760	577
Expenditure on Hospital and Community Health Services	28,857	26,501
Statement of Changes in Taxpayers' Equity For the year ended 31 March 2021		
Net operating cost for the year	29,617	27,078
Notional Welsh Government Funding	29,617	27,078
Statement of Cash Flows for year ended 31 March 2021		
Net operating cost for the financial year	29,617	27,078
Other cash flowadjustments	(29,617)	(27,078)
2.1 Revenue Resource Performance		
Revenue Resource Allocation	29,617	27,078
3. Analysis of gross operating costs		
3.1 Expenditure on Primary Healthcare Services		
General Medical Services	0	0
3.3 Expenditure on Hospital and Community Health Services		
Directors' costs	102	52
Staff costs	29,515	27,026
9.1 Employee costs		
Permanent Staff		
Employer contributions to NHS Pension Scheme	29,617	27,078
Charged to capital	0	0
Charged to revenue	29,617	27,078
18. Trade and other payables		
Current		
Pensions: staff	0	0
28. Other cash flow adjustments		
Other movements	29,617	27,078

CARDIFF & VALE UNIVERSITY HEALTH BOARD ANNUAL ACCOUNTS 2020-21	
34. Other Information	
34.2. Other (continued)	
Welsh Government Covid 19 Funding	
	2020-21
	£000
Capital	
Capital Funding Field Hospitals	36,022
Capital Funding Equipment & Works	17,157
Capital Funding other (Specify)	-
Welsh Government Covid 19 Capital Funding	**53,179**
Revenue	
Sustainability Funding	50,100
C-19 Pay Costs Q1 (Future Quarters covered by SF)	11,016
Field Hospital (Set Up Costs, Decommissioning & Consequential losses)	53,203
PPE (including All Wales Equipment via NWSSP)	7,965
TTP- Testing & Sampling - Pay & Non Pay	2,882
TTP - NHS & LA Tracing - Pay & Non Pay	6,652
Vaccination - Extended Flu Programme	570
Vaccination - COVID-19	5,507
Bonus Payment	17,285
Annual Leave Accrual - Increase due to Covid	8,798
Urgent & Emergency Care	3,243
Support for Adult Social Care Providers	4,141
Hospices	-
Independent Health Sector	1,036
Mental Health	805
Other Primary Care	1,287
Other	1,630
Welsh Government Covid 19 Revenue Funding	**176,120**

34. Other Information

34.3 Implementation of IFRS 16

HM Treasury agreed with the Financial Reporting Advisory Board (FRAB), to defer the implementation of IFRS 16 Leases until 1 April 2022, 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 have a significant impact and this will be worked through for disclosure in our 2021-22 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 £0.430m.

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.

21. Conclusion and forward look

Looking ahead, Cardiff and Vale UHB aim to build on some of the innovative ways of working to improve healthcare quality and the safety of patients and staff across the whole patient pathway, to help evidence the duties of quality and candour set out in the Health and Social Care (Quality and Engagement) (Wales) Act 2020.

As we move towards the full recovery phase and enter a post-pandemic world, we will reflect on the experiences of governing during the COVID-19 crisis and ensure that we continue to retain and refine some of our new ways of working to ensure an effective and efficient health care service, including:

- *We will continue to hold virtual Board meetings as they have proven to be an efficient and effective way of working and have also enabled boards and committees to maintain and, in some respects, enhance openness and transparency.*
- *We will retain and refine the agile approaches to decision making to enable and facilitate innovation, transformation and learning on an ongoing basis*
- *reviewing and reshaping our vision and priorities to ensure they're appropriate*
- *maintaining and enhancing new forms and ways of communication introduced during the pandemic to sustain collaboration, partnership working, and public engagement while we coexist with COVID.*

The recovery phase offers the opportunity to transform patient-care, learn from patient and staff feedback over the last year and lock in operational improvements to make access easier. This will be coupled with the reset of our services as we work through the inevitable increase in waiting times to provide a service for our population and building resilience for the future.

Managing public expectations about what our services can offer, how they can be accessed and our capabilities will be really important as we continue with a multi disciplinary approach to care with combined face to face and virtual sessions appropriate to our populations needs. Our response and approach will be even more crucial as we plan for the longer term as we know we will need to continue adapting so we coexist with COVID. The need for patients to access COVID-19 related health and care services are likely to continue and the longer-term health impacts of COVID-19 may present additional demands on services for months and potentially years.

Cardiff and Vale University Health Board
COVID-19: One Year On

#CAVOneYearOn

Appendix 1

Dates of Board and Committee Meetings Held During 2020-2021

Due to the pressures associated with COVID-19, the Health Board 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.

The Table x outlines dates of Board and Committee meetings held during **2020-2021,** highlighting any meetings that were inquorate:

Table 1 - Dates of Board and Committee meetings held during **2020-2021**

Board/Committee	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March
Board	x	28	29	30	x	24	x	26	17	28	25	25
Board of Trustee		26		23 Special		22		17 Special		26		
Audit Committee	21	28 Workshop	29 Special	07		08		17			09	
Charitable Funds		05	23 Special	08 Special		01		03				16
Digital Health & Intelligence			09	09 Special			08				11	
Finance	29	27	24	29	26	23	28	25	30	27	24	24
Health & Safety	30							24		5		30

Mental Health & Capacity Legislation				21			20			19		
Quality, Safety & experience	14		16			08	13 Special		15		16	
Remuneration & Terms of Service					06		09 & 15	04	16			26
Strategy & Delivery		12		14		15		10		12		09

All meetings held were quorate.

Table 2 - Dates of Advisory Group meetings held during **2020-2021**

Advisory Groups	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March
Stakeholder Reference				22		23		24		26		23
Healthcare Professional Forum												
Local Partnership Forum		21	18		03		22		09 & 16		12	

The Health Board are also representatives on the following Joint Committees:

- Welsh Health Specialised Services Committee (WHSSC)
- Emergency Ambulance Services Committee (EASC)
- NHS Wales Shared Services Partnership Committee (SSPC)

Assurance reports/bulletins from the above Committees are captured on the Board agenda as required.